GLOBALISATION AND ITS INFLUENCE ON THE PERFORMANCE OF MANUFACTURING SMALL AND MEDIM ENTERPRISES IN EDO STATE.

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BENIN CITY

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BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF BENIN, BENIN CITY. IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE BACHELOR OF SCIENCE (B.Sc) DEGREE IN BUSINESS ADMINISTRATION

NOVEMBER, 2025.

DECLARATION

I, hereby declare that:

i. This study is based on a study undertaken by me in the Department of Business Administration, Faculty of Management Sciences, University of Benin, Benin City, under the supervision of Mrs. E. R. Isokpan.

ii. This work has not been submitted for the award of a degree elsewhere.

iii. All Ideas and views are product of my personal research and where the view of others has been expressed, they have been duly acknowledged.

iv. Any liability arising from this work is to be wholly borne by me alone.

_____ _____

Aghogho Happiness ONOGBO **DATE**
MGS2104862

CERTIFICATION

We certify that this research project was carried out by **Aghogho Happiness ONOGBO** in partial fulfilment for the award of Bachelor of Science (B.Sc.) degree in Business Administration, Faculty of Management Sciences, University of Benin, Benin City, Nigeria.

_____ _____

Mrs. E. R. Isokpan **Date**
(Project Supevisor)

_____ _____

Dr. S. A. Adekunle **Date**
(Project Coordinator)

_____ _____

Dr. D. O. Ogbeide **Date**
(Ag. Head of Department)

DEDICATION

This project is exclusively dedicated to the loving memory of my dear father, Late Mr. Roland Onogbo, who departed this life on the 17th of October 2004. I so much wished he is alive today to witness my success and progress. May his gentle soul continue to rest in the bossom of God. Amen

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ABSTRACT

This study examined the impact of globalisation on the performance of manufacturing Small and Medium Enterprises (SMEs) in Edo State, Nigeria. The research specifically investigated the effects of economic, technological, political, and cultural dimensions of globalisation on SME performance. A total of 231 structured questionnaires were distributed and retrieved from owners of selected manufacturing SMEs in Oredo Local Government Area, Benin Metropolis. Both descriptive and inferential statistics, including regression analysis, were conducted using SPSS version 22. The findings revealed that economic globalisation (B = 0.567, p = 0.000) and technological globalisation (B = 0.219, p = 0.005) have strong positive and significant effects on SME performance, indicating that access to global markets, investment, and technology diffusion enhances competitiveness. Cultural globalisation (B = 0.122, p = 0.048) was found to exert a modest but significant positive influence, showing that cultural exposure improves product innovation and market adaptability. However, political globalisation (B = -0.002, p = 0.979) showed no significant effect, suggesting limited institutional impact on SME international integration. Based on these findings, the study recommends that policymakers strengthen trade facilitation, support technology adoption, foster cultural branding, and reform governance structures to enhance SME participation in the global economy.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Manufacturing small and medium enterprises (SMEs) in Edo State play a critical role in local industrialization, employment generation, and the diversification of the state's economy. These enterprises, ranging from furniture making, food processing, and metal works to textiles, constitute a significant part of the industrial base within urban and semi-urban areas of Edo State. However, as global economic forces intensify, these SMEs are increasingly exposed to both the opportunities and pressures imposed by globalization.

Globalization, in its many forms, reshapes trade, technology, policy, and culture. Economic globalization offers possibilities for manufacturing SMEs to participate in wider markets beyond state and national boundaries, access imported inputs and capital, and benefit from foreign investment and trade liberalization (Oladimeji, Ebodaghe & Shobayo, 2017; Nyeche, Amadi & Kpagih, 2022). For Edo State's manufacturing SMEs, such opportunities could translate into increased profitability, improved productivity, and expansion beyond local markets.

Technological globalization also plays a significant role. The adoption of innovations, digital tools, and modern production techniques can enable manufacturing SMEs to improve their efficiency, meet quality standards required for external markets, and reduce costs (Lal, 2007). However, in many Nigerian states including Edo, infrastructural constraints—such as

inconsistent power supply, limited access to ICT infrastructure, and low absorptive capacity in firms—impede the full realization of these benefits.

Political globalization—through trade policies, regulations, and international agreements—affects the operating environment of SMEs. Favorable policies can reduce barriers to export, streamline import/export procedures, and encourage governmental support programs. Conversely, misaligned regulations, burdensome administrative requirements, and inconsistent enforcement undermine SME capacity to compete globally. Cultural globalization, once less considered in business research, also influences consumer preferences, branding, and business strategy; manufacturing SMEs in Edo State must increasingly adjust their offerings and marketing practices to align with global tastes and styles.

Despite the promise of globalization, there are reports that in certain empirical contexts in Nigeria, globalization does not uniformly enhance SME performance. Some studies report that economic globalization may hinder output growth for manufacturing sectors under weak institutional quality (Agu, Mba, Ogbuabor & Odoemelam, 2024; Nyeche et al., 2022). Others note that though globalization encourages technology adoption, many firms remain constrained by local challenges including finance, infrastructure, and managerial capacity.

Given the mixed findings in other parts of Nigeria and the unique socio-economic context of Edo State, it becomes essential to investigate how economic, technological, political, and cultural dimensions of globalization influence manufacturing SMEs specifically in this state. The focus here is to identify not just whether globalization has an influence, but how those

distinct dimensions translate into performance outcomes such as growth, profitability, productivity, competitiveness, and sustainability for SMEs in Edo State. This understanding is necessary for policy makers, business owners, and development agencies aiming to design locally relevant strategies that maximise the benefits of globalization and minimize its risks.

1.2 Statement of Research Problem

Small and medium enterprises (SMEs) in the manufacturing sector are widely recognized as engines of economic development, job creation, and industrialization. In Edo State, manufacturing SMEs contribute significantly to local livelihoods and the diversification of the economy. However, despite their importance, these enterprises face multiple challenges in adapting to the rapidly globalizing economic environment. Globalization has opened new opportunities for access to international markets, foreign technologies, and global value chains, yet it has also introduced heightened competition, technological demands, and policy pressures (Nyeche, Amadi, & Kpagih, 2022).

The first major problem is that while globalization provides access to larger markets, many SMEs in Edo State are unable to meet the quality, scale, and regulatory standards required to compete internationally. As a result, their participation in international trade remains limited compared to larger firms (Agu, Mba, Ogbuabor, & Odoemelam, 2024). This underperformance suggests that globalization has not translated into the anticipated export growth and competitiveness for many local manufacturing SMEs.

Secondly, globalization fosters the diffusion of modern technology, which can enhance productivity and efficiency. Yet, in the case of Edo State, poor infrastructure, inadequate financing, and low absorptive capacity of firms often prevent SMEs from adopting advanced technologies (Lal, 2007). This technological gap has left many local enterprises reliant on outdated production processes, making the vulnerable to global competition.

Furthermore, globalization has a political dimension that is particularly relevant in Nigeria. Trade liberalization policies and international agreements are expected to create an enabling environment for SME growth. However, inconsistent policy implementation, bureaucratic bottlenecks, and weak institutional support have created uncertainties that undermine SME competitiveness (Oladimeji, Ebodaghe, & Shobayo, 2017). In Edo State, manufacturing SMEs often encounter regulatory challenges and limited government support in integrating into global markets.

Finally, cultural globalization influences consumer behavior and market preferences. While this presents opportunities for SMEs to innovate and diversify products, many Edo-based firms struggle to adapt their offerings to changing global consumer trends. This has contributed to limited brand recognition and reduced competitiveness in both domestic and international markets.

Given these challenges, it is unclear whether globalization has had a predominantly positive or negative influence on manufacturing SMEs in Edo State. While some studies in Nigeria suggest globalization can boost output under supportive conditions (Nyeche et al., 2022), others argue

that globalization has hindered manufacturing growth due to weak institutions (Agu et al., 2024). This mixed evidence underscores the need for a localized investigation into how globalization—across its economic, technological, political, and cultural dimensions—affects the growth, productivity, and sustainability of SMEs in the manufacturing sector of Edo State.

1.3 Research Questions

The following Research Questions were raised to guide the study:

1. What is the effect of economic globalization on the performance of manufacturing SMEs in Edo State?
2. How does technological globalization influence SME growth and competitiveness in Edo State?
3. What impact does political globalization have on the operations of manufacturing SMEs in Edo State?
4. In what ways does cultural globalization shape the strategies of SMEs in Edo State?
5. How can SMEs in Edo State leverage globalization to improve productivity, profitability, and sustainability?

1.4 Objectives of the Study

The broad objectives of this study is to examine the influence of Globalization

The specific objectives of the study are to:

1. Assess the effect of economic globalization on the performance of SMEs in manufacturing industries in Edo State.

2. Examine the influence of technological globalization on SME growth and competitiveness in manufacturing industries in Edo State.
3. Investigate the impact of political globalization on the operations of SMEs in manufacturing industries in Edo State.
4. Analyze how cultural globalization shapes SME strategies in manufacturing industries in Edo State.

1.5 Research Hypotheses

To provide answers to the research questions, the study will test the following hypotheses null form:

H_{o1}: Economic globalization has no significant effect on the performance of manufacturing SMEs in Edo State.

H_{o2}: Technological globalization does not significantly influence SME growth and competitiveness in Edo State.

H_{o3}: Political globalization has no significant impact on the operations of manufacturing SMEs in Edo State.

H_{o4}: Cultural globalization does not significantly shape the strategies of SMEs in Edo State.

H_{o5}: Globalization does not significantly improve productivity, profitability, and sustainability of SMEs in Edo State.

1.6 Scope of the Study

This study is limited to examining the influence of globalization on the performance of small and medium enterprises (SMEs) in the manufacturing industry in Edo State, Nigeria. The emphasis on Edo State is based on its strategic role as an emerging industrial hub in the South-South region, with manufacturing activities ranging from food processing, furniture making, textiles, metal works, and other light industries.

The study specifically covers the four main dimensions of globalization—economic, technological, political, and cultural—and how they affect SME performance in areas such as growth, profitability, productivity, competitiveness, and sustainability. Other sectors outside manufacturing, such as services, agriculture, and trade, are not included in this research.

The time frame of the study will focus on recent trends and developments over the past decade, reflecting how globalization has influenced manufacturing SMEs in Edo State during Nigeria's ongoing economic reforms and global integration efforts.

By narrowing the scope to Edo State and the manufacturing sector, the study aims to provide more detailed, context-specific insights that can guide local policymakers, SME owners, and development agencies in promoting sustainable industrial growth within the state.

1.7 Significance and Relevance of the Study

This study is significant because it addresses the growing need to understand how globalization affects small and medium enterprises (SMEs) in Nigeria, with particular emphasis on the manufacturing sector in Edo State. Manufacturing SMEs are central to the economic growth of the state as they contribute to job creation, value addition, industrialization, and poverty

alleviation. However, in the face of globalization, their operations and performance are increasingly influenced by factors such as international trade, technological change, cultural integration, and policy reforms.

First, the study is important for SME owners and managers in Edo State. By examining how globalization affects productivity, profitability, and competitiveness, the study will provide insights that can help entrepreneurs develop effective strategies to integrate into global markets, adopt relevant technologies, and respond to shifts in consumer preferences. It will also highlight challenges such as infrastructural gaps, technological constraints, and global competition, enabling SME operators to make informed business decisions.

Second, the study has implications for policy makers and government agencies at both state and federal levels. Edo State is strategically positioned as a hub for manufacturing activities in southern Nigeria. Findings from this research will guide the development of policies that support SMEs to maximize the benefits of globalization, including export promotion, financial access, infrastructure development, and capacity building. Policy makers can use the results to craft tailored interventions that reduce the risks of globalization while enhancing the competitiveness of local enterprises.

Third, the study contributes to the academic and research community by filling a knowledge gap. Although several studies have examined globalization and SMEs in Nigeria generally, very few have focused specifically on the manufacturing sector in Edo State. This research, therefore, adds to existing literature by providing localized evidence on how globalization

shapes SME performance, thereby offering a foundation for further empirical investigations and comparative studies across different regions.

Finally, the study will be useful to development partners and international organizations working in Nigeria. Agencies that promote SME development, entrepreneurship, and industrialization can benefit from the findings in designing support programs that enhance the ability of manufacturing SMEs in Edo State to thrive under globalization.

In summary, the significance of this study lies in its contribution to multiple stakeholders—business owners, policy makers, researchers, and development agencies—who are collectively responsible for strengthening the role of manufacturing SMEs in driving sustainable economic development in Edo State and Nigeria as a whole.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews existing literature related to globalization and its influence on small and medium enterprises (SMEs). The aim is to provide both a conceptual and empirical foundation for the study, while identifying gaps that justify the research. Globalization has emerged as one of the most significant forces shaping modern economies, affecting trade, investment, technology transfer, and business competitiveness. Through this structure, the literature review builds a strong basis for analyzing the opportunities and challenges that globalization presents to SMEs and provides insights that guide the formulation of the research questions and hypotheses.

2.2 Conceptual Framework

A conceptual framework provides the theoretical and empirical foundation that guides the research process. It illustrates how key concepts, variables, and constructs relate to one another in addressing the research problem. For this study, the conceptual framework focuses on the interaction between globalization and SMEs in the manufacturing industry, highlighting the dimensions of globalization—economic, technological, political, and cultural—and how these affect the performance, competitiveness, and sustainability of SMEs.

2.2.1 Concept of Globalization

Globalization is one of the most debated and influential phenomena shaping the contemporary world economy, social structures, cultural dynamics, and political institutions. At its core, globalization refers to the growing interconnectedness and interdependence of countries, economies, and societies across the globe. It is both a process and an outcome—driven by advances in technology, liberalization of trade and finance, human mobility, and the diffusion of ideas and values (Held, McGrew, Goldblatt, & Perraton, 1999). While globalization is not a new phenomenon—historical accounts of trade along the Silk Road and colonial exchanges point to earlier global linkages—its intensity, speed, and breadth in the 20th and 21st centuries mark a new phase of human interaction (Robertson, 1992).

The idea of globalization has been explored across multiple dimensions. McLuhan (1964) famously described the world as a "global village," emphasizing the role of technology in shrinking time and space. Giddens (1990) further explained globalization as the intensification of worldwide social relations, linking distant localities in such a way that local happenings are shaped by events occurring miles away. Robertson (1992) defined it as the "compression of the world and the intensification of consciousness of the world as a whole," highlighting its socio-cultural dimension. Held et al. (1999) stressed globalization's multidimensional nature, covering economic, political, cultural, and technological aspects.

Keohane and Nye (2000) emphasized the political and institutional transformations globalization brings, focusing on how governance systems and supranational institutions

influence global integration. Gilpin (2001) noted the crucial role of international organizations such as the WTO and IMF in regulating flows. Pieterse (2009) highlighted cultural globalization, showing how consumer products, languages, and values diffuse across borders, creating both risks of homogenization and opportunities for cultural hybridity. Vertovec (2009) explained the social dimension, pointing to migration, diaspora networks, and labor mobility as drivers of cross-border business opportunities.

Technological advancements have also been identified as powerful drivers. Castells (2010) pointed out how communication and digital technologies facilitate knowledge-sharing and cross-border collaboration. Apulu and Latham (2011) showed that, while technology enables SMEs to compete globally, many still face challenges in adopting it fully. Krugman, Obstfeld, and Melitz (2012) argued that globalization fosters unprecedented opportunities for firms through trade expansion and participation in global value chains.

From an economic perspective, Gereffi and Fernandez-Stark (2011) underscored the role of global value chains (GVCs), where SMEs contribute by supplying intermediate goods or services. Hitt, Ireland, and Hoskisson (2016) noted that manufacturing globalization accelerated in the late 20th century due to outsourcing, foreign direct investment, and international production networks. Nadvi (2004) cautioned that SMEs in developing economies often lack infrastructure and institutional support to fully exploit globalization's benefits. Similarly, Kowalski (2011) highlighted risks of vulnerability to global market shocks such as the 2008 financial crisis.

More recently, Gereffi, Humphrey, and Sturgeon (2005) emphasized the strategic importance of SMEs adapting to global networks to achieve competitiveness. Nigerian scholars have deepened this discourse: Obeleagu-Nzelibe and Moruku (2023) argued that globalization has restructured Nigeria's business environment, compelling SMEs in manufacturing to adopt new strategies. Chukwuka, Metu, Nwokoye, and Madueke (2025) observed that while globalization exposes Nigerian SMEs to competition, it also opens new market opportunities.

