

## **IMPROVEMENT STRATEGIES OF SMES OPERATORS FOR EFFECTIVE MANAGEMENT OF CASH AND ACCOUNTS PAYABLE IN CROSS RIVER STATE, NIGERIA**

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**ABSTRACT:** *This study was carried out to determine the improvement strategies of SMEs operators for effective management of cash and accounts payable in Cross River State. Two research questions and two null hypotheses were formulated to guide the study. A descriptive survey research design was used in carrying out this study, with a total population of 437 operators of registered SMEs in cross river state, Nigeria. The sample size of two hundred and ten (210) Small and Medium Scale Enterprises operators was drawn for the study using Taro Yamen formulae. The sample which is made up of One hundred and fifty-six (156) experience operators of SMEs and fifty-four (54) fewer experience operators of SMEs in Cross River State were composed using multi-stage sampling. A questionnaire for the improvement strategies of SMEs operators of small and medium scale enterprises operators for effective management of cash and accounts payable (QISSMSE) was used. Mean was used to answer the research questions, while the hypotheses were tested using independent t-test statistics at 0.05 level of significance. The results indicated that the SMEs operators needed strategies of cash, accounts payable, and wealth of experience in cash, account payable management; SMEs operators did not differ significantly in their mean responses on their improvement strategies for effective management of cash accounts payable in Cross River State. Some recommendations were made to help facilitate the improvement strategies of SMEs operators.*

**KEY WORDS:** Improvement strategies, SMEs, Cash and accounts payable

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## **INTRODUCTION**

Small and medium scale enterprises (SMEs) are contributive factors to socio-economic development and transformation in every country or state of the world. Due to the significant roles of SMEs in the growth and development of countries' economies, such as: rapid and sustained economic growth and development, employment generation, capacity building for manpower and skills development, promote growth, poverty reduction, and industrial development among others. SMEs are generally regarded as the engine of economic growth and equitable development in both developed and developing economies. Countries all over the world specially make policies, programmes and regulations for the growth and development of SMEs, considering the economics roles they play.

In Nigeria, the characteristics associated with SMEs include that the owners and operators of SMEs are the chief executives; they generally participate actively in the decision-making process and

day-to-day operation of the business with little or no adequate specialist support. The chief executive can be known by all employees of the company or organization and the chief executive in most cases is the owner, founder and manager as well as the controller of the business (Mohammed & Obeleagu-Nzelibe, 2014). The authors opined that SMEs cut across the manufacturing sector although the majorities are in Agro- Allied and food processing, wood and furniture production, non-metallic mineral, plastic wares, clothing and tailoring among others. The more efficient the SMEs are in managing its financial affairs especially cash and accounts payable, the more profitable there are (Kehinde, 2011). Central Bank of Nigeria (2003) on their SME statistics, opined that the strength or weaknesses of SMEs is dependent on efficient and effective management of cash and accounts payable. Cash and accounts payable is an indispensable asset to all business organizations, including SMEs.

Cash is one of the most important components of current assets. Every Small and Medium Scale Enterprise should have adequate cash, neither more nor less. (Rehn 2015) stress that Inadequate cash will lead to production interruptions, while excessive cash remains idle and will impair profitability, hence, the need for cash management. Oroka (2013) stated that, the management of cash deals on cash planning to ensure there is optimum cash balance to run the business profitably. Cash is one of the most important components of working capital, current assets. Junli (2011) explained that cash measured as the sum of average inventory age and receivables collection period minus the average payment period for accounts payable.

Account payable is another component of working capital and is one of the major sources of unsecured short-term financing (Gitman, 2009). Accounts payable management deals on enterprise purchases of goods and services from their customers in the form of credit to meet the operations of the business. Delaying payments to suppliers allows a firm to assess the quality of bought products, and can be an inexpensive and flexible source of financing for the firm. On the other hand, late payment of invoices can be very costly if the firm is offered discount for early payment. Utilizing the value of relationship with payee is a sound objective that should be highlighted as important as having the optimal level of inventories (Pearson, 2012). As a consequence, strong alliance between company and its suppliers experientially improve production lines and strengthen credit record for future expansion.

