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Research Article

Impact of Availability of Credit and Credit Procedure on Non-Financial Performance of Small and Medium Enterprises in Bauchi Metropolis, Nigeria

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Abstract— This study aimed to investigate the influence of credit availability and credit procedures on the non-financial performance of small and medium enterprises (SMEs) in the Bauchi metropolis. The primary objective was to evaluate the correlation between credit availability, credit procedures, and the non-financial performance of SMEs in Bauchi metropolis. To guide the research, two null hypotheses were formulated in line with the study's objectives. The theoretical foundation of the study rested on the Growth theory. The research employed a survey design method, utilizing a structured questionnaire to gather data from a sample of Three Hundred and Thirty-Five (335) SMEs. Data analysis was conducted using regression analysis with the assistance of Statistical Package for Social Sciences (IBM SPSS) software version 21. The results indicated that the independent variables, namely availability of credit and credit procedures, were significant joint predictors of non-financial performance. Consequently, it is recommended, among other suggestions, that SMEs should elucidate a significant proportion of changes in SMEs financing. This study emphasizes that Banks' Credit has the potential to empower SMEs.

Keywords— Small and Medium; Enterprises; Availability of Credit; Credit Procedure; Non Financial Performance; Nigeria.

1. Introduction

Acknowledging the significance of small and medium enterprises (SMEs) as drivers of growth in developing nations, the progress of SMEs should be seen as endeavors aimed at achieving broader economic and socio-economic goals, including poverty reduction. SMEs play a pivotal role in their country's development by creating employment opportunities and contributing to the overall gross domestic product (GDP). It is highly likely that SMEs will adopt labor-intensive technologies, leading to a reduction in unemployment, particularly in developing countries, thereby promptly influencing job creation [1].

In comparison to large corporations, there is a significantly greater number of small and medium-sized enterprises, employing a substantially larger workforce. SMEs are also credited with stimulating innovation and fostering competition across various economic sectors in all nations [2].

The overarching purpose of commercial banks is to provide financial services to the general public and businesses, ensuring economic and social stability as well as sustainable economic growth. Within this context, one of the most vital functions of commercial banks is credit creation. When granting a loan to a borrower, they do not physically provide cash; instead, they establish a deposit account from which the borrower can withdraw funds. Essentially, when a loan is approved, commercial banks automatically generate deposits, a phenomenon known as credit creation [3]. However, the influential role played by SMEs in development is consistently constrained by insufficient financial support and poor administration. These factors underscore the need for a dedicated financial institution solely focused on promoting the cause of SMEs.

Finance has consistently been identified in many business surveys as one of the most critical factors determining the survival and growth of small and medium enterprises (SMEs) in both developing and developed countries. Access to finance allows SMEs to undertake productive investments, expand their businesses, and acquire the latest technologies, ensuring their competitiveness and that of the nation as a whole. Poorly functioning financial systems can seriously undermine a country's microeconomic fundamentals, resulting in lower growth in income and employment. Despite their dominant numbers and importance in job creation, SMEs traditionally have faced difficulty in obtaining formal credit or equity. This is often due to the limited maturities of bank loans extended to SMEs, which are often too short to pay off any sizable investment and lack sufficient collateral [4].

The dynamic role of small and medium enterprises as engines of growth in developing countries has been widely recognized. The development of SMEs should be seen as attempts towards the achievement of a broader economic and socio-economic objective, including poverty alleviation. Small and medium enterprises contribute to their country's development by creating employment and contributing to the gross domestic product (GDP). There is a greater likelihood that SMEs will utilize labor-intensive technologies, thereby reducing unemployment, particularly in developing countries, and thus having an immediate impact on employment generation [8]. The general role of commercial banks is to provide financial services to the general public and businesses, ensuring economic and social stability and sustainable growth of the economy. In this respect, "credit creation" is one of the most significant functions of commercial banks. While sanctioning a loan to a customer, they do not provide cash to the borrower. Instead, they open a deposit account from which the borrower can withdraw. In other words, while sanctioning a loan, they automatically create deposits, known as "credit creation," from commercial banks [15].