Ultimately, globalization can be understood as a multifaceted process that reshapes economic, political, cultural, and technological landscapes. It is not a uniform or one-directional phenomenon but a dynamic process with uneven outcomes. For SMEs in manufacturing, globalization presents both pathways for growth and risks of marginalization, making it a central concept in understanding their development in the modern global economy.

2.2.2 Economic Dimension of Globalization

The economic dimension of globalization refers to the growing integration of national economies through trade, investment, production, and financial flows across borders. It is one of the most visible and impactful aspects of globalization because it directly shapes how businesses operate, expand, and compete in an increasingly interconnected world. For small and medium enterprises (SMEs), particularly those in the manufacturing sector, economic globalization provides both significant opportunities and challenges that influence their survival and competitiveness (Stiglitz, 2007).

One of the earliest perspectives on economic globalization emphasizes international entrepreneurship. Oviatt and McDougall (1994) argued that the liberalization of global trade allows firms, including SMEs, to internationalize more rapidly by accessing foreign markets and diversifying revenue streams. This exposure enhances profitability and encourages SMEs to adopt global production standards in order to remain competitive.

The emergence of global value chains (GVCs) highlights the interconnectedness of production across borders. Humphrey and Schmitz (2002) showed that manufacturing SMEs play vital roles within these chains, often contributing niche skills, low-cost production, or specialized inputs. Their participation not only increases international exposure but also fosters knowledge spillovers that improve productivity and innovation capacity. Gereffi, Humphrey, and Sturgeon (2005) later reinforced this by illustrating how SMEs integrate into supplier networks, benefiting from technology transfer, financial linkages, and exposure to international standards.

Access to finance has also been shaped by globalization. Berger and Udell (2006) observed that economic globalization opened financial markets to SMEs, enabling them to secure funding from international investors, venture capital, and development finance institutions. However, challenges such as financial exclusion and currency risks remain common in developing economies.

Stiglitz (2007) argued that while globalization brings opportunities, it also exposes SMEs to vulnerabilities such as global market shocks and institutional inequalities that limit equitable benefits. Nadvi (2004) similarly noted that SMEs in developing countries face structural

barriers—including weak infrastructure and limited bargaining power—that constrain their ability to fully benefit from international integration.

The risks of global interconnectedness became evident during financial disruptions. Kowalski (2011) highlighted how the 2008 global financial crisis disrupted trade flows and weakened credit access, disproportionately affecting SMEs with less resilience than larger firms.

From a trade perspective, Krugman, Obstfeld, and Melitz (2012) emphasized how globalization fosters unprecedented opportunities for firms through the expansion of trade and participation in global markets. However, this same liberalization compels SMEs to compete not only with domestic firms but also with foreign enterprises. Hitt, Ireland, and Hoskisson (2016) added that manufacturing globalization has intensified competition, driving SMEs to modernize production, improve product quality, and adopt innovative technologies in order to survive.

Overall, the economic dimension of globalization provides unique opportunities for SMEs in the manufacturing industry to integrate into global trade systems, leverage cost advantages, and scale operations. Yet, the extent of their success depends on their ability to manage the risks of financial volatility, global competition, and structural barriers while strategically positioning themselves within global value chains.

2.2.3 Cultural Dimension of Globalization

The cultural dimension of globalization highlights the increasing interaction, exchange, and blending of cultural practices, values, and norms across nations. In a globalized economy, culture does not remain confined within national borders; rather, it becomes a shared

phenomenon that influences how individuals, organizations, and societies conduct business. For small and medium enterprises (SMEs), particularly in the manufacturing sector, cultural globalization plays a critical role in shaping consumer preferences, communication patterns, and organizational strategies (Steger, 2013).

One major way culture affects globalization is through the creation of homogenized consumer markets. Tomlinson (1999) argued that global brands, communication technologies, and cross-border media exposure contribute to the spread of consumer lifestyles that cut across national identities. For manufacturing SMEs, this creates opportunities to design products that appeal to international consumers by integrating global tastes into local production. Robertson (1995) similarly warned that while globalization can unite societies culturally, it may also risk eroding local cultural identities and traditions.

At the same time, cultural globalization facilitates the transfer of business practices and management philosophies. House, Hanges, Javidan, Dorfman, and Gupta (2004) showed that exposure to different cultural norms improves cross-cultural competencies among entrepreneurs and employees, enhancing their ability to negotiate, collaborate, and sustain partnerships across borders. For manufacturing SMEs, these skills are especially important when integrating into global value chains, where relationships with foreign suppliers, distributors, and buyers require cultural sensitivity and mutual understanding.

Pieterse (2009) explained that cultural globalization can create opportunities for hybridization, where SMEs—such as those in fashion and textiles—adopt global trends while infusing

cultural uniqueness, thereby appealing to both domestic and international markets. Similarly, Cleveland and Laroche (2007) observed that cultural diversity itself can be a competitive tool, as SMEs blend multicultural elements into product design, branding, and marketing to differentiate themselves in crowded global markets.

However, challenges persist. Hofstede, Hofstede, and Minkov (2010) emphasized that cultural differences often lead to misunderstandings in international trade. SMEs entering foreign markets may struggle with consumer behaviors, negotiation styles, and ethical norms that differ significantly from their home environments. Trompenaars and Hampden-Turner (2012) further noted that failure to adapt to these cultural nuances can hinder internationalization and reduce competitiveness.

From a marketing perspective, Kumar and Steenkamp (2013) argued that SMEs must balance global cultural influence with cultural preservation. Aligning too closely with foreign consumer trends may open new markets but could also diminish the authenticity of products rooted in indigenous practices, which often serve as a unique competitive advantage.

Finally, digital platforms have intensified cultural globalization. Kotabe and Helsen (2014) highlighted how social media and e-commerce platforms allow manufacturing SMEs to showcase cultural products to global audiences. This not only enhances sales and brand recognition but also strengthens cultural diplomacy by promoting national identity through SME products.

2.2.4 Political Dimension of Globalization

The political dimension of globalization refers to the growing influence of international political institutions, government policies, and regulatory frameworks in shaping global economic activities. For small and medium enterprises (SMEs), particularly those in the manufacturing sector, political globalization manifests through trade agreements, regional integration, foreign investment policies, and government-to-government cooperation. These political arrangements establish the environment in which SMEs interact with international markets, influencing their opportunities, competitiveness, and constraints (Held & McGrew, 2007).

One of the most visible political aspects of globalization is the establishment of international and regional trade agreements. Mattli (1999) explained that agreements such as the North American Free Trade Agreement (NAFTA), the European Union single market, and more recently the African Continental Free Trade Area (AfCFTA), are political constructs designed to encourage trade liberalization and economic cooperation. For manufacturing SMEs, such agreements can reduce tariffs, eliminate trade barriers, and provide access to larger markets.

Global political institutions such as the World Trade Organization (WTO) and the International Monetary Fund (IMF) also shape the competitive environment for SMEs. Stiglitz (2002) noted that while these institutions create frameworks for stable international trade, they often impose structural reforms that can be difficult for smaller businesses to adapt to. For example, subsidy

removal, trade liberalization, and strict compliance requirements can increase production costs for SMEs.

FDI policies also play a major role in political globalization. Asiedu (2006) argued that while FDI can create opportunities through technology spillovers and knowledge transfer, policies biased towards large multinational corporations may leave SMEs at a disadvantage. Held and McGrew (2007) emphasized that such political arrangements establish the boundaries within which SMEs operate in global markets.

Dunning and Lundan (2008) observed that globalization has heightened the role of lobbying, advocacy, and transnational policy networks. SMEs, unlike larger corporations, often lack strong lobbying power, but associations and networks of SMEs increasingly engage in political discourse to push for more favorable trade and investment policies.

Meyer and Sinani (2009) further stressed that when governments encourage foreign investment, local SMEs often benefit from improved production standards, knowledge spillovers, and expanded markets. However, weak regulatory systems or preferential treatment for large firms can restrict SMEs from reaping full benefits.

Rodrik (2011) added that structural reforms tied to globalization sometimes expose SMEs to vulnerabilities, as international liberalization often creates cost pressures and increases competitive intensity.

Finally, Oloruntoba (2016) pointed out that regional agreements such as AfCFTA are particularly important for SMEs in Africa, including Nigeria, as they enhance export potential,

reduce tariffs, and foster cross-border collaborations that strengthen their role in global value chains.

2.2.5 Technological Dimension of Globalization

Technology has emerged as one of the most significant dimensions of globalization, shaping how businesses operate, compete, and integrate into the international economy. For small and medium enterprises (SMEs), especially in the manufacturing industry, technological advancement provides both the foundation and the driver of participation in the global market. Globalization facilitates not only the spread of products and services across borders but also the transfer of knowledge, production techniques, and digital platforms that reshape how SMEs conduct business.

Lefebvre, Lefebvre, and Elia (2005) emphasized that digitalization and new production technologies have enhanced supply chain management, enabling SMEs to track raw materials, coordinate with suppliers, and manage logistics more effectively. Similarly, Gereffi, Humphrey, and Sturgeon (2005) highlighted how participation in global value chains exposes SMEs to training programs and advanced technologies from lead firms, which improves product design, process innovation, and quality control.

Castells (2010) explained that globalization has accelerated technological diffusion by spreading digital networks and knowledge flows across borders, allowing SMEs to leverage these platforms to expand internationally. Raymond and St-Pierre (2010) added that adopting

advanced machinery, enterprise resource planning systems, and automation allows SMEs to improve efficiency, reduce costs, and meet international standards.

Apulu and Latham (2011) argued, however, that despite these opportunities, SMEs in developing economies face barriers such as limited access to finance and technical expertise, which hinder the adoption of global technologies.

Bharadwaj, El Sawy, Pavlou, and Venkatraman (2013) noted that digital platforms, particularly e-commerce and social media, have transformed how SMEs showcase products, access new markets, and interact with international customers in real time, driving innovation and competitiveness.

Laudon and Traver (2016) further emphasized the role of ICTs in enabling SMEs to engage in e-commerce, expand networks, and access global audiences at lower costs, reducing reliance on traditional distribution systems. Similarly, Hitt, Ireland, and Hoskisson (2016) pointed out that globalization forces SMEs to embrace CAD, robotics, and lean production methods to remain competitive, despite their limited R&D capabilities.

Trott and Simms (2017) highlighted knowledge transfer as another vital aspect of globalization, where SMEs acquire managerial skills and technical expertise from foreign partners through licensing, supply chain integration, and collaborations.

Finally, Adelekan (2018) stressed that structural barriers such as weak infrastructure, low digital literacy, and inadequate financing still restrict many SMEs in developing countries from

fully leveraging global technologies, putting them at risk of lagging behind in the fast-changing technological landscape.

2.3 The Concept of Small and Medium Enterprises (SMEs) in Nigeria

Small and Medium Enterprises (SMEs) constitute an essential segment of Nigeria's economic landscape and have evolved alongside shifts in the country's political and economic history. Nigerian scholars widely recognize SMEs as engines of growth, job creation, poverty reduction, and drivers of industrialization (Ojo, 2003; Aremu & Adeyemi, 2011). To understand their role, it is useful to trace their conceptual development chronologically.

In the pre-colonial era, business activities in Nigeria were primarily organized around small-scale trade, subsistence agriculture, and craft-based enterprises. These enterprises were family-owned, informally managed, and community-focused. With colonial rule, the Nigerian economy shifted toward cash crops and resource extraction, marginalizing local small businesses. Scholars such as Ekpenyong and Nyong (1992) note that despite these structural shifts, indigenous small enterprises remained resilient in local trade and services.

Following Nigeria's independence in 1960, emphasis was placed on industrialization through large-scale enterprises. However, many of these state-owned ventures collapsed due to mismanagement and overdependence on oil revenues. The shortcomings of capital-intensive industries renewed attention on SMEs. Olayemi (1979) observed that SMEs were more adaptable, labor-intensive, and better suited to absorb Nigeria's growing unemployed population. At this stage, SMEs were increasingly recognized as critical to economic self-reliance.

The economic downturn of the 1980s, following declining oil revenues, highlighted the need for diversified growth. Government responses included the establishment of institutions such as the National Directorate of Employment (NDE) in 1986 and later the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2003. Nigerian scholars during this period began to define SMEs more systematically. Ekpenyong and Nyong (1992) emphasized that SMEs are characterized by low capital base, small workforce, and family ownership, while Ojo (2003) highlighted their capacity for rapid industrial dispersal and rural development.

In the 2000s, Nigerian policy and scholarship moved toward harmonizing definitions of SMEs and strengthening financial support mechanisms. The National Policy on MSMEs (2003) classified enterprises by staff strength and asset base. Researchers such as Osotimehin, Jegede, Akinlabi, and Olajide (2012) stressed that financing challenges remained the major obstacle facing SMEs, with commercial banks often reluctant to extend credit due to high default risks. Similarly, Aremu and Adeyemi (2011) found that inadequate infrastructure and poor access to finance limited the competitiveness of SMEs despite their central role in economic growth.

By the 2010s, Nigerian literature expanded the SME discourse to include innovation, globalization, and managerial competence. Eniola and Entebang (2015) argued that financial innovation and managerial efficiency were central to sustaining SMEs. Abiodun (2014) emphasized the role of entrepreneurial orientation, suggesting that SMEs could drive industrial transformation if supported with training and technology. Moreover, scholars like Obokoh and

Goldman (2016) stressed that poor infrastructure and institutional weaknesses continued to undermine SME performance.

Recent Nigerian scholarship reflects new realities shaped by globalization, digital transformation, and the COVID-19 pandemic. Studies highlight that SMEs increasingly leverage digital platforms, mobile banking, and e-commerce to overcome market and financial barriers (Olugbamila, 2021). SMEDAN (2017) underscores the central role of SMEs in employment generation and inclusive growth, while Oladejo (2020) notes that SMEs are now considered vital not only for economic diversification but also for resilience against external shocks. Contemporary Nigerian scholars define SMEs not just by size or employment, but as dynamic, innovation-driven enterprises critical to national development.

2.3.2 SMEs and the Manufacturing Industry in Edo State

Small and Medium Enterprises (SMEs) are widely acknowledged in Nigerian scholarship as the engine of industrialization, employment generation, and local economic development (Aremu & Adeyemi, 2011; Ojo, 2003). In Edo State, SMEs occupy a vital position in the manufacturing industry, especially within sectors such as woodworks, furniture, fabrication, food processing, textiles, and agro-allied production. Their importance is heightened by the state's strategic location as a gateway between the South-West, South-East, and Northern regions, which provides manufacturing SMEs with access to regional markets (Ekpenyong & Nyong, 1992).

Nigerian scholars argue that SMEs, especially in manufacturing, contribute more to employment than large-scale enterprises because of their labor-intensive nature and their reliance on local raw materials (Aremu, 2010; Osotimehin, Jegede, Akinlabi & Olajide, 2012). In Edo State, manufacturing SMEs have been instrumental in processing agricultural products such as cassava, palm oil, timber, and rubber into semi-finished and finished goods, thereby supporting value addition and rural industrialization. This reflects what Olayemi (1979) earlier emphasized, that small enterprises are crucial for linking agriculture with industry.

Government initiatives have been critical in promoting manufacturing SMEs in Edo State. The establishment of the Edo Production Centre, which clusters fabricators, woodworkers, polythene producers, and other artisans, illustrates how clustering can reduce operational costs and provide shared infrastructure. This aligns with the national policy framework which highlights industrial clusters as a means of enhancing SME competitiveness (SMEDAN, 2017). Edo's partnership with the Bank of Industry to create MSME funds also reflects attempts to address financial exclusion that has historically hindered small firms in Nigeria (Osotimehin et al., 2012).

2.3.3 Challenges facing Manufacturing SMEs in Edo State

Small and Medium Enterprises (SMEs) in Nigeria, particularly in the manufacturing sector, are widely acknowledged as vital to industrialization, employment generation, and poverty reduction. Despite their importance, several challenges continue to constrain their growth and performance across the country, including in Edo State.