The possession of cash and accounts payable management strategies is fundamental in every business management. According to Obi (2011), strategies is the ability to use one's knowledge effectively and readily in performing an act, or a habit of doing a particular thing competently. Umeji and Obi (2014) refers to strategies as the ability to perform well in a task as a result of exposure, training or practice. Strategies is otherwise known as experienced, knowledge acquired to perform a particular task diligently. Small and Medium Scale Enterprises operators should have sufficient technical capacity, adequate conceptual ability to picture, organize and integrate the various operations of cash and accounts payable management into a synergistic whole. The management of the working capital in a business including small and medium enterprises (SMES) is the function of operators of the business.

Incidentally, Tewolde (2002) observed that the management of cash and accounts payable amongst Small and Medium Enterprises (SMEs) appears to have been relatively neglected due to poor skill in decisions concerning the cash and accounts payable amongst Small and Medium Enterprises (SMEs). In the same vein, many SMEs in Cross River State often get into liquidation due to their inability to meet their short-term obligations. Ebitu, Ufot and Olom (2015) noted that most SMEs in Cross River State die within their first five years of existence; a smaller percentage goes into extinction between the sixth and tenth year while only about five to ten percent survive, thrive and grow to maturity. This is a clear indication that Small and Medium Scale Enterprises operators in Cross River State do not have experienced it takes to successfully manage cash and accounts payable in terms of skill and knowledge based on the rate Small and Medium Scale Enterprises liquidate in the area. Many factors have been identified to contribute to this premature death of SMEs. Among these factors is financial constraint which inappropriate cash and accounts payable management strategies can cause (Oroka, 2013). Lyytinen (2019) also ascertained that Small and Medium Scale Enterprises often encounter several problems in their cash and accounts payable management like: not knowing the required sources of financing cash and accounts payable; inappropriate management of cash flows; no laid down collection policies of accounts receivables; frequent inventory stock-out; poor controlling of accounts payables; and non-evaluation of risk on investment.

Small and Medium Scale Enterprises in Cross River State often encounter problems of liquidity as well as improper accounting techniques (Effiong et al., 2019; Femi, Oboh & Takim, 2020). Reports have it that the liquidity situation of the small and medium Scale enterprises are most times negative due to the high interest charged on bank loans obtained by them to meet short-term financial obligations (Shahrodi, 2010; Inyang & Egbunike, 2019). Those scenarios imply that the small and medium Scale enterprises operators require updating of their skills and experienced to effectively manage their cash and accounts payable. However, the strategic areas where they need update is uncertain.

In spite of the fact that the operators of SMEs are the chief executive and can be known by all employees of the company or organization and that the chief executive in most cases is the owner, founder and manager as well as the controller of the business, most Small and Medium Scale Enterprises often encounter several problems in their cash and accounts payable management like: not knowing the required sources of financing cash and accounts payable; inappropriate management of cash flows, liquidity as well as improper accounting techniques among others, hence the researcher sought to determine if the operators of SMES in Cross River State have adequate improvement strategies for effective management of cash and accounts payable.

## **THEORETICAL FRAMEWORK**

This study is anchored on need assessment theory by Atkinson. This theory was propounded by Atkinson in 1985, Atkinson is of the view that when an individual is actively engaged in a task, such individual automatically sets a standard to conquer. To Atkinson, this standard is called the level of aspiration. Atkinson (1985) explains the assessment of level of aspiration as a desire for

high achievement with improvement as its goal. Thus, aspiration has to do with the desire to improve or rise above one's present status. People's level of aspiration may be high or low. It may be high especially if they had just succeeded at any given task, and it may be low if they had just met with failure. Individual level of assessment of his/her aspiration may be positive or negative. Positive aspiration is when one is striving for success or doing better than one has done before and negative aspiration is when one is avoiding failure. Atkinson further stated that, aspiration may be assessed as unrealistic when it is characterized by limited knowledge and experience or inadequate assessment of opportunities available in the environment for its attainment.