Consequently, the SME segment in Nigeria faces the problem of ease of access to funds. Financial sector reforms, as reported by [12], are expected to promote a more efficient allocation of resources and ensure that financial intermediation occurs as efficiently as possible. This implies that financial sector liberalization brings competition in the financial markets, raises interest rates to encourage savings, making funds available for investment, and hence leads to economic growth. Therefore, it is logical to assume that financial liberalization enhances funds mobilization and accessibility, required for SMEs' performance. It is noted that the banking sector helps make credit available by mobilizing surplus funds from depositors who have no immediate needs for such money and channeling it in the form of credit to investors who have brilliant ideas on how to create additional wealth in the economy but lack the necessary capital to execute these ideas. The study further reveals that the role of credit in an economy has been recognized, as credits are obtained by economic agents to enable them to meet operating expenses. For instance, business firms obtain credit to buy machinery and equipment, and farmers obtain credit to purchase farm inputs such as fertilizers and seeds. However, the role of bank credit in an economy varies, and various banking reforms have been established by the monetary authority in Nigeria to enhance credit accessibility. The overall intention of these reforms has been to ensure financial stability to influence the growth of the economy and enhance banks' critical role in financial intermediation, providing and accessing credit in the Nigerian economy [7].

Despite the increase in credit supply to SMEs, the performance of the sector in Nigeria has been dwindling. Therefore, this study examines the impact of bank credit on the performance of small and medium-scale enterprises in Bauchi metropolis. The study assumes a relationship between some bank credit variables that can influence or determine the level of performance in small and medium-scale enterprises of a nation. The model specifies the dependent variable, measured with non-financial performance, as dependent on credit procedure, credit requirement, and availability of credit to SMEs, representing the independent variables [18].

Statement of the Problem

In spite of continuous efforts to implement policy strategies aimed at attracting funding for small and medium-sized enterprises (SMEs) in Nigeria, a significant majority of these businesses have struggled to secure adequate credit from banks. This lack of appeal for bank credit to Nigerian SMEs is apparent in reports from the Central Bank of Nigeria [4], revealing that banks consistently provided loans and advances to the SME sector falling below the prescribed minimum during various regulatory periods. Moreover, despite the improved financial intermediation resulting from financial reforms, there has been limited progress in the proportion of total bank credits allocated to SMEs.

A key challenge faced by SME operators in Nigeria is the lack of consideration given to them by the government when formulating policies, which often prioritize larger organizations. This circumstance substantially limits the availability of financing for SME growth and hinders their potential contribution to economic development in Nigeria [5].

Consequently, numerous small and medium-sized enterprises (SMEs) within the nation have continued to heavily depend on internally generated funds, leading to a constriction in their operational capacity. This study will concentrate on the primary means through which the economic progress of the country can be most effectively enhanced: the financial support of SMEs by commercial banks [21].

Objective of the Study

The main objective of the study is to assess the impact of Bank Credit on the non-financial performance of SMEs in Bauchi, while the specific objectives are:

1. To evaluate the impact of the availability of credit to SMEs on non-financial performance.
2. To examine the impact of credit procedures on SMEs and their non-financial performance.

Research Questions

1. How does the availability of credit to SMEs affect non-financial performance?
2. What is the impact of credit procedures for SMEs on non-financial performance?

Statement of Hypotheses

H01: The availability of credit to SMEs has not significantly influenced non-financial performance.

H02: The total credit requirement for SMEs does not significantly influence non-financial performance.

2. Related Work

The inception and operation of Banks Credit began in Nigeria during the latter part of the 19th century. It was introduced by colonial rulers to establish a secure place for storing money and accessing credit when necessary, a tradition that persists to the present day. Evolution within the banking sector led to substantial reforms regarding bank credit, aiming to provide an extended array of financial services, including financial guidance, stockbroking, insurance, mortgages, retail banking, merchant banking, and currency exchange services. Additionally, the required minimum capital for Nigerian banks was increased to twenty-five billion naira (N25 billion) [6].

As a result, numerous consolidations occurred as financial institutions sought to meet the stipulated capital demands. This led to a decrease in the number of operational banks in Nigeria to twenty-five. Furthermore, regulations restricted foreign investors from owning more than 10% of banks predominantly owned by Nigerians.