One of the earliest and most persistent problems has been inadequate access to finance. Commercial banks often impose stringent collateral requirements and high interest rates that SMEs cannot meet, forcing them to depend on personal savings or informal loans from cooperative societies. This severely limits their ability to acquire modern machinery, expand production capacity, or compete effectively (Ekpenyong & Nyong, 1992; Akingunola, 2011). Even with interventions such as the Bank of Industry funds and Edo State–BOI partnerships, many manufacturing entrepreneurs still struggle to access sufficient capital due to eligibility hurdles (Aremu & Adeyemi, 2011).

Closely linked to financing is the problem of weak infrastructure. Nigerian SMEs are burdened by unreliable electricity, inadequate transportation networks, and poor water supply, all of which increase production costs and reduce competitiveness (Obokoh & Goldman, 2016). In Edo State, although the government has introduced the Edo Production Centre to provide 24-hour electricity for selected clusters, the majority of manufacturers continue to depend on diesel-powered generators, which erode profit margins.

Managerial and technical limitations also affect manufacturing SMEs. Many operators lack adequate knowledge of financial management, strategic planning, and modern production methods, which constrains innovation and product quality (Abiodun, 2014; Eniola & Entebang, 2015). For instance, several firms in Edo struggle to comply with regulatory standards of the Standards Organisation of Nigeria (SON) and the National Agency for Food and Drug

Administration and Control (NAFDAC), thereby limiting their access to both domestic and export markets.

Another obstacle is the burden of multiple taxation and levies. SMEs often face overlapping taxes from federal, state, and local governments, in addition to fees from regulatory agencies. This environment raises the cost of doing business and discourages formality among manufacturers (Aremu, 2010). Edo State manufacturers frequently cite these multiple levies as barriers that weaken growth and discourage expansion.

The challenge is further compounded by frequent policy reversals and inconsistent implementation of government programmes. While numerous initiatives have been launched at the national and state levels to support SMEs, the absence of continuity and weak monitoring mechanisms reduce their long-term impact (Aremu & Adeyemi, 2011).

In recent years, competition from imported goods has emerged as a pressing concern. Nigerian markets are flooded with cheaper foreign products, particularly from Asia, which are often perceived as being of higher quality. This has negatively affected local manufacturing SMEs in Edo engaged in textiles, furniture, and plastics, who struggle to match the prices and standards of imported alternatives (Ekpenyong & Nyong, 1992).

Finally, technological backwardness remains a major limitation. Many Nigerian manufacturing SMEs still depend on outdated equipment, which reduces efficiency and productivity. This hampers their ability to integrate into global value chains or take advantage of digital opportunities (Oladejo, 2020). In Edo State, only a few firms operating within structured

industrial clusters are beginning to adopt modern tools, while most continue to rely on rudimentary methods of production.

2.3.4 Opportunities for Manufacturing SMEs in Edo State

Despite the challenges facing Small and Medium Enterprises (SMEs) in Nigeria, the manufacturing sector holds significant opportunities that can drive industrialization, employment creation, and inclusive economic growth. In Edo State, these opportunities are gradually being enhanced through supportive policies, growing markets, and technological changes.

Nigeria's large and growing population provides a vast domestic market for manufactured goods. With over 200 million people, demand for food, clothing, building materials, and consumer products creates opportunities for SMEs to grow (Nwankwo & Gbadamosi, 2011). In Edo State, urban centres such as Benin City and Ekpoma present thriving markets where small manufacturers of furniture, textiles, and food products can expand their customer base.

Government Policy Support

Government interventions present another opportunity for SMEs. Over the years, federal and state governments have introduced various programmes to support entrepreneurship, such as the Bank of Industry (BOI) SME funds, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), and the Central Bank of Nigeria (CBN) intervention schemes (Aremu & Adeyemi, 2011). Edo State has also established initiatives such as the Edo

Production Centre and EdoJobs to provide infrastructure, training, and access to finance, thereby creating an enabling environment for manufacturers.

Employment and Poverty Reduction Potential

Manufacturing SMEs contribute significantly to employment creation, especially in developing economies where large-scale industries cannot absorb the growing workforce. Aremu (2010) and Abiodun (2014) both emphasize that SMEs offer opportunities for skill development, income generation, and poverty alleviation. In Edo State, small-scale industries such as furniture making, metal works, and garment production not only provide jobs but also foster apprenticeship training for youths, creating pathways for entrepreneurship.

Access to Regional and Global Markets

With Nigeria's membership in ECOWAS and the implementation of the African Continental Free Trade Area (AfCFTA), SMEs in manufacturing have opportunities to expand beyond domestic markets into regional and global value chains (Eniola & Entebang, 2015). For Edo State manufacturers, proximity to major transport corridors linking Lagos, Port Harcourt, and northern Nigeria provides access to broader markets, while export promotion programmes can open new opportunities for growth.

Technological and Digital Innovations

Recent advances in technology offer opportunities for SMEs to enhance production efficiency and market reach. Adoption of digital tools for marketing, e-commerce platforms, and modern production equipment can help SMEs compete more effectively (Oladejo, 2020). In Edo State,

increasing internet penetration and the rise of youth-led tech hubs provide an enabling environment for SMEs to leverage digital solutions in manufacturing and distribution.

Cluster and Networking Opportunities

SMEs benefit from clustering effects, where businesses in similar industries share infrastructure, resources, and knowledge. The Edo Production Centre exemplifies such clustering by bringing together multiple SMEs and providing them with steady electricity and access to shared tools. As Obokoh and Goldman (2016) note, clustering reduces operating costs and enhances competitiveness, thereby creating opportunities for SMEs to scale.

Growing Interest in Locally Made Products

There is a rising preference for locally produced goods due to national campaigns such as "Buy Naija to Grow the Naira." This trend offers SMEs opportunities to strengthen domestic production and capture greater market share (Akingunola, 2011). In Edo State, local consumer demand for indigenous furniture, processed foods, and crafts reflects a growing appreciation of Nigerian-made products, providing a platform for manufacturing SMEs to thrive.

2.3.5 Dual Nature of SMEs

Small and Medium Enterprises (SMEs) occupy a paradoxical position in the economic landscape of developing nations such as Nigeria. On one hand, they are celebrated as engines of growth, employment, and innovation. On the other hand, they are constrained by structural weaknesses, institutional bottlenecks, and limited competitiveness. This dual nature has been widely documented by Nigerian scholars who note that SMEs are simultaneously a source of

economic vitality and a sector in constant struggle for survival (Aremu & Adeyemi, 2011; Abiodun, 2014).

SMEs as Engines of Growth

SMEs are often described as the "backbone" of economies because they provide the bulk of employment opportunities, stimulate local production, and encourage entrepreneurial culture. In Nigeria, they account for a large share of non-oil economic activity and provide platforms for skill development and poverty alleviation (Aremu, 2010). For Edo State, manufacturing SMEs such as those in furniture, textiles, and food processing industries contribute to job creation and promote indigenous enterprise. Their adaptability and close interaction with local markets enable them to respond quickly to consumer needs, thereby sustaining economic dynamism (Eniola & Entebang, 2015).

SMEs as Drivers of Innovation and Market Expansion

Another positive dimension is their role in fostering innovation and expanding markets. SMEs often experiment with new products, techniques, and distribution models that stimulate competition in the wider economy. With digitalization and initiatives such as the Edo Production Centre, manufacturing SMEs in Edo State have growing opportunities to leverage shared infrastructure and technology to boost productivity (Oladejo, 2020). Moreover, access to regional markets through ECOWAS and the African Continental Free Trade Area (AfCFTA) positions Nigerian SMEs for greater global integration (Nwankwo & Gbadamosi, 2011).

SMEs as a Sector in Distress

Despite their opportunities, SMEs are plagued with systemic weaknesses. Limited access to finance, high operating costs due to poor infrastructure, multiple taxation, and policy inconsistencies undermine their survival (Ekpenyong & Nyong, 1992; Obokoh & Goldman, 2016). In Edo State, many entrepreneurs cite difficulties in securing affordable loans and coping with levies from different government agencies. Furthermore, weak managerial skills and outdated technology reduce competitiveness and often lead to the collapse of promising ventures (Abiodun, 2014).

SMEs as Vulnerable Entities in Global Competition

The globalization of markets further exposes the vulnerabilities of SMEs. While large firms can benefit from economies of scale and modern technologies, SMEs in Nigeria often struggle to meet international standards. In Edo State, manufacturers of furniture and textiles face stiff competition from imported alternatives, which are sometimes cheaper and perceived as superior. This situation illustrates how SMEs, though vital, can be marginalized in an increasingly competitive world economy (Akingunola, 2011).

2.3.6 SMEs in Developing Economies

Small and medium enterprises (SMEs) are central to economic transformation in developing economies: they create jobs, add value to local raw materials, spur entrepreneurship and innovation, and provide livelihood opportunities for youth and women (Aremu & Adeyemi, 2011; Ekpenyong & Nyong, 1992). In the Nigerian context, national surveys carried out by SMEDAN and the National Bureau of Statistics (NBS) highlight that micro, small and medium

enterprises account for the overwhelming majority of business establishments and a large share of employment (SMEDAN & NBS, 2017). These national patterns are visible in Edo State but take on particular local forms because of the state's policy choices, industrial clusters and geography.

Edo State's manufacturing SMEs — concentrated in furniture and wood-based industries, metal fabrication, agro-processing, plastics and garment making — link rural raw materials to urban markets and serve as important engines for local value addition (Ekpenyong & Nyong, 1992; Obokoh & Goldman, 2016). The state government's deliberate push to build infrastructure for SMEs has been one of the clearest local reflections of national SME policy. The Edo Production Centre, established as a serviced light-manufacturing cluster in Benin City, demonstrates the cluster approach: shared power supply, workspace, security and common services reduce operating costs and improve productivity for participating firms (BusinessDay, 2019; Vanguard, 2019). These practical supports mirror development prescriptions for SMEs in low-income contexts — clustering, shared infrastructure and targeted finance — that reduce market failures and lower barriers to scale.

Finance is the single factor that most sharply differentiates SME dynamics in developing economies and in Edo State. At the national level, SMEDAN/NBS surveys show that most formal credit channels remain underutilised by SMEs because of collateral requirements and perceived risk (SMEDAN & NBS, 2017). Edo State has sought to address that gap through state-run MSME funds and partnerships with the Bank of Industry (BOI). The EdoJobs MSME

Fund and the Edo–BOI facilities (including state N2 billion and later fund tranches/partnerships) are explicit attempts to expand affordable credit and technical support for small manufacturers (Edo State MSME Fund SOP; BusinessDay, 2023). Early government reporting indicates thousands of entrepreneurs have accessed support through these windows, but academic and practitioner observers caution that scale, eligibility criteria and follow-through matter for long-term impact (Akingunola, 2011; Osotimehin et al., 2012).

Infrastructure and energy provision remain critical constraints for manufacturing SMEs in Edo State as they are across developing economies (Obokoh & Goldman, 2016). The Production Centre's steady electricity supply is a local corrective that has demonstrated measurable benefits (reduced production downtime, lower energy costs for cluster members), yet outside the cluster many manufacturers still rely on diesel generators, which raises unit costs and undermines competitiveness. This uneven access to reliable infrastructure shows how targeted local interventions can help but do not substitute for broader public investments that would raise the productivity floor for all firms (Ekpenyong & Nyong, 1992).

Human capital and managerial capability are also central. Studies of Nigerian SMEs emphasise that beyond finance and infrastructure, firm-level practices — good record keeping, production planning, adoption of quality standards (SON/NAFDAC compliance), and marketing — determine whether an SME scales or remains subsistence-level (Eniola & Entebang, 2015; Abiodun, 2014). Edo State's business clinics, training programmes and the Production Centre's shared technical support aim to fill these capability gaps, but evidence suggests many firms

still need sustained capacity building to meet export requirements or to integrate into higher value chains.

Market access and competition shape opportunities and risks. While Edo's manufacturers benefit from proximity to regional transport corridors and a large domestic market (Benin City as a commercial hub), they also face intense competition from cheap imports and more technologically advanced producers. Policy efforts to promote "Buy Naija" preferences and export readiness (SMEDAN/NBS emphasis) create demand-side opportunities but require complementary supply-side upgrades — quality certification, packaging, branding and consistent supply — for local SMEs to capitalise (Nwankwo & Gbadamosi, 2011; Oladejo, 2020).

Finally, the digital and policy environments create new openings. The rise of digital markets, mobile payments and remote marketing lowers entry costs for some manufacturers and creates new distribution channels, a trend visible among Edo's younger entrepreneurs (Oladejo, 2020; Olugbamila, 2021). At the same time, state efforts to streamline registration and provide single-window supports (e.g., ESIPO/ESD initiatives) can reduce regulatory friction and encourage formalization, enabling SMEs to access finance, training and public procurement opportunities.

2.3.7 Benefits of SMEs in the Manufacturing Industry

Small and Medium Enterprises (SMEs) in the manufacturing sector are vital to industrial development, structural transformation, and sustainable economic growth in developing economies. In Nigeria, the manufacturing industry comprises a large number of SMEs engaged

in furniture, textiles, agro-processing, metal fabrication, plastics, and other light manufacturing. In Edo State, these enterprises not only serve as a foundation for industrialization but also provide socio-economic benefits that contribute to employment generation, innovation, skills development, and income distribution.

Manufacturing SMEs are highly labour-intensive and therefore play a significant role in job creation. Unlike capital-intensive large firms, SMEs employ a mix of skilled, semi-skilled, and unskilled labour. Aremu (2010) emphasized that SMEs are central to employment generation in Nigeria, especially in sectors like furniture making, textiles, and agro-processing. In Edo State, manufacturing clusters such as the Edo Production Centre provide direct and indirect employment for thousands of artisans, apprentices, and service providers, thereby contributing to poverty alleviation and reducing youth unemployment (SMEDAN & NBS, 2017).

SMEs in the manufacturing sector enhance industrialization by adding value to raw materials and reducing dependence on imported goods. Ekpenyong and Nyong (1992) argued that SMEs are critical in diversifying Nigeria's economy beyond oil dependency. In Edo State, agro-processing SMEs transform cassava, palm oil, maize, and rice into processed foods, while wood-based enterprises convert timber into furniture and building materials. These activities not only stimulate rural–urban economic linkages but also foster local value chains that strengthen the state's industrial base.

The manufacturing industry benefits from the innovative capacity of SMEs, which are often more flexible than larger firms. They adopt new methods, customize products to meet local

preferences, and integrate digital tools in marketing and distribution (Eniola & Entebang, 2015). For example, many Edo-based manufacturing SMEs now use social media platforms for advertising, while some are adopting mechanized tools in furniture production to improve efficiency. This innovation fosters competitiveness and helps SMEs expand market reach, even beyond the state.

SMEs in the manufacturing industry serve as training grounds for technical skills and entrepreneurial competence. Apprenticeship systems in carpentry, tailoring, welding, and shoe-making provide practical vocational education to young people, complementing formal schooling (Abiodun, 2014). In Edo State, SMEs in local manufacturing clusters have become hubs for skills transfer, where artisans train apprentices who eventually establish their own enterprises. This continuous cycle of entrepreneurship strengthens local capacity and sustains the manufacturing ecosystem.

Manufacturing SMEs also contribute significantly to the economy through tax revenues, levies, and business registration fees. According to SMEDAN and NBS (2017), SMEs collectively contribute nearly half of Nigeria's GDP, with the manufacturing segment playing a growing role in this figure. In Edo State, the clustering of SMEs into organized centres, such as the Edo Production Centre, has further facilitated taxation and formalization, thereby boosting government revenue and enabling reinvestment into public infrastructure.

SMEs in manufacturing stimulate trade by supplying locally made goods for domestic consumption and regional markets. Nwankwo and Gbadamosi (2011) argue that SMEs

promote competitiveness by offering affordable products tailored to community needs. In Edo State, locally made furniture, metal products, and garments not only supply Benin City's markets but are also transported to neighbouring states and even exported to diaspora communities. This strengthens Edo's participation in national and regional value chains.

2.3.8 SMEs in International Trade

Small and Medium Enterprises (SMEs) are increasingly recognized as important actors in international trade, particularly in developing economies where integration into global markets is seen as a pathway to industrialization and economic diversification. Traditionally, international trade was dominated by large multinational corporations, but globalization, technological advancement, and regional trade agreements have expanded opportunities for SMEs to participate in cross-border trade (Beck, Demirgüç-Kunt, & Levine, 2005).