The motive to achieve success sometime is determined by the following: the need to assess successes or need assessment of achievement; the person's assessment of the likelihood of success in performing the particular task; and the incentive for success, that is, how much the person wants to succeed in the particular task, good standard, realizable goals, motivational incentive and others. For any given motive to occur, previous failure in a series generally leads to lowering of level of achievement; while previous successes increase one's level of achievement as well. For example, when people are pursuing a goal if they succeed their level of aspiration may arise and they may transfer the feelings of success to another task but if they failed, the level of their aspiration may be low and they may also transfer the feelings of failure to another given task.

The relevance of this theory to this study is that it will enable SME managers to set standards that they will attain and always assess their activities to ensure success. Also, it will help SME operators to have the desire to improve on their management strategies to attain success in their management of cash and accounts payable.

### **Purpose of the study**

The main purpose of this study was to determine the improvement strategies of SME operators for effective management of cash and accounts payable in Cross River State, Nigeria. Specifically, the study designed to determine the:

- i. Improvement strategies of SME operators for effective management of cash in SMEs in Cross River State, Nigeria.
- ii. Improvement strategies of SME operators for effective management of accounts payable in SMEs in Cross River State, Nigeria.

### **Research questions**

The following research questions were posed to guide the study:

- i. What are the improvement strategies of SME operators for effective management of cash?
- ii. What are the improvement strategies of SME operators for effective management of accounts payable?

### **Significance of the study**

This study when published will have practical significance. The theoretical significance of this study is anchored on Atkinson theory of strategies assessment. The findings of this study will validate the theories since the improvement strategies of SME operators for effective management of cash and accounts payable in Small and Medium Scale Enterprises would improve the general performance of Small and Medium Scale Enterprises and give them wealth of experienced.

Similarly, the study would be of practical significance to operators of Small and Medium Scale Enterprises (SMEs), Small and Medium Scale Enterprises agencies and associations, Business educator's students and Researchers.

The operators of Small and Medium Scale Enterprises (SMEs) will benefit greatly from the result of this study as it will enlighten or expose them on the areas where they need skill improvement for effective management of cash and accounts. The understanding and implementation of the findings of the study would help the operators of SMEs to seek ways of improving their strategies for effective management of cash and accounts payable for profitability, liquidity, reduction of financial cost, and enhance the achievement of the objectives of Small and Medium Scale Enterprises (SMEs).

Similarly, Small and Medium Scale Enterprises agencies and associations such as Nigerian Association of Small and Medium Scale Enterprises (NASME), Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN) among others will also benefit greatly from the findings of this study. The findings will provide these agencies and associations with update of relevant information on the improvement strategies of SME's operators for effective management of cash and accounts payable in Small and Medium Scale Enterprises. These agencies and associations would through the findings organize workshops, seminars, conferences to educate and train the management of SMEs in the strategies and experienced identified for effective management of cash and accounts payable in Small and Medium Scale Enterprises in Nigeria.

Furthermore, Business educators will also gain from the result of this study. The result of the study will be beneficial to them as it will help them to teach students the relevant strategies needed for effective management of cash and accounts payable to stand the better chance of succeeding when they establish small and medium scale enterprises. The finding of this study will help the business educators to seek ways of improving their knowledge and skill which they will impart to their students to help them after graduation manage of cash and accounts payable in organizations.

In the same vein, researchers in Business Education will benefit from the findings of this study as it will serve as a reference material for studies related to the management of cash and accounts payable. Future researchers will therefore use the findings of this study to increase their literature and knowledge for effective implementation of researches that are related to the present study.

### **Assumptions of the study**

In this study the following assumptions were made.



- i. The dependent variable, management of cash and accounts payable is normally distributed in the population.
- ii. Subjects (SME operators) are randomly selected and so are representative of the population.
- iii. The variables used for the study (improvement strategies) are measureable.
- iv. The subjects for the study clearly understood the test instruments administered to them and the information supplied were genuine and without bias.

### **Scope of the study**

This study was carried out in Cross River State, Nigeria. It focused on improvement strategies of SME operators for effective management of cash and accounts payable. The study was specifically delimited to improvement strategies of SMEs operators for effective management cash and accounts payable in Cross River State. The study will collect data from small and medium enterprise operators for the attainment of the objectives of the study.