The purpose of bank loans, facilitated by their intermediary function, is to offer crucial financial support to small and medium enterprises (SMEs). Previous studies have recognized the lack of funds as a significant challenge to SME performance. For SMEs to effectively contribute to the economy, they require sufficient funding in the form of short and long-term loans [7].

[17] Examined the effects of the 2004 banking reforms on loan financing for small and medium industries in Nigeria. Using a survey study conducted in 2005, 500 questionnaires were administered, and 383 were returned. Chi-square tests were employed for the survey data analysis, and reliability testing was conducted using Cronbach's alpha, split-half test, and Guttmann's lambda.

[2] Examined the impact of banks' loans to SMEs on manufacturing output in Nigeria for the period spanning 1992 to 2010. Employing error correction modeling technique, the study deduced that bank loans to the SME sector had a significant impact on manufacturing output both in the long and short run.

[31] Examined the impact of post-bank consolidation on the performance of SMEs in Nigeria, with a special reference to Lagos State. A sample size of 50 was drawn from the supra-population of the study within Ikeja Local Government in Lagos State. Applying mean, standard deviation, and coefficient of variation in its data analysis, the study revealed that SMEs do not have better access to finance through banks due to neo-reorganization in banks as a result of post-bank consolidation, and SMEs do not have absolute rapport with the financial institutions due to their financial background in Nigeria.

[6] Compared the performance of loans granted to SMEs by banks with that of micro-credit institutions in Nigeria, using Ondo State as a case study. Analyzing through descriptive statistics, the study revealed that the average repayment rate for banks was 92.93%, and for micro-credit schemes, it was 34.06%. Hence, the study suggested that banks performed at much higher levels than micro-credit schemes.

[12] Examined the effect of access to credit on the growth of SMEs in the Ho Municipality of the Volta region of Ghana by using both survey and econometric methods. The survey involved a sample of 78 SMEs in the manufacturing sector. Both the survey and econometric results showed that access to credit exerts a significant positive effect on the growth of SMEs in the Ho Municipality.

[9] Examined how the diversified operations of banks impact their loans to SMEs by using panel data on 28 banks. The result indicated that as aggressive derivatives traders, the impact of their total assets on SMEs' loans is positive at the 1% significance level, and credit guarantees positively impact SME loans at the 1% significance level, implying that large banks are encouraged to make loans to SMEs through the assistance of the credit guarantees scheme.

[25] Established whether there is a relationship between interest rates and the demand for credit, as well as interest rates and loan repayment by the poor and SMEs in Ghana. The results showed a negative relationship between interest rates and the demand for credits, as well as interest rates and loan repayment. The study suggested that lowering interest rates would increase the poor and SMEs' demand for credit and loan repayment at banks and non-bank institutions, which can be achieved through the amendment of fiscal policy by the government.

[15] Examined the contribution of commercial banks to the growth of SMEs in Nigeria between 1980 to 2009. Using ratio analysis and trend analysis, it was discovered that commercial banks contribute to financing SMEs, but their contribution has declined as the government, through CBN directives, abolished the mandatory banks' credit allocations.

[33] Argued that in Ghana, SMEs rely primarily on the personal savings of owners, business profits, family members, or friends for their financial needs. They have little or no access to external credit.

[20] For US firms, Berger and Udell claimed that the sources from the principal owner, bank loans, and trade credit account for 70% to 80% of total financing for SMEs, independent of firm size and age.

[27] Presented evidence on the state of micro and small enterprises' finance in Ethiopia from a survey of 1000 micro and small enterprises in six major towns conducted by the authors. It showed that friends/relatives, suppliers credit, and are the most important sources of finance in that order.

[8] For Belgian business start-ups, this study demonstrated the huge reliance of these firms on debt financing. The

median company raises 82% of its total sources by means of external debt. It concluded that banks are willing to lend to business start-ups with promising growth prospects, although these firms have a lower total debt ratio.

[19] Examined the effective factors on the survival of SMEs: Case study of Iran. Their study captured all manufacturing SMEs managers and business owners of two major towns like Zahedan and Kambuzia with a population of 250 people. The questionnaire was the main tool for their study, while data were analyzed using IBM SPSS and Lisrel software. From their findings, financial factors among others were considered very significant to the survival of the business in Iran. Since survival is a variable under performance, therefore, it can be reasonably agreed upon that gaining access to financial source is very germane to the SMEs' performance.