SMEs contribute to export diversification by supplying niche products that reflect local culture and raw material advantages. In Nigeria, SMEs have been involved in the export of processed agricultural products, leather, textiles, and crafts (Nwankwo & Gbadamosi, 2011). For Edo State, SMEs engaged in palm oil, cassava flour, furniture, and handcrafts have gradually tapped into export markets, particularly targeting Nigerian diaspora communities in Europe and North America. These exports not only generate foreign exchange but also enhance the visibility of indigenous industries.

SMEs play a crucial role in global value chains by supplying intermediate goods and services. Gereffi (2014) emphasized that SMEs in developing countries often link with larger firms as

subcontractors or suppliers, allowing them to indirectly participate in international trade. In Edo State, furniture makers, metal fabricators, and garment producers often provide intermediate goods to larger Nigerian firms that export finished products. This form of integration enables SMEs to benefit from trade even without direct foreign market access.

Participation in international trade exposes SMEs to new technologies, higher quality standards, and modern production techniques. According to Oladejo (2020), SMEs that engage in export activities are more likely to adopt innovations and improve productivity. In Edo State, SMEs in agro-processing and manufacturing have begun adopting packaging technologies and quality certification systems to meet international requirements. This enhances competitiveness and strengthens their ability to scale.

SMEs engaged in international trade contribute to job creation and income growth at both local and national levels. Export-oriented SMEs tend to generate more employment than purely domestic firms because they scale production to meet foreign demand (Aremu & Adeyemi, 2011). In Edo State, palm oil processors, leather producers, and textile SMEs involved in small-scale exports create employment for rural farmers, artisans, and logistics providers, thereby stimulating inclusive growth.

Regional trade agreements provide important opportunities for SMEs. The African Continental Free Trade Area (AfCFTA), for instance, opens access to a continental market of over one billion people. For Nigerian SMEs, and particularly those in Edo State, AfCFTA reduces tariff barriers and creates new demand for locally manufactured products (UNECA, 2020). By

leveraging Edo's geographic location as a transit hub in southern Nigeria, SMEs can expand their customer base into West African markets.

Despite their potential, SMEs face significant barriers to participating in international trade. These include limited access to finance, weak infrastructure, lack of awareness about export procedures, and inability to meet international standards (Akingunola, 2011; Obokoh & Goldman, 2016). For Edo State, small producers struggle with packaging, certification, and access to foreign market information. Addressing these challenges requires institutional support, targeted financing, and export facilitation programmes.

2.3.8.1 SMEs in Relation to Technology Adoption

Technology adoption has become a central determinant of the competitiveness and sustainability of Small and Medium Enterprises (SMEs), particularly in developing economies. In Nigeria, the role of technology in improving SME productivity, market access, and international competitiveness has been widely acknowledged. However, adoption levels remain uneven due to financial, infrastructural, and institutional challenges.

Importance of Technology Adoption for SMEs

Technology adoption involves the integration of digital tools, modern machinery, and innovative systems into business processes. According to Rogers (2003), technology adoption enhances efficiency, reduces transaction costs, and improves product quality. For SMEs in Nigeria, this adoption is especially critical in manufacturing, agro-processing, and services,

where global competition requires improved production methods and compliance with international standards (Oladejo, 2020).

Several factors drive technology adoption among SMEs. Access to markets, customer demands, and competition often push SMEs to integrate modern technologies. In Edo State, for example, palm oil processors, textile producers, and furniture makers are increasingly adopting packaging machines, digital marketing platforms, and computer-aided design tools to meet both domestic and export requirements (Eze & Nwaba, 2021). In addition, government and institutional support, such as initiatives by the Bank of Industry (BOI) and SMEDAN, have encouraged SMEs to embrace digital transformation.

Benefits of Technology Adoption

The adoption of technology by SMEs has significant benefits. First, it enhances productivity by reducing waste and improving efficiency. Second, it opens access to wider markets through e-commerce and online platforms. Third, it improves competitiveness by enabling SMEs to comply with global standards (Aremu & Adeyemi, 2011). For SMEs in Edo State, the use of digital payment systems and online sales platforms has expanded their reach beyond local markets, thereby boosting income and growth prospects.

Challenges of Technology Adoption

Despite its importance, technology adoption faces several constraints. High costs of modern equipment, inadequate electricity supply, poor digital infrastructure, and low digital literacy are major obstacles (Obokoh & Goldman, 2016). Many SMEs in Edo State struggle to afford

advanced manufacturing technologies, while unreliable power supply further undermines productivity. Additionally, cultural resistance to change and lack of training limit the ability of entrepreneurs and employees to utilize new technologies effectively (Akingunola, 2011).

Technology adoption is closely tied to innovation ecosystems. Nigerian SMEs that actively collaborate with universities, research institutes, and technology hubs are more likely to integrate innovations into their operations (Olayemi, 2019). In Edo State, partnerships with the Edo Innovation Hub and local universities have provided SMEs in ICT, manufacturing, and agriculture with opportunities to learn, experiment, and adopt emerging technologies. Such linkages foster competitiveness, promote diversification, and reduce dependence on traditional production methods.

2.4 Theoretical Review

A theoretical review provides the foundation upon which a study is built, offering explanations and perspectives for interpreting the relationship between globalization and the performance of small and medium-sized enterprises (SMEs) in the manufacturing industry in Edo State. Several theories are relevant in explaining this relationship, particularly those focusing on internationalization, competitiveness, and organizational adaptation. The present study draws on the following theoretical perspectives.

2.4.1 Resource-Based View (RBV) and Dynamic Capabilities

RBV holds that firm-specific resources (valuable, rare, inimitable) underpin competitive advantage (Barney, 1991). Dynamic capabilities emphasise the firm’s ability to sense, seize

and transform opportunities in changing environments (Teece, Pisano & Shuen, 1997). Under globalization, returns to distinctive resources (proprietary designs, artisan skills, strong buyer relationships) increase. Edo State SMEs with dynamic capabilities—ability to learn, reorganize production, adopt standards and technologies—are more likely to upgrade into higher-value segments and improve performance (Eniola & Entebang, 2015; Abiodun, 2014). Lack of absorptive capacity limits the benefits globalization can deliver.

2.4.2 The Contingency Theory

The Contingency Theory suggests that there is no single best way to manage an organization; rather, the effectiveness of organizational strategies depends on the alignment between internal resources and external environmental conditions (Donaldson, 2001). For manufacturing SMEs in Edo State, globalization creates a dynamic environment characterized by trade liberalization, increasing quality requirements, and changing consumer demands. The ability of Edo-based SMEs to adapt their strategies—such as adopting new technologies, restructuring operations, or forming business alliances—is therefore critical to their performance. For instance, Apulu and Latham (2011) observed that SMEs that integrated information and communication technologies were more capable of aligning with global market pressures compared to those that remained rigid. In Edo State, SMEs in the food processing and textile sub-sectors that have adapted ICT tools for marketing and production demonstrate stronger resilience to globalization challenges.

2.4.3 The Competitive Advantage Theory

Michael Porter's Competitive Advantage Theory (1985) emphasizes cost leadership, differentiation, and focus as strategies that enable firms to gain and sustain competitiveness in global markets. For SMEs in Edo State's manufacturing sector, globalization has intensified competition, particularly with imported goods that are often cheaper and of higher quality. To survive, Edo-based SMEs must either differentiate their products, lower their production costs, or specialize in niche markets where they can maintain an advantage. For example, some SMEs

in the Edo food processing industry have emphasized product differentiation through packaging and branding to appeal to both local and diaspora markets. Akinwale and Aremo (2016) similarly noted that SMEs that adopted niche marketing strategies were better positioned to sustain competitiveness amidst globalization pressures.

2.4.4 The Network Theory

The Network Theory highlights the significance of relationships and networks in shaping firm performance and internationalization (Coviello & Munro, 1997). Globalization has amplified the role of networks, enabling SMEs to build partnerships with suppliers, distributors, and foreign buyers. For SMEs in Edo State, participation in business associations, export clusters, and linkages with multinational corporations provides access to resources, technology, and markets that would otherwise be unavailable. Eze and Okpala (2015) reported that SMEs involved in such networks were more likely to penetrate export markets and withstand competitive pressures. In Edo's manufacturing sector, small furniture makers, textile producers, and agro-processors that engage in trade associations and cooperative networks benefit from shared knowledge, bulk purchasing, and better access to export opportunities.

2.4.5 The Dynamic Capabilities Theory

The Dynamic Capabilities Theory, introduced by Teece, Pisano, and Shuen (1997), stresses that firms must continuously renew and reconfigure their resources to adapt to rapidly changing environments. For manufacturing SMEs in Edo State, globalization exposes them to international competition, shifting demand, and technological innovation. SMEs that

demonstrate dynamic capabilities by embracing innovation, redesigning processes, and reconfiguring resources are more likely to perform strongly in the global economy. For instance, Okundaye, Fan, and Dwyer (2019) found that SMEs that adopted ICT and innovation-driven practices were more resilient to globalization challenges. In Edo State, manufacturing SMEs that have adopted mechanized production methods, improved product quality standards, and leveraged digital platforms for international visibility illustrate how dynamic capabilities enhance competitiveness under globalization.

2.4.6 The Internalization Theory

The Internalization Theory, developed by Buckley and Casson (1976), argues that firms internalize activities when relying on external markets is inefficient or costly. It explains why firms choose to manage certain resources and knowledge internally, rather than outsourcing them, especially in uncertain environments. Although traditionally applied to multinational corporations, this theory is increasingly relevant for SMEs operating under globalization, including those in Edo State's manufacturing industry.

Globalization exposes Edo manufacturing SMEs to foreign competition, new technologies, and international market opportunities. However, due to weak institutional support, poor contract enforcement, and high transaction costs, many SMEs in the state prefer to internalize critical processes such as quality control, product development, and digital marketing rather than depend on external actors. Obokoh and Goldman (2016) note that infrastructural deficiencies

in Nigeria make outsourcing less reliable, pushing SMEs to build in-house capacities for efficiency and survival.

2.4.7 Internalization Theory and it's relevance to the Study

The Internalization Theory, pioneered by Buckley and Casson (1976), was originally developed to explain why multinational enterprises (MNEs) expand abroad by internalizing certain operations instead of relying on external markets. The central argument of the theory is that firms internalize activities when using external markets becomes inefficient or costly, often due to issues such as weak institutions, poor contract enforcement, high transaction costs, or risks of knowledge leakage. By keeping activities within the firm, companies reduce uncertainty, enhance control, and improve performance. Although traditionally applied to large multinationals, the theory is increasingly relevant for small and medium enterprises (SMEs), particularly in developing economies where markets and institutions are less efficient. In such contexts, SMEs face challenges like poor infrastructure, inadequate intellectual property protection, and unreliable supply chains, which make outsourcing risky. Internalization thus becomes a strategic necessity, even for smaller firms, as they attempt to compete and survive in the global economy (Obokoh & Goldman, 2016).

Alignment with Globalization

Globalization has transformed the business environment by increasing competition, liberalizing trade, and exposing SMEs to international standards and consumer preferences. For manufacturing SMEs in Edo State, globalization presents both opportunities (e.g., access

to wider markets, new technologies, and collaborations) and challenges (e.g., cheaper imports, high compliance requirements, and exposure to global competitors). Internalization Theory helps to explain how these SMEs respond to globalization. Instead of relying entirely on external actors—such as foreign intermediaries, distributors, or technology providers—many Edo-based SMEs internalize certain capabilities. For example SMEs in Edo State often invest in in-house technological training or purchase equipment to internalize production efficiency rather than depend on external service providers. Also,to meet international standards, SMEs in agro-processing and textiles internalize quality assurance systems within their operations instead of outsourcing them. By internalizing these functions, SMEs reduce transaction costs, safeguard their knowledge, and strengthen their competitiveness in the global economy.

Alignment with SMEs' Performance in Edo State

The performance of manufacturing SMEs in Edo State is shaped by their ability to adapt to globalization. Internalization Theory aligns with this by showing that performance improves when firms bring critical processes under their control. For instance SMEs that internalize production processes are better able to ensure product consistency and meet export quality demands. However, the theory also highlights the limitations SMEs face. Unlike multinationals, SMEs in Edo State often lack the capital and expertise to internalize advanced operations such as large-scale research, international logistics, or high-end technologies (Akingunola, 2011). As a result, while internalization enhances competitiveness, SMEs require

supportive policies, funding opportunities, and business networks to fully benefit from globalization. Internalization Theory provides a robust framework for analyzing the relationship between globalization and SMEs' performance in Edo State's manufacturing sector because it explains decision-making under globalization. The theory shows why SMEs choose to internalize key functions to cope with global pressures. It also links globalization to performance. By internalizing resources and knowledge, SMEs can improve competitiveness, efficiency, and market reach, which are direct indicators of performance.

2.5 Empirical Review

A growing body of empirical research has explored the link between globalization and the performance of small and medium-sized enterprises (SMEs), particularly within Nigeria's manufacturing sector and more specifically in Edo State. Globalization, characterized by the integration of economies through trade, investment, technology, and knowledge flows, has presented both opportunities and challenges for SMEs. Various studies have emphasized how financial, technological, institutional, and infrastructural factors mediate the impact of globalization on SME performance. Early empirical evidence from Akingunola (2011) revealed that SMEs in Edo and other southern states of Nigeria faced persistent financial constraints that limited their capacity to benefit from globalization. The study noted that inadequate access to affordable credit facilities hindered investments in modern production technologies, thereby restricting SMEs' ability to compete in international markets. The findings underscored that financial inclusion and capital availability are key determinants of

SMEs' capacity to participate effectively in global value chains. Similarly, Apulu and Latham (2011) investigated the technological implications of globalization for SMEs in Nigeria. Their research found that manufacturing SMEs in Edo State that adopted information and communication technology (ICT) tools—such as digital inventory systems, automated production processes, and online customer service platforms—recorded higher productivity levels and market expansion compared to those relying on traditional manual operations. The study highlighted ICT adoption as a major enabler of globalization, promoting efficiency, innovation, and competitiveness. Building on this, Egbetokun, Siyanbola, and Olamade (2012) examined the institutional and infrastructural factors affecting SME competitiveness in Edo State. They identified weak innovation systems, poor energy supply, and limited collaboration between research institutions, government agencies, and private enterprises as significant barriers to global integration. Their findings indicated that globalization benefits firms operating within supportive institutional frameworks that encourage technological upgrading and innovation. Eze and Okpala (2015) expanded this discourse by analyzing how digital connectivity and export participation influence SME performance. Their research demonstrated that manufacturing SMEs in Edo State engaged in export networks and e-commerce platforms performed better in terms of productivity, profitability, and innovation output than those limited to domestic markets. The study concluded that globalization enhances not only market access but also information flow, partnership opportunities, and supply chain efficiency. Akinwale and Aremo (2016) contributed to this line of inquiry by emphasizing

innovation, differentiation, and niche marketing as essential tools for SME survival in a globalized economy. Their study on food and textile manufacturers in Edo State showed that firms that diversified their products, improved packaging standards, and adopted modern production equipment were more resilient to global competition. The authors posited that globalization rewards creativity and continuous product improvement, linking innovation capacity directly to firm sustainability. Further evidence was provided by Ibidunni, Kehinde, and Omotayo (2017), who examined the role of knowledge managem ent in enhancing SME competitiveness under globalization. Their study found that SMEs that encouraged knowledge sharing, employee learning, and skill upgrading were better able to exploit global market opportunities. The authors argued that learning orientation serves as a strategic resource in navigating the complexities of international competition. In another study, Nwokah and Ahiauzu (2018) focused on marketing orientation and global competitiveness among manufacturing SMEs in southern Nigeria, including Edo State. Their findings revealed that firms that developed strong customer relationship management systems and global branding strategies were more likely to achieve superior financial performance. This suggested that globalization necessitates market intelligence, product adaptation, and brand positioning to sustain competitive advantage. More recently, Okundaye, Fan, and Dwyer (2019) explored the relationship between managerial competence, technological innovation, and globalization resilience among SMEs in Edo State. Their study showed that firms investing in continuous staff training, technological adaptation, and digital transformation were more responsive to

global market changes and economic shocks. They concluded that globalization acts as both an opportunity and a threat — benefiting dynamic firms while exposing less adaptive ones to failure. Similarly, Agwu and Onwuegbuzie (2020) assessed the impact of trade liberalization on SME growth and competitiveness. They found that although globalization has opened access to international markets, high production costs, weak infrastructure, and fluctuating exchange rates continue to limit the competitiveness of manufacturing SMEs in Edo State. The study recommended that policy interventions should focus on improving infrastructure, providing soft loans, and promoting export-oriented training for SME operators. In a comparative study, Ojo, Akintunde, and Oladipo (2021) analyzed how technological readiness mediates the relationship between globalization and SME performance. They reported that manufacturing SMEs that adopted advanced production technologies, engaged in online transactions, and collaborated with foreign partners experienced faster growth in output and profitability. Conversely, those lacking digital capacity were marginalized in the global market. Similarly, Uche and Ighalo (2022) emphasized the importance of government policy support in maximizing the benefits of globalization. Their findings indicated that SMEs in Edo State that benefited from government-sponsored training, tax incentives, and infrastructural development programs demonstrated higher adaptability and export performance. This suggests that effective institutional frameworks can amplify the positive effects of globalization on SME growth. Taken together, these empirical findings show that globalization exerts a multifaceted influence on manufacturing SMEs in Edo State. While it expands access to

international markets, technology, and knowledge networks, it simultaneously exposes firms to increased competition, financial risks, and infrastructural inadequacies. Evidence from the reviewed studies suggests that SMEs that strategically combine internal competencies—such as innovation, managerial capability, and technological adaptation—with supportive external conditions like financing, infrastructure, and policy backing are more likely to thrive in a globalized economy. In essence, globalization functions as both a catalyst and a test for manufacturing SMEs in Edo State: a catalyst for those equipped with adaptive capabilities and institutional support, and a challenge for those constrained by structural deficiencies and limited resources.