### **Research design**

This study adopted descriptive survey research design. The design, according to Nworgu (2015), is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. Nworgu noted that descriptive survey studies aims at collecting data on, and describing in a systematic manner the characteristics, features or facts about a given population. This design is considered appropriate for this study because the researcher intend to collect and analyzed data on the group of small and medium scale enterprise operators in Cross River State in order to ascertain their improvement strategies for effective management of cash and accounts payable in Small and Medium Scale Enterprises in Cross River State.

### **Research Area**

The study was conducted in Cross River State. Cross River State is one of the 36 states in Nigeria and also one of the six states in the South- South Geopolitical zone of the country. The state has Calabar as its capital. The state is bounded on the North by Benue and Ebonyi States, on the South by Akwa Ibom State and Atlantic Ocean, on the East by Cameroun, and on the West by Ebonyi State.

For political purposes the state is divided into three senatorial zones, they are; North, Central and Southern senatorial zones. The northern zone comprise Ogoja, Bekwarra, Obudu, Obanliku and Yala local government areas; the Central zone comprises Obubra, Ikom, Boki, Etung, Yakurr, and Biase local government areas; and Southern senatorial zone comprise of Calabar municipality, Calabar south, Odukpani, Akamkpa, Abi, Akpabuyo and Bakassi local government areas The state is made up of eighteen (18) local government areas.

In the Cross River State ministry of commerce and industry department of trade and investment (2017), there is a record of the sharp rise of yearly establishments of Small and Medium Scale

Enterprises in the State by entrepreneurs, which has led to a wide spread and large number of Small and Medium Scale Enterprises operating in the State. Despite the continuous increase of Small and Medium Scale Enterprises in the State, there is also a rise in the collapse of SMEs, occasioned by poor cash and accounts payable management (Osho, 2010). Therefore the researchers chose to bridge the gap on the improvement strategies of small and medium scale enterprises operators for effective management of cash and accounts payable.

### **The Population of the Study**

The population for the study is made up of four hundred and thirty seven (437) registered Small and Medium Enterprises in Cross River State which comprise three hundred and twenty five (325) Small Scale Enterprises and one hundred and twelve (112) Medium Scale Enterprises in Cross River State.

### **Sampling Procedure**

In this study, multi-stage sampling technique was adopted Fifty two (52) Small Scale Enterprises and eighteen (18) Medium Scale Enterprises each was drawn from the three senatorial Zones that make up Cross River State. This was done by dividing the sampled size of one hundred and fifty six (156) experienced operators and fifty four (54) less experienced operators by the three Zones to ensure equal representation. The simple random sampling technique was used to select the experienced and less experienced operators of Small and Medium Scale Enterprises from each Zone that was used for the study.

### **Sample**

The sample of this study comprised 210 Small and Medium Scale Enterprises was drawn for the study using Taro Yamen formulae. The sample size made up of One hundred and fifty six (156) experienced operators of Small Scale Enterprises and 54 less experience operators of SME in Cross River State was drawn.

### **Instrumentation**

Only one researcher made instrument (questionnaire) was used in generating data for the study. It was titled Questionnaire for improvement strategies of small and medium scale enterprises operators for effective management of cash and accounts payable (QISSMSE). It is a bi-polar scale to ascertain the need level of strategies required and levels of strategies performance. The instrument is divided into two sections; section A and B. Section A contains demographic information of the respondents such as sex, educational qualification and years of work experience.

Section B comprises of a 16 items statements structured to cover cash management strategies and account payable management strategies. Each of the four clusters contains eight (8) item statements. Response option here were designed on a four- point rating scale of very high required (VHR); high required (HR); somewhat required (SR) and not required (NR) on the level of skills required and very high performance (VHP), high performance (HP) low performance (LW) very

low performance (VLP) on level of strategies performance as to ascertain the improvement strategies of small and medium scale enterprises operators for effective management of cash and accounts payable in Small and Medium Scale Enterprises.

### **Validation of the instrument**

The initial draft of the instrument, the purpose of the study, as well as the research questions and hypotheses were given to experts for validation. The experts comprised three lecturers: one from Measurement and Evaluation Unit of Department of Science Education, Faculty of Education and two from Department of Business Education, Faculty of Vocational and Technical Education, all in the University of Nigeria, Nsukka. These experts were required to scrutinize the instrument with respect to clarity of terms, simplicity of vocabulary, relevance of terms to the study and make necessary suggestions for the improvement of the quality of the instruments. Their comments and suggestions were used to modify the items to suit the problem under investigation.

### **Reliability of the instrument**

The reliability of the instrument (QISSMSE) was ascertained by administering the questionnaire to twenty (20) small and medium scale enterprises operators in Akwa Ibom State who were not part of the sample. Akwa Ibom State was chosen because it has the same economics characteristics with the area of the study. The responses of the respondents were subjected to reliability analysis using Cronbach Alpha ( $\alpha$ ) method to determine the internal consistency of the items. The choice of Cronbach Alpha is because the instrument was polytomously scored. The reliability coefficients of the various clusters of the research instrument are cluster A 0.845, cluster B 0.871, cluster C 0.902, cluster D 0.793. And the reliability coefficient of 0.852 was obtained as the overall reliability index. This is a strong indicator of the stability of the instrument overtime, which showed that the instrument is highly reliable.

### **Procedure for data collection**

The researcher and two other research assistants who were at least holders of Nigerian Certificate in Education (N.C.E) visited the sampled 210 register SMEs operators, to administer the questionnaires. The research assistants were briefed on what to do. Apart from ensuring a high response rate, possibility of misinterpretation of the questions by the respondents strategies to be reduced, so any respondents who may not understand some items in the questionnaire and need the assistance of the research assistants to understand such items. Such items will be read out to them and they make their opinions. The instrument for data collection was administered and duly collected within a period of four weeks. The responses collected from the respondents were subjected to further analysis.

### **Procedure for data analysis**

The research questions were answered using mean, standard deviations and mean difference between the respective means of required strategies and that of level of performance strategies ( $\bar{X}_1 - \bar{X}_2$ ), where  $\bar{X}_1$  = means of required strategies and  $\bar{X}_2$  = means of level of performance strategies.



The mean values of  $(\bar{X}_1 - \bar{X}_2) \geq 0$  implies IN (Improvement Needed) while  $(\bar{X}_1 - \bar{X}_2) < 0$  implies INN (Improvement Not Needed). The null hypotheses were tested using independent t – test statistic at 0.05 level of significance. The probability values greater than or equal to 0.05 ( $p > 0.05$ ) were regarded as not having any significant difference while probability values less than or 0.05 ( $p \leq 0.05$ ) were regarded as having significant difference.

## RESULTS

### Question One

What are the improvement strategies of SMEs operators for effective management of cash?

**Table 1: Mean and Standard Deviation of Respondents on the improvement strategies of SMEs operators for effective management of cash**

S/N	Items	Strategies requirement		Levels of strategies performed		Need gap	
		$\bar{x}_1$	$SD_1$	$\bar{x}_2$	$SD_2$	$\bar{X}_1 - \bar{X}_2$	Dec.
1	Efficient planning of cash	2.51	0.93	2.54	1.29	-0.03	INN
2	Approval of cash expenditure wisely	2.55	0.92	2.52	0.96	0.03	IN
3	Safe custody of cash	2.54	0.83	2.53	0.99	0.01	IN
4	Determination of cash balances	2.53	1.01	2.62	0.94	-0.09	INN
5	Allocation of cash promptly	2.54	0.66	2.20	0.55	0.34	IN
6	A good mathematical background	2.51	0.96	2.21	0.94	0.03	IN
7	strong problem- solving abilities	2.51	0.92	2.40	1.06	0.11	IN
8	Auditing and investigation	2.53	1.05	2.26	1.06	0.27	INN

$\bar{x}_1$  = mean level of required,  $\bar{x}_2$  = mean level of performance,  $SD_2$  = standard deviation of level of required,  $SD_2$  = standard deviation of level of performance.

Data on table 1 shows the mean and standard deviation of respondents on the improvement strategies of SME operators for effective management of cash in cross river state. The result reveals that items 2, 3, 5, 6 and 7 had improvement strategies gap because their respective mean level of required are greater than the mean level of performance values. These indicate that SME operators could not performed the items to the levels it is required in the State. The implication is that SME management need training or retraining on those strategies (items 2, 3, 5, 6 and 7). Generally SME management need training or retraining on cash management strategies with less emphasis on

items 1, 4 and 8 that does not required improvement. However, the standard deviation for all the items seems to be in close ranged between 1.05 and 0.66 on levels of strategies required and 1.29 and 0.55 on levels of strategies performance. This reveals that the distribution are relatively skew, respondents seem to be in close agreement that all the items required an improvement for effective management of cash in Cross River State, Nigeria.