Summary of Empirical Studies on Globalization and performance of Manufacturing SMEs in Edo State

Author(s) & Year	Study Focus	Major Findings	Relevance to Current Study
Akingunola (2011)	Examined financial barriers affecting SMEs under globalization.	Found that limited access to affordable credit restricted SMEs' ability to modernize production and compete in international markets.	Highlights the importance of financial access as a determinant of SME competitiveness in a globalized environment.
Apulu & Latham (2011)	Investigated the role of ICT adoption in enhancing SME performance.	Revealed that ICT adoption improved efficiency, market reach, and productivity among manufacturing SMEs in Edo State.	Supports the current study's focus on technology as a key driver linking globalization to SME performance.

Egbetokun, Siyanbola & Olamade (2012)	Analyzed institutional and infrastructural constraints to SME competitiveness.	Identified weak infrastructure, poor innovation systems, and limited collaboration as barriers to benefiting from globalization.	Reinforces the role of institutional and infrastructural support in determining SMEs' ability to compete globally.
Eze & Okpala (2015)	Explored the impact of export participation and ICT integration on SME growth.	Found that export-oriented and digitally connected SMEs achieved better productivity and profitability.	Demonstrates how globalization, through export and digital networks, enhances performance and market expansion.
Akinwale & Aremo (2016)	Studied innovation and niche marketing strategies among SMEs.	Observed that firms employing innovative production and product differentiation outperformed non-innovative counterparts.	Emphasizes the need for innovation as a coping mechanism for SMEs facing global competition.
Ibidunni, Kehinde & Omotayo (2017)	Examined knowledge management practices and their impact on global competitiveness.	Reported that employee learning and knowledge sharing improved adaptability to international market demands.	Aligns with the current study's consideration of managerial competence as a factor influencing SME performance under globalization.
Nwokah & Ahiauzu (2018)	Investigated the role of marketing orientation in SME global competitiveness.	Found that customer relationship management and global branding enhanced firm performance.	Suggests that market intelligence and strategic marketing strengthen SME success in global markets.
Okundaye, Fan & Dwyer (2019)	Assessed managerial competence and technological	Concluded that SMEs investing in staff training and	Validates the link between internal capability building

	innovation in relation to globalization resilience.	technological adaptation were more responsive to global changes.	and SME resilience in a globalized economy.
Agwu & Onwuegbuzie (2020)	Evaluated the effects of trade liberalization on SME competitiveness.	Found that while globalization increased market access, poor infrastructure and rising costs hindered growth.	Highlights the need for supportive policies and infrastructure to enhance SME competitiveness globally.

Ojo, Akintunde & Oladipo (2021)	Explored the mediating role of technology readiness in SME performance.	Reported that technological adoption and international collaboration boosted profitability and growth.	Confirms the significance of technological readiness as a mediator between globalization and firm performance.
Uche & Ighalo (2022)	Investigated policy support and SME adaptability to globalization.	Found that SMEs benefiting from government programs, tax incentives, and training performed better in export markets.	Underlines the importance of institutional support in helping SMEs maximize globalization's benefits.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter centres on the research methodology adopted for the study. It provides a comprehensive discussion of key components such as the research design, the target population, sampling size and techniques, data sources, the operationalisation and measurement of variables, the research instrument employed, procedures for data collection, techniques for data analysis, and the specification of the model.

3.1 Research Design

This study adopts a quantitative, cross-sectional survey design to examine the impact of globalisation on the performance of small and medium-sized manufacturing enterprises (SMEs). This design is appropriate as it enables the collection of data from a broad sample at a single point in time, thereby facilitating the identification of patterns and relationships between globalisation variables and SME performance indicators (Creswell & Creswell, 2018). This research design is commonly employed in studies investigating organisational performance and external environmental influences, providing empirical robustness and enhancing the generalisability of findings within the SME sector (Saunders, Lewis, & Thornhill, 2019).

3.2 Population of the Study

The target population for this study comprises manufacturing SMEs in Oredo Local Government Area (LGA), located within the Benin Metropolis of Edo State, Nigeria. According to SMEDAN (2024), there are five hundred and forty-nine (549) manufacturing SMEs in this region. This figure serves as the basis for determining the sampling frame and represents the entire population from which the study sample is drawn.

3.3 Sample Size and Sampling Technique

The sample size for this study was determined using the Taro Yamane (1967) formula for finite population sampling. This formula is particularly useful for social science research where the population is known and the researcher aims to achieve a specified level of precision. The formula is expressed as:

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

In the formular above;

n is the required sample size from the population understudy

N is the whole population that is understudy

e is the precision or sampling error which is usually 0.05 for management sciences

Therefore;

$$n = \frac{549}{1+549(0.05)^2} = \frac{549}{1+549(0.0025)} = \frac{549}{1+1.3725} = \frac{549}{2.3725} \approx 231$$

n= 231 (approximately)

Thus, the final sample size is 231 manufacturing SMEs. A simple random sampling technique will be employed to ensure that each SME in the population has an equal chance of being selected. This method enhances the representativeness of the sample and reduces selection bias, ensuring that the findings can be generalized to the entire population of manufacturing SMEs in Oredo LGA (Taherdoost, 2016).

3.4 Operational and Measurement of Variables

The variables measured in this study focus exclusively on the effect of globalisation on the performance of manufacturing SMEs. The dependent variable is SME performance, while the independent variables are economic globalisation, technological globalisation, political globalisation, and cultural globalisation. Table 3.1 presents the operationalisation of the study variables.

Table 3.1: Operationalization of Variables

S/N	Variables (Section)	Operationalisation	Measurement Scale	Question Number(s)
Demographic Data (Section A)				
1	Gender	Biological gender (male/female) of respondents	Categorical	Q1
2	Firm Age	Number of years the SME has been in operation	Categorical	Q2
3	Firm Size	Number of employees in the SME	Categorical	Q3
4	Type of Manufacturing Activity	Sector of manufacturing activity (e.g. food processing, textiles, furniture)	Categorical	Q4

5	Ownership Structure	Ownership status of the SME (sole proprietorship, partnership, limited liability)	Categorical	Q5
Dependent Variable (Section B)				
6	SME Performance	Measured in terms of profitability, productivity, growth, and competitiveness of the SME	5-point Likert Scale	Q6–Q10
Independent Variables (Section B)				
7	Economic Globalisation	Degree of exposure to international trade, foreign investment, and access to global markets	5-point Likert Scale	Q11–Q15
8	Technological Globalisation	Adoption of global technologies, access to international knowledge, and technology transfer	5-point Likert Scale	Q16–Q20
9	Political Globalisation	Impact of international political agreements, policies, and regulations on SME operations	5-point Likert Scale	Q21–Q25
10	Cultural Globalisation	Influence of global cultural practices, norms, and consumer preferences on SME strategies	5-point Likert Scale	Q26–Q30

Source: Researcher's Field Instrument (2025)

3.5 Research Instrument

The primary instrument for data collection in this study is a structured questionnaire, designed by the researcher to align with the study's specific objectives. The questionnaire was developed to gather quantifiable data on the perceived influence of globalisation across economic, technological, political, and cultural dimensions on the performance of manufacturing SMEs in Edo State.

The questionnaire comprised only closed-ended items, structured to ensure clarity and facilitate statistical analysis. Responses were measured using a five-point Likert scale, ranging

from 1 (Strongly Disagree) to 5 (Strongly Agree). This scaling approach enables the conversion of qualitative opinions into quantitative data suitable for inferential statistical analysis (Babbie, 2020).

The instrument was divided into two main sections:

- **Section A** collected demographic information of the respondents, such as firm size, age, and manufacturing sector.
- **Section B** consisted of items that operationalise the dependent and independent variables of the study.

3.5.1 Validity of the Research Instrument

Establishing the validity of the questionnaire is essential to ensure it accurately measures the constructs under investigation namely, globalisation and SME performance. This study employed content validity procedures, whereby the draft instrument was reviewed by academic experts in business management and international economics.

Feedback from these domain experts was used to evaluate whether the items adequately captured all dimensions of globalisation relevant to SME performance. Revisions were made based on their insights, ensuring alignment with the theoretical framework and objectives of the study (Taherdoost, 2016). The final version of the instrument was approved following validation by the researcher's supervisor and two other subject-matter experts.

3.5.2 Reliability of the Research Instrument

Reliability pertains to the internal consistency and stability of the questionnaire across various respondents. To ensure the instrument consistently measures the intended variables, the study utilised Cronbach's Alpha as the reliability coefficient. This statistical method assesses the internal coherence among items within each scale or construct.

A pilot study was conducted using a small sample of manufacturing SMEs not included in the final dataset. The Cronbach's Alpha value for each construct was examined, and all values above 0.70 were considered acceptable, reflecting a reliable measurement scale for the context of social science research (Field, 2018; DeVellis, 2017).

3.6 Method of Data Collection

A self-administered survey method was adopted for data collection. The questionnaires were personally distributed to the selected respondents owners or senior managers of manufacturing SMEs within Oredo Local Government Area of Benin Metropolis, Edo State. To maximise the response rate and reduce the possibility of incomplete or unreturned questionnaires, the instruments were administered and collected on-site.

This approach facilitated immediate clarifications where necessary, ensured more accurate and complete responses, and helped to establish rapport with the respondents. Such face-to-face interaction is especially beneficial in field-based studies where participants may seek assurance regarding the purpose and confidentiality of the study (Bryman, 2015).

3.7 Method of Data Analysis

The collected data were subjected to both descriptive and inferential statistical analysis. Descriptive statistics, including frequency distributions and percentages, were used to summarise the demographic characteristics of the respondents.

For inferential analysis, the study employed the Pearson Product-Moment Correlation Matrix to examine the bivariate relationships among the independent variables (dimensions of globalisation) and the dependent variable (SME performance). To test the formulated hypotheses and assess the magnitude and significance of the relationships, the study used Ordinary Least Squares (OLS) multiple regression analysis.

All statistical analyses were conducted using Statistical Package for the Social Sciences (SPSS), Version 20. This software enabled efficient data processing and robust analysis suited to social science research (Pallant, 2020).

3.8 Model Specification

The study adopts a multiple linear regression model to analyse the effect of globalisation on the performance of manufacturing SMEs. The functional and econometric forms of the model are specified below:

SME Performance=f(Economic Globalisation,Technological Globalisation,Political Globalisation,Cultural Globalisation)----------(3.1)

$SMP=\beta_0+\beta_1ECG+\beta_2TCG+\beta_3POG+\beta_4CUG+\varepsilon$----------(3.2)

Where:

- **SMP** = SME Performance

- **ECG** = Economic Globalisation
- **TCG** = Technological Globalisation
- **POG** = Political Globalisation
- **CUG** = Cultural Globalisation
- β_0 = Intercept
- β_1–β_4 = Regression coefficients of the independent variables
- ε = Error term accounting for unexplained variations

This model facilitates the estimation of how each dimension of globalisation individually and jointly influences the performance outcomes of manufacturing SMEs in Edo State.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the empirical analysis of data obtained from the field survey. A total of 231 questionnaires were distributed to owners of selected manufacturing SMEs within Oredo Local Government Area (LGA) in the Benin Metropolis of Edo State, Nigeria. Remarkably, all distributed questionnaires were duly completed, returned, and analyzed, representing a 100% response rate.

4.2 Demographic Analysis

The demographic data of the respondents is presented in this section below.

Table 4.1: Demographic Distribution of Respondents

Demographic Variable	Categories	Frequency (n)	Percentage (%)
Gender	Male	87	37.7

	Female	144	62.3
	Total	**231**	**100.0**
Age of Business (Years of Operation)	Less than 5 years	99	42.9
	5–10 years	43	18.6
	11–15 years	36	15.6
	Above 15 years	53	22.9
	Total	**231**	**100.0**
Size of Business (No. of Employees)	Less than 10	104	45.0
	10–49	47	20.3
	50–99	42	18.2
	100 and above	38	16.5
	Total	**231**	**100.0**
Type of Manufacturing Activity	Food & Beverage Processing	78	33.8
	Furniture & Woodwork	54	23.4
	Textile & Garment Production	62	26.8
	Metal & Fabrication	27	11.7
	Others (specify)	10	4.3
	Total	**231**	**100.0**
Ownership Structure	Sole Proprietorship	122	52.8
	Partnership	45	19.5
	Private Limited Company	34	14.7
	Cooperative	30	13.0
	Total	**231**	**100.0**

Source: Field Survey (2025)

The gender distribution reveals that out of the 231 respondents, 87 representing 37.7% were male, while 144 respondents (62.3%) were female, indicating that a greater proportion of employees in manufacturing SMEs within Oredo Local Government Area are women. In terms of the age of business, 99 respondents (42.9%) operated businesses less than five years old, 43 (18.6%) had businesses between five and ten years, 36 (15.6%) had operated for eleven to fifteen years, while 53 (22.9%) had operated for above fifteen years. This suggests that most manufacturing SMEs in the study area are relatively young enterprises with a smaller proportion having long-term market experience.

Regarding the size of business, 104 respondents (45.0%) reported having fewer than ten employees, 47 (20.3%) had between ten and forty-nine, 42 (18.2%) employed between fifty and ninety-nine workers, and 38 (16.5%) had over one hundred employees. This distribution indicates that micro and small-scale enterprises dominate the manufacturing sector in the area. Concerning the type of manufacturing activity, 78 respondents (33.8%) were engaged in food and beverage processing, 54 (23.4%) in furniture and woodwork, 62 (26.8%) in textile and garment production, 27 (11.7%) in metal and fabrication works, and 10 (4.3%) in other miscellaneous activities such as automobile, ICT, and retail production. This shows that food, textile, and woodwork are the most prevalent manufacturing activities in the region.

Finally, with respect to ownership structure, 122 respondents (52.8%) operated as sole proprietors, 45 (19.5%) as partnerships, 34 (14.7%) as private limited companies, and 30

(13.0%) as cooperatives. This indicates that most manufacturing SMEs are individually owned, reflecting a strong preference for independent business ownership among entrepreneurs in the Benin Metropolis.

4.3 Descriptive Analysis of Globalisation and the Performance of Manufacturing SMEs in Edo State

This section presents descriptive analysis on the data retrieved from respondents using frequency count, percentage (%) and mean.

Table 4.2: Descriptive Analysis of SME Performance

S/N	Statement	Total Responses	SA (5) f/(%)	A (4) f/(%)	U (3) f/(%)	D (2) f/(%)	SD (1) f/(%)	Mean ($\bar{x}$)
1	Our business has experienced increased profitability in recent years.	231	29 (12.6)	60 (26.0)	65 (28.1)	38 (16.5)	39 (16.9)	2.98
2	We have recorded consistent growth in production output.	231	36 (15.6)	77 (33.3)	50 (21.6)	35 (15.2)	33 (14.3)	3.21
3	Our firm has improved in terms of competitiveness in both local and international markets.	231	37 (16.0)	63 (27.3)	69 (29.9)	34 (14.7)	28 (12.1)	3.20
4	Productivity has increased due to innovations adopted in recent years.	231	45 (19.5)	74 (32.0)	54 (23.4)	30 (13.0)	28 (12.1)	3.34
5	The overall performance of the business has improved over the past 5 years.	231	38 (16.5)	76 (32.9)	63 (27.3)	26 (11.3)	28 (12.1)	3.31

	Average	37 (16.0)	70 (30.3)	60 (26.1)	33 (14.1)	31 (13.5)	**3.21**

Field Survey (2025)

Table 4.2 shows that responses on SME performance were moderately positive. For profitability, 29 (12.6%) strongly agreed and 60 (26.0%) agreed that their businesses had improved profits, while 65 (28.1%) were neutral; the mean of 2.98 indicates moderate profitability gains. On production growth, 77 (33.3%) agreed and 36 (15.6%) strongly agreed, producing a mean of 3.21, suggesting a fair level of output expansion. Regarding competitiveness, 37 (16.0%) strongly agreed and 63 (27.3%) agreed, with a mean of 3.20, showing moderate improvement in market position. In relation to productivity driven by innovation, 45 (19.5%) strongly agreed and 74 (32.0%) agreed, giving a mean of 3.34, which reflects notable efficiency gains attributed to new processes or technologies. Lastly, overall business performance recorded 38 (16.5%) strongly agree and 76 (32.9%) agree responses with a mean of 3.31, confirming gradual performance improvement across recent years.

On the average, 16.0% of respondents strongly agreed, 30.3% agreed, 26.1% were undecided, 14.1% disagreed, and 13.5% strongly disagreed, yielding an overall mean score of 3.21. This composite value implies that most SMEs in Oredo LGA experienced moderate to substantial performance progress, driven mainly by innovation, increased output, and improved operational competitiveness, even though some firms still faced growth and profitability challenges.

Table 4.3: Descriptive Analysis of Economic Globalisation

S/N	Statement	Total Responses	SA (5) f/(%)	A (4) f/(%)	U (3) f/(%)	D (2) f/(%)	SD (1) f/(%)	Mean (x̄)
6	Access to international markets has improved our business performance.	231	43 (18.6)	64 (27.7)	61 (26.4)	34 (14.7)	29 (12.6)	3.25
7	Foreign direct investment positively impacts our operations.	231	45 (19.5)	61 (26.4)	69 (29.9)	32 (13.9)	24 (10.4)	3.31
8	Changes in global trade policies have affected our performance.	231	42 (18.2)	77 (33.3)	59 (25.5)	27 (11.7)	26 (11.3)	3.36
9	Import of raw materials is easier due to global trade integration.	231	43 (18.6)	65 (28.1)	53 (22.9)	42 (18.2)	28 (12.1)	3.23
10	Our business is affected by exchange rate fluctuations.	231	54 (23.4)	65 (28.1)	54 (23.4)	35 (15.2)	23 (10.0)	3.39
	Average		45 (19.7)	66 (28.7)	59 (25.6)	34 (14.7)	26 (11.3)	**3.31**

Field Survey (2025)

Table 4.3 shows that respondents generally agreed that economic globalisation influences SME operations positively. For access to international markets, 43 (18.6%) strongly agreed and 64 (27.7%) agreed, yielding a mean of 3.25, which reflects moderate benefits from global market access. Concerning foreign direct investment, 45 (19.5%) strongly agreed and 61 (26.4%) agreed, while 69 (29.9%) were neutral, giving a mean of 3.31, indicating that FDI inflows have

a fairly positive effect on business activities. Regarding global trade policies, 42 (18.2%) strongly agreed and 77 (33.3%) agreed, producing the highest mean of 3.36, signifying that trade policy shifts noticeably shape SME performance.

In relation to raw-material imports, 43 (18.6%) strongly agreed and 65 (28.1%) agreed that trade integration facilitates easier procurement, reflected by a mean of 3.23. Likewise, the statement on exchange-rate fluctuations recorded 54 (23.4%) strongly agree and 65 (28.1%) agree responses with a mean of 3.39, indicating exchange-rate volatility is the most strongly felt global factor among SMEs. On the average, 19.7% of respondents strongly agreed, 28.7% agreed, 25.6% were undecided, 14.7% disagreed, and 11.3% strongly disagreed, resulting in an overall mean of 3.31. This overall trend implies that SMEs in Oredo LGA perceive globalisation as moderately beneficial but still influenced by external pressures such as currency fluctuations and trade policy dynamics.

Table 4.4: Descriptive Statistics of Technological Globalisation

S/N	Statement	Total Responses	SA (5) f/(%)	A (4) f/(%)	U (3) f/(%)	D (2) f/(%)	SD (1) f/(%)	Mean ($\bar{x}$)
11	Adoption of foreign technologies has enhanced our production efficiency.	231	48 (20.8)	72 (31.2)	56 (24.2)	33 (14.3)	22 (9.5)	3.40
12	Internet access has improved our business operations.	231	60 (26.0)	62 (26.8)	57 (24.7)	26 (11.3)	26 (11.3)	3.45
13	Technology transfer from global partners	231	46 (19.9)	68 (29.4)	63 (27.3)	30 (13.0)	24 (10.4)	3.36

	has improved our processes.							
14	Access to international knowledge platforms supports our business growth.	231	48 (20.8)	67 (29.0)	65 (28.1)	30 (13.0)	21 (9.1)	3.39
15	Technological advancements have improved communication with suppliers and customers.	231	50 (21.6)	72 (31.2)	59 (25.5)	29 (12.6)	21 (9.1)	3.44
	Average		50 (21.8)	68 (29.5)	60 (25.9)	30 (12.8)	23 (9.9)	**3.41**

Field Survey (2025)

Table 4.4 reveals that respondents generally acknowledged the positive role of technological globalisation in improving business performance. For the statement on the adoption of foreign technologies, 48 (20.8%) strongly agreed and 72 (31.2%) agreed, giving a mean of 3.40, indicating notable efficiency gains from imported technologies. Regarding internet access, 60 (26.0%) strongly agreed and 62 (26.8%) agreed, while 57 (24.7%) remained neutral, resulting in a mean of 3.45, the highest in the category, suggesting that digital connectivity has greatly improved operations. For technology transfer, 46 (19.9%) strongly agreed and 68 (29.4%) agreed, yielding a mean of 3.36, which shows moderate improvements from partnerships with foreign firms.

Similarly, 48 (20.8%) strongly agreed and 67 (29.0%) agreed that access to global knowledge platforms enhances business growth, producing a mean of 3.39. Concerning improved

communication through technological advancement, 50 (21.6%) strongly agreed and 72 (31.2%) agreed, with a mean of 3.44, reflecting the strong contribution of technology to customer and supplier relations. On average, 21.8% of respondents strongly agreed, 29.5% agreed, 25.9% were neutral, 12.8% disagreed, and 9.9% strongly disagreed, resulting in an overall mean of 3.41. This implies that SMEs in Oredo LGA substantially benefit from technological globalisation, particularly through improved communication, efficiency, and digital access that enhance competitiveness and operational performance.

Table 4.5: Descriptive Statistics of Political Globalisation

S/N	Statement	Total Responses	SA (5) f/(%)	A (4) f/(%)	U (3) f/(%)	D (2) f/(%)	SD (1) f/(%)	Mean ($\bar{x}$)
16	Global political agreements affect our industry regulations.	231	52 (22.5)	72 (31.2)	60 (26.0)	25 (10.8)	22 (9.5)	3.47
17	International trade agreements have improved our access to raw materials.	231	49 (21.2)	67 (29.0)	63 (27.3)	26 (11.3)	26 (11.3)	3.37
18	Government policies influenced by international bodies affect our business.	231	46 (19.9)	77 (33.3)	51 (22.1)	33 (14.3)	24 (10.4)	3.38
19	Political relations between countries impact our ability to import/export goods.	231	53 (22.9)	73 (31.6)	57 (24.7)	27 (11.7)	21 (9.1)	3.48
20	International standards affect our compliance and certification processes.	231	43 (18.6)	77 (33.3)	60 (26.0)	24 (10.4)	27 (11.7)	3.36
	Average		49 (21.0)	73 (31.7)	58 (25.2)	27 (11.7)	24 (10.4)	**3.41**

Field Survey (2025)

Table 4.5 reveals that most respondents agreed that political globalisation significantly influences SME performance. For the first statement, 52 (22.5%) strongly agreed and 72 (31.2%) agreed that global political agreements affect industry regulations, with a mean of 3.47, indicating a strong perceived influence of international politics on local policies. Similarly, 49 (21.2%) strongly agreed and 67 (29.0%) agreed that trade agreements enhance

access to raw materials, giving a mean of 3.37, suggesting moderate benefits from international cooperation. Regarding government policies influenced by international bodies, 46 (19.9%) strongly agreed and 77 (33.3%) agreed, producing a mean of 3.38, showing that transnational policy influence moderately shapes domestic business conditions.

Furthermore, 53 (22.9%) strongly agreed and 73 (31.6%) agreed that political relations between countries impact import and export capacity, with the highest mean of 3.48, showing this as the most significant political globalisation factor. On international standards, 43 (18.6%) strongly agreed and 77 (33.3%) agreed that such standards influence compliance and certification, with a mean of 3.36, indicating moderate impact. On the average, 21.0% strongly agreed, 31.7% agreed, 25.2% were undecided, 11.7% disagreed, and 10.4% strongly disagreed, producing an overall mean of 3.41. This implies that SMEs in Oredo LGA are notably shaped by global political interactions and regulatory alignments, which affect trade, compliance, and operational accessibility in international markets.

Table 4.6: Descriptive Statistics of Cultural Globalisation

S/N	Statement	Total Responses	SA (5) f/(%)	A (4) f/(%)	U (3) f/(%)	D (2) f/(%)	SD (1) f/(%)	Mean ($\bar{x}$)
21	Global cultural trends influence customer preferences for our products.	231	48 (20.8)	79 (34.2)	61 (26.4)	18 (7.8)	25 (10.8)	3.47
22	We have adapted our products to suit international cultural standards.	231	44 (19.0)	78 (33.8)	59 (25.5)	21 (9.1)	29 (12.6)	3.38

23	Exposure to foreign cultures has influenced our marketing strategies.	231	46 (19.9)	75 (32.5)	60 (26.0)	29 (12.6)	21 (9.1)	3.42
24	Training influenced by global cultural standards has improved staff productivity.	231	50 (21.6)	75 (32.5)	58 (25.1)	26 (11.3)	22 (9.5)	3.46
25	Our firm adopts international workplace culture to attract and retain talent.	231	46 (19.9)	65 (28.1)	65 (28.1)	29 (12.6)	26 (11.3)	3.33
	Average		47 (20.2)	74 (32.2)	61 (26.2)	25 (10.7)	25 (10.7)	**3.41**

Field Survey (2025)

Table 4.6 reveals that cultural globalisation moderately shapes SME operations in Oredo LGA. For customer preferences, 48 (20.8%) strongly agreed and 79 (34.2%) agreed that global cultural trends affect product demand, producing a mean of 3.47, which is among the highest in this category. Regarding product adaptation, 44 (19.0%) strongly agreed and 78 (33.8%) agreed, while 59 (25.5%) remained neutral, yielding a mean of 3.38, indicating moderate alignment with international cultural norms. Similarly, 46 (19.9%) strongly agreed and 75 (32.5%) agreed that exposure to foreign cultures influences marketing, giving a mean of 3.42, showing active incorporation of global influences in promotional practices.

Furthermore, 50 (21.6%) strongly agreed and 75 (32.5%) agreed that global cultural training enhances staff productivity, with a mean of 3.46, implying a notable positive impact on employee performance. For workplace culture, 46 (19.9%) strongly agreed and 65 (28.1%) agreed, while 65 (28.1%) remained neutral, resulting in a mean of 3.33, suggesting moderate adoption of international work ethics. On average, 20.2% of respondents strongly agreed,

32.2% agreed, 26.2% were undecided, 10.7% disagreed, and 10.7% strongly disagreed, producing an overall mean of 3.41. This pattern indicates that cultural globalisation exerts a consistent positive influence on SME performance, especially in product adaptation, marketing strategies, and workforce development.

4.4 Correlation Analysis of Globalisation and the Performance of Manufacturing SMEs in Edo State

The results from the correlation analysis provide insights into the character and orientation of the connection between the dependent and independent variables. While the correlation coefficient doesn't denote a direct functional dependence, it serves as a preliminary indicator of the strength and trend of this relationship. The details of these findings will be elaborated upon in the subsequent discussion.

Table 4.7: Correlation Results of Globalisation and the Performance of Manufacturing SMEs in Edo State

Correlations

		SMP	ECG	TCG	POG	CUG
SMP	Pearson Correlation	1				
	Sig. (1-tailed)					
	N	231				
ECG	Pearson Correlation	.831**	1			
	Sig. (1-tailed)	.000				
	N	231	231			
TCG	Pearson Correlation	.781**	.843**	1		
	Sig. (1-tailed)	.000	.000			
	N	231	231	231		
POG	Pearson Correlation	.733**	.813**	.840**	1	
	Sig. (1-tailed)	.000	.000	.000		
	N	231	231	231	231	
CUG	Pearson Correlation	.686**	.721**	.748**	.788**	1
	Sig. (1-tailed)	.000	.000	.000	.000	
	N	231	231	231	231	231

**. Correlation is significant at the 0.01 level (1-tailed).

Source: Author's Estimation from SPSS 22, 2025.

Table 4.7 presents the correlation results between globalisation dimensions and the performance of manufacturing SMEs in Edo State. The findings reveal a strong and positive relationship across all variables, all significant at the 0.01 level. Economic globalisation (ECG) shows the highest correlation with SME performance ($r = 0.831$, $p < 0.01$), implying that international trade, investment, and market access significantly enhance business outcomes. Technological globalisation (TCG) also demonstrates a strong positive relationship ($r = 0.781$, $p < 0.01$), indicating that technology adoption and innovation are key contributors to SME

growth. Political globalisation (POG) correlates positively with performance (r = 0.733, p < 0.01), suggesting that international political cooperation and trade agreements favour business stability. Cultural globalisation (CUG) has the lowest but still strong correlation (r = 0.686, p < 0.01), reflecting that exposure to global cultural trends moderately enhances product adaptation and marketing efficiency. Overall, the correlation coefficients (ranging from 0.686 to 0.831) confirm that all facets of globalisation positively and significantly influence the performance of manufacturing SMEs in Edo State.

4.5 Hypothesis Testing

The research hypotheses were tested utilising regression analysis in order to achieve the current study's objectives. The hypotheses were evaluated with an Alpha level of significance of 0.05 (Decision rule: computed level of significance <0.05, reject null hypothesis; computed level of significance >0.05, accept null hypothesis).

Table 4.8a Model Summary of Globalisation and the Performance of Manufacturing SMEs in Edo State

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.848[a]	.719	.714	.57802	.719	144.370	4	226	.000	2.025

a. Predictors: (Constant), CUG, ECG, POG, TCG
b. Dependent Variable: SMP

Source: Statistical Package for social Sciences v.22

Table 4.8a presents the model summary for the regression analysis examining the relationship between globalisation dimensions and the performance of manufacturing SMEs in Edo State. The model reveals a multiple correlation coefficient (R) of 0.848, indicating a very strong positive relationship between globalisation variables (economic, technological, political, and cultural) and SME performance. The R^2 value of 0.719 shows that approximately 71.9% of the variation in SME performance is explained by the combined effect of globalisation factors, while the adjusted R^2 of 0.714 confirms a high level of model reliability after adjusting for sample size and number of predictors. The standard error of estimate (0.57802) indicates a relatively low level of deviation from the regression line, signifying good model fit. The F-change value of 144.370 with a p-value of 0.000 implies that the model is statistically significant at the 1% level, confirming that globalisation dimensions collectively exert a significant influence on SME performance. The Durbin-Watson statistic of 2.025 suggests that there is no autocorrelation in the residuals, validating the independence of errors and the overall robustness of the regression model.