### Question Two

What are the improvement strategies of SMEs operators for effective management of accounts payable?

**Table 2: Mean and Standard Deviation of Respondents on the improvement strategies of SME operators for effective management of accounts payable**

S/N	Items	strategies required		Level of strategies performed		Need gap	
		$\bar{x}_1$	$SD_1$	$\bar{X}_2$	$SD_2$	$\bar{X}_1 - \bar{X}_2$	Dec.
1	Purchase only on cash	2.73	<b>0.94</b>	2.63	1.02	0.10	IN
2	Pay attention to details	2.88	<b>0.74</b>	2.70	0.78	0.18	IN
3	Purchase only on credit	2.55	0.94	2.56	0.98	-0.01	INN
4	Take advantage of discount facilities by paying creditors promptly	2.51	0.74	2.31	0.82	0.20	IN
5	Settle account payable on last day that the payment is due	2.51	0.82	2.07	0.96	0.43	IN
6	Abilities to maintain general ledge	2.51	0.75	1.90	0.87	0.61	IN
7	Regular update of states of account	2.58	0.79	2.41	0.81	0.17	IN
8	Abilities to maintain efficiency and accuracy	2.51	0.84	1.48	0.96s	0.03	IN

$\bar{x}_1$ = mean level of required,  $\bar{x}_2$ = mean level of performance,  $SD_1$ = standard deviation of level of required,  $SD_2$ = standard deviation of level of performance.

Data on table2 shows the mean and standard deviation of respondents on the improvement strategies of SME operators for effective management of account payable in cross river state, Nigeria. The result indicates that 7 out of 8 items had need gap because their respective mean level of required are greater than the mean level of performance. This reveal that the levels of skill required for item 1, 2, 4, 5, 6, 7 and 8 are highly needed, required improvement to meet the urgent trend in global challenge of SME management. The result shows that SME could not performed the items to the level needed in the effective management of account payable in cross river state. Since the item cannot exist in isolation. Items 3 shows that SME purchase her goods only on credit and is the only strategies that does not required improvement for effective management of account payable. The values of standard deviation from the levels of skill required ranged from 0.74 to 0.94 while on levels of strategies performed ranged from 0.78 to 1.02 these values shows that the

distributions are relatively skew and the respondents were close in their mean and to one another in their responses.

### Testing of hypotheses

#### Hypothesis One:

There is no significant difference between the mean responses of experience and less experience operators on their skill improvement strategies for effective management of cash.

**Table 3: t-test Analysis of the responses of experienced and less experienced operators of SME on their improvement strategies for effective management of cash.**

S/N	Items	Operators	$\bar{X}$	SD	t-cal	df	Sig.	Dec.
1	Efficient planning of cash	experienced less	2.56 2.50	0.92 1.29	.11	208	.91	NS
2	Approval of cash expenditure wisely	experienced less	2.51 2.55	0.70 1.02	-1.60	208	.12	NS
3	Safe custody of cash	experienced less	2.54 2.53	0.64 1.18	-1.21	208	.24	NS
4	Determination of cash balances	experienced less	2.52 2.63	0.91 1.04	.16	208	.87	NS
5	Allocation of cash promptly	experienced less	2.33 2.41	0.51 0.70	2.83	208	.01	S
6	A good mathematical background	experienced less	2.51 2.22	0.74 1.16	1.52	208	.14	NS
7	strong problem- solving abilities	experienced less	2.51 2.40	0.92 0.98	1.22	208	.24	NS
8	Auditing and investigation	experienced less	2.40 2.38	1.12 0.98	.86	208	.40	NS
	<b>Cluster Mean</b>	<b>experienced less experienced</b>	<b>2.49 2.45</b>	<b>0.81 1.04</b>	<b>.24</b>	<b>208</b>	<b>.62</b>	<b>NS</b>