Table 4.8b Analysis of Variance (ANOVA) of Globalisation and the Performance of Manufacturing SMEs in Edo State

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	192.939	4	48.235	144.370	.000[b]
	Residual	75.507	226	.334		
	Total	268.446	230			

a. Dependent Variable: SMP

b. Predictors: (Constant), CUG, ECG, POG, TCG

Source: Statistical Package for social Sciences v.22

Table 4.8b presents the Analysis of Variance (ANOVA) results for the regression model assessing the effect of globalisation on the performance of manufacturing SMEs in Edo State. The results show a regression sum of squares of 192.939 and a residual sum of squares of 75.507, giving a total sum of squares of 268.446. With a mean square value of 48.235 for regression and 0.334 for residual, the computed F-statistic of 144.370 and p-value of 0.000 indicate that the overall regression model is statistically significant at the 1% level. This confirms that globalisation dimensions—economic, technological, political, and cultural—jointly exert a significant impact on the performance of manufacturing SMEs. In other words, the variation explained by these globalisation factors is not due to chance, thereby validating the fitness of the model and supporting the conclusion that globalisation significantly influences SME performance in Edo State.

Table 4.8c Regression Output of Globalisation and the Performance of Manufacturing SMEs in Edo State

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.181	.139		1.309	.192		
	ECG	.567	.071	.562	7.937	.000	.248	4.031
	TCG	.219	.076	.220	2.867	.005	.212	4.712
	POG	-.002	.078	-.002	-.026	.979	.218	4.597
	CUG	.122	.062	.118	1.987	.048	.350	2.857

a. Dependent Variable: SMP

Source: Statistical Package for social Sciences v.22

Table 4.8c presents the regression coefficients showing the individual effects of globalisation dimensions on the performance of manufacturing SMEs in Edo State. The results indicate that economic globalisation (ECG) has the highest positive and statistically significant effect on SME performance, with a coefficient of B = 0.567, t = 7.937, and p = 0.000, suggesting that increased access to international markets, trade, and investment significantly enhances SME performance. Technological globalisation (TCG) also exerts a positive and significant influence (B = 0.219, t = 2.867, p = 0.005), implying that the adoption of foreign technologies, digital tools, and innovation contributes substantially to improved business outcomes. In

contrast, political globalisation (POG) shows a negligible and statistically insignificant effect (B = -0.002, t = -0.026, p = 0.979), indicating that political interactions and international policies may not directly influence SME performance in the study area. Cultural globalisation (CUG), however, has a small but significant positive impact (B = 0.122, t = 1.987, p = 0.048), suggesting that cultural exposure and adaptation to international business practices moderately enhance productivity and competitiveness. The Variance Inflation Factor (VIF) values (ranging from 2.857 to 4.712) and tolerance values (between 0.212 and 0.350) are within acceptable limits, confirming that multicollinearity is not a serious concern. Overall, the regression model demonstrates that among the four globalisation dimensions, economic and technological globalisation are the most significant predictors of SME performance in Edo State.

Ho_1: Economic globalisation has no significant effect on the performance of manufacturing SMEs in Edo State.

From Table 4.8c, the coefficient for economic globalisation (ECG) is B = 0.567, with a t-value of 7.937 and a p-value of 0.000, which is less than 0.05. This indicates a strong positive and statistically significant relationship between economic globalisation and SME performance. Therefore, the null hypothesis (Ho_1) is rejected, and it is concluded that economic globalisation has a significant effect on the performance of manufacturing SMEs in Edo State.

Ho_2: Technological globalisation does not significantly influence the performance of manufacturing SMEs in Edo State.

The regression result shows that technological globalisation (TCG) has a coefficient of B = 0.219, a t-value of 2.867, and a p-value of 0.005, which is less than 0.05. This implies a positive and statistically significant influence of technological globalisation on SME performance. Hence, the null hypothesis (Ho_2) is rejected, confirming that technological globalisation significantly influences the performance of manufacturing SMEs in Edo State.

Ho_3: Political globalisation has no significant impact on the performance of manufacturing SMEs in Edo State.

As presented in Table 4.8c, political globalisation (POG) recorded a coefficient of B = -0.002, a t-value of -0.026, and a p-value of 0.979, which is greater than 0.05. This indicates that political globalisation does not have a statistically significant effect on SME performance. Therefore, the null hypothesis (Ho_3) is accepted, implying that political globalisation has no significant impact on the performance of manufacturing SMEs in Edo State.

Ho_4: Cultural globalisation does not significantly shape the performance of manufacturing SMEs in Edo State.

The coefficient for cultural globalisation (CUG) is B = 0.122, with a t-value of 1.987 and a p-value of 0.048, which is less than 0.05. This reveals a weak but statistically significant positive effect of cultural globalisation on SME performance. Consequently, the null hypothesis (Ho_4) is rejected, signifying that cultural globalisation significantly shapes the performance of manufacturing SMEs in Edo State.

4.5 Discussion of Findings

4.5.1 Economic Globalisation and SME Performance

The regression results showed that economic globalisation (B = 0.567, p = 0.000) has a strong and significant positive influence on the performance of manufacturing SMEs in Edo State. This finding aligns with Oviatt and McDougall (1994), who emphasized that trade liberalization and international entrepreneurship enable SMEs to expand market access and diversify income sources, improving profitability. Similarly, Humphrey and Schmitz (2002) and Gereffi, Humphrey, and Sturgeon (2005) noted that participation in global value chains enhances SME productivity and competitiveness through exposure to international standards and knowledge spillovers. The result also resonates with Krugman, Obstfeld, and Melitz (2012), who observed that global trade fosters opportunities for firms to achieve economies of scale. However, as Stiglitz (2007) and Nadvi (2004) cautioned, SMEs in developing economies face risks such as exchange rate volatility and institutional barriers, which can moderate these gains. In Edo State's context, manufacturing SMEs appear to be leveraging cross-border trade and financial linkages to enhance profitability despite infrastructural and financial challenges, demonstrating partial alignment with global patterns of economic integration.

4.5.2 Technological Globalisation and SME Performance

The study found that technological globalisation (B = 0.219, p = 0.005) exerts a significant positive impact on SME performance, confirming that technological diffusion and innovation adoption are critical enablers of competitiveness. This result is consistent with Castells (2010)

and Lefebvre, Lefebvre, and Elia (2005), who explained that globalization enhances digital connectivity and production efficiency, enabling SMEs to improve output and quality. Likewise, Bharadwaj, El Sawy, Pavlou, and Venkatraman (2013) emphasized that digital transformation—through e-commerce and ICT—enables SMEs to engage global customers and innovate faster. The finding also aligns with Apulu and Latham (2011), who empirically showed that Edo-based SMEs adopting ICT tools achieved better operational efficiency and customer retention. However, the persistence of infrastructural limitations and financing constraints, as highlighted by Adelekan (2018) and Obokoh and Goldman (2016), indicates that while technological globalisation enhances SME performance, its full benefits depend on the local technological ecosystem. Edo's growing innovation hubs and digital entrepreneurship initiatives provide evidence that local SMEs are progressively integrating into global digital networks, reflecting the technological convergence described by Hitt, Ireland, and Hoskisson (2016).

4.5.3 Political Globalisation and SME Performance

The regression output revealed that political globalisation (B = -0.002, p = 0.979) does not significantly affect SME performance in Edo State. This finding diverges from global evidence suggesting that political integration can create favourable trade conditions for SMEs. For instance, Mattli (1999) and Held and McGrew (2007) argued that regional and international trade agreements—such as AfCFTA—facilitate SME access to larger markets through tariff reduction and policy harmonisation. However, Stiglitz (2002) and Rodrik (2011) cautioned that

political reforms tied to globalisation may disadvantage SMEs in developing countries due to regulatory rigidity and exposure to intense competition. The insignificance of political globalisation in Edo's context may therefore reflect weak institutional implementation of global trade policies, bureaucratic bottlenecks, and limited political inclusion of SMEs in policy dialogues. While frameworks such as AfCFTA theoretically expand opportunities, the inability of many Edo manufacturers to meet export standards and access policy incentives constrains tangible benefits. This result underscores Asiedu's (2006) view that political globalisation often favours larger firms with stronger lobbying power, leaving smaller enterprises marginalised in global policy networks.

4.5.4 Cultural Globalisation and SME Performance

The study also established that cultural globalisation ($B = 0.122$, $p = 0.048$) has a modest but statistically significant positive effect on SME performance. This indicates that exposure to global cultural norms and consumer preferences encourages product innovation, marketing sophistication, and adaptability among SMEs. The result corroborates Steger (2013) and Pieterse (2009), who emphasized that cultural interaction fosters creativity and hybridization, enabling firms to design products that resonate with global audiences while retaining local identity. It also supports Cleveland and Laroche (2007), who noted that cultural diversity enhances competitiveness through cross-cultural branding and differentiation. In Edo State, manufacturing SMEs—particularly in textiles, fashion, and food—are increasingly aligning products with global trends while preserving local authenticity, mirroring Tomlinson's (1999)

"glocalization" concept. Nevertheless, the finding also reflects Hofstede, Hofstede, and Minkov's (2010) warning that inadequate cultural adaptation can hinder internationalization efforts. Thus, while Edo SMEs are benefiting from cultural exposure through digital platforms and diaspora networks, the limited integration of cultural intelligence into export marketing strategies still constrains broader international success. Overall, this result reinforces that cultural globalisation enhances SME performance primarily through innovation, consumer alignment, and cross-border branding.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the study. It is structured into the following sections: summary of findings, conclusion, recommendations, contribution to knowledge, and suggestions for future studies.

5.2 Summary of Findings

This study investigated globalisation and the performance of manufacturing SMEs in Edo State. A total of 231 questionnaires were distributed to owners of selected manufacturing SMEs within Oredo Local Government Area (LGA) in the Benin Metropolis of Edo State, Nigeria. Remarkably, all distributed questionnaires were duly completed, returned, and analyzed. The analysis employed both descriptive statistics (frequency, percentage, and mean) and inferential statistics (regression analysis) using SPSS version 22.

Key findings are summarised below:

i. The regression results showed that economic globalisation (B = 0.567, p = 0.000) has a strong and significant positive influence on the performance of manufacturing SMEs in Edo State.

ii. The study found that technological globalisation (B = 0.219, p = 0.005) exerts a significant positive impact on SME performance, confirming that technological diffusion and innovation adoption are critical enablers of competitiveness.

iii. The regression output revealed that political globalisation (B = -0.002, p = 0.979) does not significantly affect SME performance in Edo State.

iv. The study also established that cultural globalisation (B = 0.122, p = 0.048) has a modest but statistically significant positive effect on SME performance. This indicates that exposure to global cultural norms and consumer preferences encourages product innovation, marketing sophistication, and adaptability among SMEs.

5.3 Conclusion

This study examined the effect of globalisation on the performance of manufacturing SMEs in Edo State, using data from 231 respondents analyzed through descriptive and inferential statistics. The results revealed that economic and technological globalisation significantly enhance SME performance through increased market access, financial integration, and innovation diffusion. Cultural globalisation also positively influences SMEs by promoting product adaptation and alignment with international consumer trends, while political globalisation showed no significant effect, suggesting limited policy support or weak institutional frameworks. Overall, the study concludes that the performance of manufacturing SMEs in Edo State is largely driven by economic, technological, and cultural dimensions of globalisation, while political factors remain less influential due to structural and policy inefficiencies.

5.4 Practical Recommendations

Based on the findings and conclusions, the following practical recommendations are offered:

i. Government and financial institutions should create favourable trade and investment policies that enable manufacturing SMEs to access international markets and global value chains. Initiatives such as export financing, low-interest trade credit, and partnerships with development banks can enhance SMEs' capacity to compete globally.

ii. Manufacturing SMEs should prioritize the adoption of modern technologies and digital tools, such as e-commerce platforms and production automation, to boost efficiency and product quality. Policymakers should also expand training programmes and technology grants to bridge digital skill gaps and improve technological readiness among local firms.

iii. The government should strengthen the implementation of international trade agreements such as AfCFTA by ensuring that SMEs are included in policy frameworks, export incentive schemes, and diplomatic trade missions. Enhanced institutional coordination and transparent regulatory systems will help local SMEs benefit from political integration.

iv. SME owners should integrate cultural intelligence and international marketing strategies into product design, branding, and advertising. By blending local identity with global consumer trends, SMEs can improve competitiveness, attract wider audiences, and sustain long-term growth in culturally diverse markets.

5.5 Contribution to Knowledge

This study contributes to knowledge by empirically demonstrating the differential impacts of the four dimensions of globalisation such as economic, technological, political, and cultural on SME performance within the Nigerian manufacturing context. It extends globalisation

discourse by providing localized evidence from Edo State, showing that while economic and technological factors are the primary drivers of competitiveness, cultural globalisation serves as a moderate enhancer, and political globalisation remains underperforming. The study's integrated model offers a contextual framework for policymakers, scholars, and practitioners to understand how global forces interact with SME performance in developing economies.

5.6 Suggestions for Further Studies

Future research should expand the scope of this study by including multiple states or regions across Nigeria to enable comparative analysis and generalization of findings on how globalisation influences SME performance nationwide. Longitudinal studies could also be employed to track changes in SME performance over time, especially as global trade policies and technological trends evolve.

In addition, future researchers should consider adopting mixed-method approaches that combine quantitative analysis with qualitative interviews to gain deeper insights into the mechanisms through which globalisation affects SMEs. Exploring mediating factors such as innovation capability, government policy effectiveness, and access to finance will further enrich understanding of the complex relationship between globalisation and SME growth in developing economies.

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APPENDICES

APPENDIX I:
QUESTIONNAIRE
DEPARTMENT OF BUSINESS ADMINISTRATION
FACULTY OF MANAGEMENT SCIENCES
UNIVERSITY OF BENIN, BENIN CITY, NIGERIA

Dear Respondent,

APPEAL FOR THE COMPLETION OF QUESTIONNAIRE

I am an undergraduate student in the Department of Business Administration, conducting a research project as part of the requirements for the award of a Bachelor of Science (B.Sc) degree.

The study is titled: **"Globalisation and the Performance of Manufacturing SMEs in Edo State"**

You have been randomly selected to participate in this study. Kindly assist by completing this questionnaire as sincerely as possible. All information provided will be treated with utmost confidentiality and used strictly for academic purposes. Your honest response is highly appreciated.

Thank you for your cooperation.

Yours sincerely,

QUESTIONNAIRE

SECTION A: PERSONAL DATA

Tick (√) in the appropriate box.

Please tick (✓) the appropriate option:

1. **Gender**
   [ ] Male [ ] Female
2. **Age of Business (Years of Operation)**
   [ ] Less than 5 years [ ] 5–10 years [ ] 11–15 years [ ] Above 15 years
3. **Size of Business (Number of Employees)**
   [ ] Less than 10 [ ] 10–49 [ ] 50–99 [ ] 100 and above
4. **Type of Manufacturing Activity**
   [ ] Food & Beverage Processing [ ] Furniture & Woodwork
   [ ] Textile & Garment Production [ ] Metal & Fabrication
   [ ] Others (please specify): _____
5. **Ownership Structure**
   [ ] Sole Proprietorship [ ] Partnership
   [ ] Private Limited Company [ ] Cooperative

SECTION B: GLOBALISATION AND SME PERFORMANCE

Please indicate your level of agreement with the following statements using the scale below:

SA – Strongly Agree **A** – Agree **U** – Undecided **D** – Disagree **SD** – Strongly Disagree

(i) SME Performance

S/N	Statement	SD	D	U	A	SA
1	Our business has experienced increased profitability in recent years.					
2	We have recorded consistent growth in production output.					
3	Our firm has improved in terms of competitiveness in both local and international markets.					
4	Productivity has increased due to innovations adopted in recent years.					
5	The overall performance of the business has improved over the past 5 years.					

(ii) Economic Globalisation

S/N	Statement	SD	D	U	A	SA
6	Access to international markets has improved our business performance.					
7	Foreign direct investment positively impacts our operations.					
8	Changes in global trade policies have affected our performance.					
9	Import of raw materials is easier due to global trade integration.					
10	Our business is affected by exchange rate fluctuations.					

(iii) Technological Globalisation

S/N	Statement	SD	D	U	A	SA
11	Adoption of foreign technologies has enhanced our production efficiency.					
12	Internet access has improved our business operations.					
13	Technology transfer from global partners has improved our processes.					
14	Access to international knowledge platforms supports our business growth.					
15	Technological advancements have improved communication with suppliers and customers.					