The result in Table 5 showed the t-test analysis of the responses of experience and less experience operators of Small and Medium enterprises on their improvement strategies for effective management of cash. The result shows that only item 5 showed significant difference because the probability value is less than 0.05 set as level of significance, while there was no significant difference in items 1-4 and 6-8 because the probability values are each greater than 0.05. The cluster t-value of 0.24 with a degree of freedom of 208 and a probability value of 0.62 was obtained. Since the probability value of 0.62 is greater than 0.05, this means that there is no

significant difference between the mean responses of experience and less experience operators of SME. Therefore, the null hypothesis which stated that there is no significant difference between the mean responses of experience and less experience operators of SME on their improvement strategies for effective management of cash is uphold. Inference drawn therefore is that operators from both experience and less experience entities of Small and Medium enterprises responded similarly on the improvement strategies for effective management of cash in Cross River State. Hence, there is no significant difference between the mean responses of experienced and less experienced operators of SME on their improvement strategies for effective management of cash.

### Hypothesis Two:

There is no significant difference between the mean responses of experience and less experience operators of SME on their improvement strategies for effective management of accounts payable.

**Table 4: t-test Analysis of the mean responses of experienced and less experienced operators of SME on their improvement strategies for effective management of accounts payable.**

S/N	Items	Operators	$\bar{X}$	SD	t-cal	df	Sig.	Dec.
1	Purchase only on cash	experienced less	2.72 2.63	.90 1.06	-1.42	208	.17	NS
2	Pay attention to details	experienced Less	2.82 2.75	0.81 0.71	-.24	208	.81	NS
3	Purchase only on credit	experienced less	2.52 2.58	0.92 1.00	.37	208	.72	NS
4	Take advantage of discount facilities by paying creditors promptly	experienced less	2.38 2.43	0.74 0.81	-.46	208	.65	NS
5	Settle account payable on last day that the payment is due	experienced less	2.17 2.40	0.92 0.86	-.45	208	.66	NS
6	Abilities to maintain general ledge	experienced less	2.40 2.00	0.76 0.86	-1.42	208	.17	NS
7	Regular update of states of account	experienced less	2.58 2.40	0.93 0.67	-.87	208	.39	NS
8	Abilities to maintain efficiency and accuracy	experienced less	2.11 1.88	0.84 0.96	-.60	208	.56	NS
	<b>Cluster Mean</b>	<b>experienced less experienced</b>	<b>2.46 2.38</b>	<b>0.86 0.86</b>	<b>-.91</b>	<b>208</b>	<b>.52</b>	<b>NS</b>

The result in Table 6 showed the t-test analysis of the responses of experience and less experience operators of SME on their skill improvement strategies for effective management of accounts

payable. The result shows that there was no significant difference on items 1-8 because all the probability values are greater than 0.05 set as level of significance. The cluster t-value of -0.91 with a degree of freedom of 208 and a probability value of 0.52 was obtained. Since the probability value of 0.52 is greater than 0.05, this means that the result is not significant. Therefore, the null hypothesis which stated that there is no significant difference between the mean responses of experience and less experience operators of SME on their skill improvement strategies for effective management of accounts payable is upheld. The Inference drawn, therefore, is that operators from both experienced and less experienced SMEs did not respond differently on the skill improvement strategies for effective management of accounts payable in Cross River State. Hence, there is no significant difference between the mean responses of experience and less experience operators of SMEs on their improvement strategies for effective management of accounts payable.

## SUMMARY OF FINDINGS

From the data analyzed the following findings emerged.

- i. Wise approval of cash expenditure, safe custody of cash, allocation of cash promptly, a good mathematical background and strong problem- solving abilities are the improvement strategies of SMEs operators for effective management of cash in Cross River State.
- ii. Purchase goods only on cash, pay attention to details, take advantage of discount facilities by paying creditors promptly, settle account payable on last day that the payment is due, abilities to maintain general ledger, regular update of states of account and abilities to maintain efficiency and accuracy are the improvement strategies of SMEs operators for effective management of accounts payable in Cross River State.