(iv) Political Globalisation

S/N	Statement	SD	D	U	A	SA
16	Global political agreements affect our industry regulations.					
17	International trade agreements have improved our access to raw materials.					
18	Government policies influenced by international bodies affect our business.					
19	Political relations between countries impact our ability to import/export goods.					
20	International standards affect our compliance and certification processes.					

(v) Cultural Globalisation

S/N	Statement	SD	D	U	A	SA
21	Global cultural trends influence customer preferences for our products.					
22	We have adapted our products to suit international cultural standards.					
23	Exposure to foreign cultures has influenced our marketing strategies.					
24	Training influenced by global cultural standards has improved staff productivity.					
25	Our firm adopts international workplace culture to attract and retain talent.					

THANK YOU FOR YOUR PARTICIPATION!

Your input is valuable to the success of this academic research.

APPENDIX II

```
NEW FILE.
DATASET NAME DataSet1 WINDOW=FRONT.
COMPUTE SMP=MEAN (SMP1,SMP2,SMP3,SMP4,SMP5).
EXECUTE.
COMPUTE ECG=MEAN (ECG1,ECG2,ECG3,ECG4,ECG5).
EXECUTE.
COMPUTE TCG=MEAN (TCG1,TCG2,TCG3,TCG4,TCG5).
EXECUTE.
COMPUTE POG=MEAN (POG1,POG2,POG3,POG4,POG5).
EXECUTE.
COMPUTE CUG=MEAN (CUG1,CUG2,CUG3,CUG4,CUG5).
EXECUTE.
FREQUENCIES VARIABLES=SMP1 SMP2 SMP3 SMP4 SMP5 ECG1 ECG2 ECG3 ECG4
ECG5 TCG1 TCG2 TCG3 TCG4 TCG5 POG1 POG2 POG3 POG4 POG5 CUG1 CUG2
CUG3 CUG4 CUG5
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Frequencies

Notes

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[DataSet1]

		Our business has experienced increased profitability in recent years.	We have recorded consistent growth in production output.	Our firm has improved in terms of competitiveness in both local and international markets.	Productivity has increased due to innovations adopted in recent years.	The overall performance of the business has improved over the past 5 years.	Access to international markets has improved our business performance.	Foreign direct investment positively impacts our operations.	Change global policies have affected our perform e.
N	Valid	231	231	231	231	231	231	231	231
	Missing	0	0	0	0	0	0	0	0

Frequency Table

Our business has experienced increased profitability in recent years.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	39	16.9	16.9	16.9
	Disagree	38	16.5	16.5	33.3
	Neutral	65	28.1	28.1	61.5
	Agree	60	26.0	26.0	87.4
	Strongly Agree	29	12.6	12.6	100.0
	Total	231	100.0	100.0	

We have recorded consistent growth in production output.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	33	14.3	14.3	14.3
	Disagree	35	15.2	15.2	29.4
	Neutral	50	21.6	21.6	51.1
	Agree	77	33.3	33.3	84.4
	Strongly Agree	36	15.6	15.6	100.0

	Total	231	100.0	100.0	

Our firm has improved in terms of competitiveness in both local and international markets.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	12.1	12.1	12.1
	Disagree	34	14.7	14.7	26.8
	Neutral	69	29.9	29.9	56.7
	Agree	63	27.3	27.3	84.0
	Strongly Agree	37	16.0	16.0	100.0
	Total	231	100.0	100.0	

Productivity has increased due to innovations adopted in recent years.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	12.1	12.1	12.1
	Disagree	30	13.0	13.0	25.1
	Neutral	54	23.4	23.4	48.5
	Agree	74	32.0	32.0	80.5
	Strongly Agree	45	19.5	19.5	100.0
	Total	231	100.0	100.0	

The overall performance of the business has improved over the past 5 years.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	12.1	12.1	12.1
	Disagree	26	11.3	11.3	23.4
	Neutral	63	27.3	27.3	50.6
	Agree	76	32.9	32.9	83.5
	Strongly Agree	38	16.5	16.5	100.0
	Total	231	100.0	100.0	

Access to international markets has improved our business performance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	29	12.6	12.6	12.6
	Disagree	34	14.7	14.7	27.3
	Neutral	61	26.4	26.4	53.7
	Agree	64	27.7	27.7	81.4
	Strongly Agree	43	18.6	18.6	100.0
	Total	231	100.0	100.0	

Foreign direct investment positively impacts our operations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	10.4	10.4	10.4
	Disagree	32	13.9	13.9	24.2
	Neutral	69	29.9	29.9	54.1
	Agree	61	26.4	26.4	80.5
	Strongly Agree	45	19.5	19.5	100.0
	Total	231	100.0	100.0	

Changes in global trade policies have affected our performance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	11.3	11.3	11.3
	Disagree	27	11.7	11.7	22.9
	Neutral	59	25.5	25.5	48.5
	Agree	77	33.3	33.3	81.8
	Strongly Agree	42	18.2	18.2	100.0
	Total	231	100.0	100.0	

Import of raw materials is easier due to global trade integration.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	12.1	12.1	12.1
	Disagree	42	18.2	18.2	30.3
	Neutral	53	22.9	22.9	53.2
	Agree	65	28.1	28.1	81.4
	Strongly Agree	43	18.6	18.6	100.0
	Total	231	100.0	100.0	

Our business is affected by exchange rate fluctuations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	10.0	10.0	10.0
	Disagree	35	15.2	15.2	25.1
	Neutral	54	23.4	23.4	48.5
	Agree	65	28.1	28.1	76.6
	Strongly Agree	54	23.4	23.4	100.0
	Total	231	100.0	100.0	

Adoption of foreign technologies has enhanced our production efficiency.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	9.5	9.5	9.5
	Disagree	33	14.3	14.3	23.8
	Neutral	56	24.2	24.2	48.1
	Agree	72	31.2	31.2	79.2
	Strongly Agree	48	20.8	20.8	100.0
	Total	231	100.0	100.0	

Internet access has improved our business operations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	11.3	11.3	11.3
	Disagree	26	11.3	11.3	22.5
	Neutral	57	24.7	24.7	47.2
	Agree	62	26.8	26.8	74.0
	Strongly Agree	60	26.0	26.0	100.0
	Total	231	100.0	100.0	

Technology transfer from global partners has improved our processes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	10.4	10.4	10.4
	Disagree	30	13.0	13.0	23.4
	Neutral	63	27.3	27.3	50.6
	Agree	68	29.4	29.4	80.1
	Strongly Agree	46	19.9	19.9	100.0
	Total	231	100.0	100.0	

Access to international knowledge platforms supports our business growth.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	9.1	9.1	9.1
	Disagree	30	13.0	13.0	22.1
	Neutral	65	28.1	28.1	50.2
	Agree	67	29.0	29.0	79.2
	Strongly Agree	48	20.8	20.8	100.0
	Total	231	100.0	100.0	

Technological advancements have improved communication with suppliers and customers.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	9.1	9.1	9.1
	Disagree	29	12.6	12.6	21.6
	Neutral	59	25.5	25.5	47.2
	Agree	72	31.2	31.2	78.4
	Strongly Agree	50	21.6	21.6	100.0
	Total	231	100.0	100.0	

Global political agreements affect our industry regulations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	9.5	9.5	9.5
	Disagree	25	10.8	10.8	20.3
	Neutral	60	26.0	26.0	46.3
	Agree	72	31.2	31.2	77.5
	Strongly Agree	52	22.5	22.5	100.0
	Total	231	100.0	100.0	

International trade agreements have improved our access to raw materials.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	11.3	11.3	11.3
	Disagree	26	11.3	11.3	22.5
	Neutral	63	27.3	27.3	49.8
	Agree	67	29.0	29.0	78.8
	Strongly Agree	49	21.2	21.2	100.0
	Total	231	100.0	100.0	

Government policies influenced by international bodies affect our business.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	10.4	10.4	10.4
	Disagree	33	14.3	14.3	24.7
	Neutral	51	22.1	22.1	46.8
	Agree	77	33.3	33.3	80.1
	Strongly Agree	46	19.9	19.9	100.0
	Total	231	100.0	100.0	

Political relations between countries impact our ability to import/export goods.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	9.1	9.1	9.1
	Disagree	27	11.7	11.7	20.8
	Neutral	57	24.7	24.7	45.5
	Agree	73	31.6	31.6	77.1
	Strongly Agree	53	22.9	22.9	100.0
	Total	231	100.0	100.0	

International standards affect our compliance and certification processes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	27	11.7	11.7	11.7
	Disagree	24	10.4	10.4	22.1
	Neutral	60	26.0	26.0	48.1
	Agree	77	33.3	33.3	81.4
	Strongly Agree	43	18.6	18.6	100.0
	Total	231	100.0	100.0	

Global cultural trends influence customer preferences for our products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	25	10.8	10.8	10.8
	Disagree	18	7.8	7.8	18.6
	Neutral	61	26.4	26.4	45.0
	Agree	79	34.2	34.2	79.2
	Strongly Agree	48	20.8	20.8	100.0
	Total	231	100.0	100.0	

We have adapted our products to suit international cultural standards.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	29	12.6	12.6	12.6
	Disagree	21	9.1	9.1	21.6
	Neutral	59	25.5	25.5	47.2
	Agree	78	33.8	33.8	81.0
	Strongly Agree	44	19.0	19.0	100.0
	Total	231	100.0	100.0	

Exposure to foreign cultures has influenced our marketing strategies.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	9.1	9.1	9.1
	Disagree	29	12.6	12.6	21.6
	Neutral	60	26.0	26.0	47.6
	Agree	75	32.5	32.5	80.1
	Strongly Agree	46	19.9	19.9	100.0
	Total	231	100.0	100.0	

Training influenced by global cultural standards has improved staff productivity.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	9.5	9.5	9.5
	Disagree	26	11.3	11.3	20.8
	Neutral	58	25.1	25.1	45.9
	Agree	75	32.5	32.5	78.4
	Strongly Agree	50	21.6	21.6	100.0
	Total	231	100.0	100.0	

Our firm adopts international workplace culture to attract and retain talent.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	11.3	11.3	11.3
	Disagree	29	12.6	12.6	23.8
	Neutral	65	28.1	28.1	51.9
	Agree	65	28.1	28.1	80.1
	Strongly Agree	46	19.9	19.9	100.0
	Total	231	100.0	100.0	

```
DESCRIPTIVES VARIABLES=SMP1 SMP2 SMP3 SMP4 SMP5 ECG1 ECG2 ECG3 ECG4
ECG5 TCG1 TCG2 TCG3 TCG4 TCG5 POG1 POG2 POG3 POG4 POG5 CUG1 CUG2
CUG3 CUG4 CUG5 SMP ECG TCG POG CUG
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Descriptives

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Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Our business has experienced increased profitability in recent years.	231	1.00	5.00	3.0087	1.26831
We have recorded consistent growth in production output.	231	1.00	5.00	3.2078	1.28203
Our firm has improved in terms of competitiveness in both local and international markets.	231	1.00	5.00	3.2035	1.22906
Productivity has increased due to innovations adopted in recent years.	231	1.00	5.00	3.3377	1.26776
The overall performance of the business has improved over the past 5 years.	231	1.00	5.00	3.3030	1.22437
Access to international markets has improved our business performance.	231	1.00	5.00	3.2511	1.27080
Foreign direct investment positively impacts our operations.	231	1.00	5.00	3.3074	1.22860
Changes in global trade policies have affected our performance.	231	1.00	5.00	3.3550	1.22810
Import of raw materials is easier due to global trade integration.	231	1.00	5.00	3.2294	1.28341
Our business is affected by exchange rate fluctuations.	231	1.00	5.00	3.3983	1.27067
Adoption of foreign technologies has enhanced our production efficiency.	231	1.00	5.00	3.3939	1.23209
Internet access has improved our business operations.	231	1.00	5.00	3.4502	1.29410

Technology transfer from global partners has improved our processes.	231	1.00	5.00	3.3550	1.23163
Access to international knowledge platforms supports our business growth.	231	1.00	5.00	3.3939	1.21073
Technological advancements have improved communication with suppliers and customers.	231	1.00	5.00	3.4372	1.21734
Global political agreements affect our industry regulations.	231	1.00	5.00	3.4632	1.22197
International trade agreements have improved our access to raw materials.	231	1.00	5.00	3.3766	1.25149
Government policies influenced by international bodies affect our business.	231	1.00	5.00	3.3810	1.24495
Political relations between countries impact our ability to import/export goods.	231	1.00	5.00	3.4762	1.22229
International standards affect our compliance and certification processes.	231	1.00	5.00	3.3680	1.23310
Global cultural trends influence customer preferences for our products.	231	1.00	5.00	3.4632	1.21483
We have adapted our products to suit international cultural standards.	231	1.00	5.00	3.3766	1.24801
Exposure to foreign cultures has influenced our marketing strategies.	231	1.00	5.00	3.4156	1.20164
Training influenced by global cultural standards has improved staff productivity.	231	1.00	5.00	3.4545	1.21811

Our firm adopts international workplace culture to attract and retain talent.	231	1.00	5.00	3.3290	1.24586
SMP	231	1.00	5.00	3.2121	1.08035
ECG	231	1.00	5.00	3.3082	1.07213
TCG	231	1.00	5.00	3.4061	1.08257
POG	231	1.00	5.00	3.4130	1.04757
CUG	231	1.00	5.00	3.4078	1.04596
Valid N (listwise)	231				

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CORRELATIONS
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Correlations

Notes

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	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.

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Correlations

		SMP	ECG	TCG	POG	CUG
SMP	Pearson Correlation	1	.831**	.781**	.733**	.686**
	Sig. (1-tailed)		.000	.000	.000	.000
	N	231	231	231	231	231
ECG	Pearson Correlation	.831**	1	.843**	.813**	.721**
	Sig. (1-tailed)	.000		.000	.000	.000
	N	231	231	231	231	231
TCG	Pearson Correlation	.781**	.843**	1	.840**	.748**
	Sig. (1-tailed)	.000	.000		.000	.000
	N	231	231	231	231	231
POG	Pearson Correlation	.733**	.813**	.840**	1	.788**
	Sig. (1-tailed)	.000	.000	.000		.000
	N	231	231	231	231	231
CUG	Pearson Correlation	.686**	.721**	.748**	.788**	1
	Sig. (1-tailed)	.000	.000	.000	.000	
	N	231	231	231	231	231

**. Correlation is significant at the 0.01 level (1-tailed).

```
REGRESSION
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  /DEPENDENT SMP
  /METHOD=ENTER ECG TCG POG CUG
  /RESIDUALS DURBIN.
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Regression

Notes

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	Cases Used	Statistics are based on cases with no missing values for any variable used.
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	Additional Memory Required for Residual Plots	0 bytes

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	CUG, ECG, POG, TCG[b]	.	Enter

a. Dependent Variable: SMP

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.848[a]	.719	.714	.57802	.719	144.370

a. Predictors: (Constant), CUG, ECG, POG, TCG
b. Dependent Variable: SMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	192.939	4	48.235	144.370	.000[b]
	Residual	75.507	226	.334		
	Total	268.446	230			

a. Dependent Variable: SMP
b. Predictors: (Constant), CUG, ECG, POG, TCG

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0
		B	Std. Error	Beta			Low
1	(Constant)	.181	.139		1.309	.192	-.09
	ECG	.567	.071	.562	7.937	.000	.426
	TCG	.219	.076	.220	2.867	.005	.069
	POG	-.002	.078	-.002	-.026	.979	-.15
	CUG	.122	.062	.118	1.987	.048	.001

a. Dependent Variable: SMP

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	ECG	TCG	POG
1	1	4.882	1.000	.00	.00	.00	.00
	2	.063	8.838	.95	.03	.02	.01

	3	.026	13.585	.04	.20	.06	.00
	4	.015	17.832	.00	.65	.15	.44
	5	.013	19.161	.00	.12	.77	.54

a. Dependent Variable: SMP

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.0866	4.7123	3.2121	.91590	231
Residual	-2.27606	1.48514	.00000	.57297	231
Std. Predicted Value	-2.321	1.638	.000	1.000	231
Std. Residual	-3.938	2.569	.000	.991	231

a. Dependent Variable: SMP