## DISCUSSION OF FINDINGS

Based on the findings of this study, the following conclusions were made:

Research question one sought to find out the improvement strategies of SMEs operators for effective management of cash. The result of the findings in data on table 2 revealed that wise approval of cash expenditure wisely, safe custody of cash, allocation of cash promptly, a good mathematical background and strong problem- solving abilities are the skills improvement strategies of SMEs operators for effective management of cash in Cross River State. This is in agreement with the findings of Marfo-Yiadom and Agyei (2012) who opined that every business uses cash balances; Cash is used to pay creditors, pay for purchases, and pay wage and salaries to employees. It is also used to acquire non-current assets. These are good skill for cash management.

Similarly, in the result of the analysis in Table 5, it was found that there was no significant difference between the mean responses of Small and Medium enterprises operators on their skill improvement strategies for effective management of cash in Cross River State. This means that operators from both Small and Medium enterprises did not respond differently on their skill improvement strategies for effective management of cash in Cross River State. This result is in agreement with Oroka (2013) who noted that all operators of the transition firms believe that the management of cash levels has a pivotal role in creating firms value; operators are restricted to the control function, which is evidenced by the strict control mechanisms imposed over the levels of

cash, receivables and inventory as well as operations of cash collections, cash payments, purchases and sales.

Research question two is sought to find out the improvement strategies of SMEs operators for effective management of accounts payable. The result of the findings in Table 2 showed that purchase goods only on cash, pay attention to details, take advantage of discount facilities by paying creditors promptly, settle account payable on last day that the payment is due, abilities to maintain general ledger, regular update of states of account and abilities to maintain efficiency and accuracy are the improvement strategies of SMEs operators for effective management of accounts payable in Cross River State. The result of this study is in consonance with Oroka (2013) who opined that accounts payable are obligations (debt, liabilities) that will be settled at a future time.

The result of the analysis in Table 6 revealed that there was no significant difference between the mean responses of Small and Medium enterprises operators on their improvement strategies for effective management of accounts payable in Cross River State. This implies that operators from both Small and Medium enterprises did not respond differently on the improvement strategies for effective management of accounts payable in Cross River State. This result agrees with Oroka (2013) who noted that delaying the number of days of accounts payable has a negative relation to the profitability of firms' with regard to SMEs.

## CONCLUSION

Based on the findings of this study, the following conclusions were made: that there was no significant difference between the mean responses of Small and Medium enterprises operators on their improvement strategies for effective management of cash and accounts payable in Cross River State.

## Implications of the findings

- i. The findings of this study have implications which include: The findings of this study would provide update and relevant information to agencies and associations like Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN), and Nigerian Association of Small and Medium Scale Enterprises (NASME) among others as it would provide them with the resource material that would be used in workshops, seminars, conferences and trainings leading to increased efficiency in the management of Small and Medium Scale Enterprises
- ii. There is an urgent need for business educators/teachers to develop the curriculum on areas that would equip students with the relevant strategies, skill and knowledge on appropriate skill improvement needs for effective management of cash and accounts payable that would help them to set-up successful Small and Medium Scale Enterprises.
- iii. Researchers in Business Education and other related disciplines in this area of study will use the findings as reference materials that will help to increase the data bank of these researchers on update strategies for effective management of accounts payable by Small and Medium Scale Enterprises for effective operations.



## Recommendations

Based on the findings of the study, the following recommendations were made:

- i. That Business education student should be taught innovative and relevant skill on cash management and accounts receivables management which will enable them to stand the better chance of succeeding when they establish small and Medium Scale Enterprises.
- ii. That the government through Small-Scale Industry (SSI) division in the Federal Ministry of commerce and industries should be informed of the cash management and accounts receivables management to enable them formulate and implement favourable policies that would enhance the cash management and accounts receivables management practices of Small and Medium Scale Enterprises.
- iii. That regular trainings and workshops on relevant of cash management and accounts receivables management strategies should be attended by the operators of Small and Medium Scale Enterprises to keep them updated on the application of cash management and accounts receivables management.
- iv. That agencies and associations of Small and Medium Scale Enterprises like; Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN), and Nigerian Association of Small and Medium Scale Enterprises (NASME) should direct their workshops, seminars, conferences and trainings on various strategies and skills to improve cash management and accounts receivables management in Small and Medium Scale Enterprises in Nigeria.

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