[35] On project finance for small and medium-scale enterprises, he sees consistent policies changing as an obstacle for SMEs in accessing financial assistance from formal sources like banks, which is in most cases affecting the smooth running of the business.

3. Theory/Calculation

The finance-driven growth theory posits that the functions performed by financial institutions play a crucial role in enhancing the economy's productivity. Proponents argue that countries with more advanced financial systems tend to experience accelerated economic growth. The role of financial institutions in stimulating economic growth has been extensively explored in academic literature. Early economists like Schumpeter [8] recognized the significance of banks in promoting technological innovation through intermediary activities, particularly by providing credit to productive sectors. According to this view, directing savings effectively towards identifying and funding entrepreneurs with the highest potential for successfully implementing innovative products and production processes is a strategy to achieve economic growth. Subsequent scholars [9], [10], [11], [12] have further supported this proposition regarding the pivotal role of banks in driving economic growth.

Monetarist economic theories investigate various channels through which monetary policy influences economic activities. Monetarist principles suggest that alterations in the money supply directly lead to changes in the actual value of money. The transmission process is outlined as follows: [13] explains that when the Central Bank engages in expansive open market operations, it increases the money stock. Consequently, this action triggers an augmentation in the reserves of Commercial Banks, enhancing their capacity to generate credit. As a result, the money supply grows through the multiplier effect. To reduce the quantity of money held in their portfolios, both banks and non-bank institutions acquire securities with attributes similar to those offered by the Central Bank. This course of action subsequently stimulates economic activities in tangible sectors, including small and medium-sized enterprises (SMEs) [14].

There are different transmission channels through which monetary policy affects economic activities, and these channels have been broadly examined under the monetarist schools of thought. Monetarist principles state that a change in the money supply leads directly to a change in the real magnitude of money. Describing the transmission mechanism, [24] reported that expansive open market operations by the Central Bank increase the money stock, leading to an increase in Commercial Bank reserves and the ability to create credit, thereby increasing the money supply through the multiplier effect. To reduce the quantity of money in their portfolios, banks and non-bank organizations purchase securities with characteristics similar to those sold by the Central Bank, thus stimulating activities in the real sector, such as SMEs [4].

Figure 1: Conceptual Framework

The model for this study assumes a relationship between certain credit variables of banks that can influence or determine their performance levels on small and medium-scale enterprises in a nation. The model specifies the dependent variable, measured by Non-Financial Performance (NFP), as being dependent on the Availability of Credit and Credit Procedure (CP) to SMEs (AC), representing the independent variables.

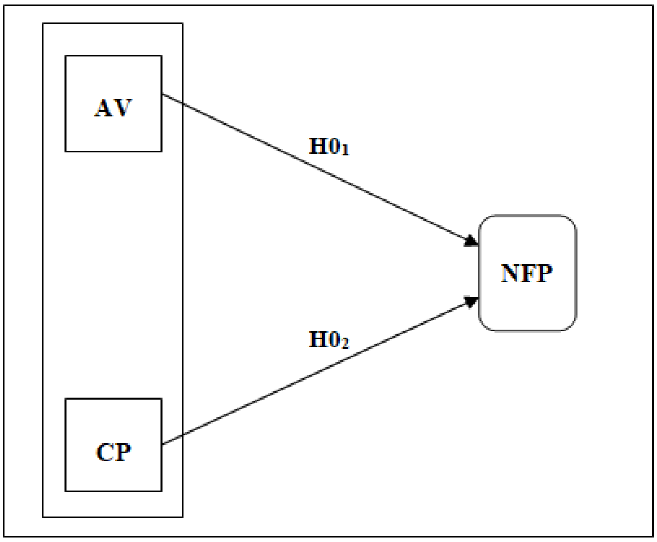

Fig.1. Conceptual model of bank credit and non financial performance

Source: field survey 2023.

a. Availability of Credit to SMEs

This study delves into the availability of credit for small and medium-sized enterprises (SMEs) in Nigeria and its role in establishing new capital foundations for banks. Employing a conceptual and analytical framework that incorporates both theoretical and statistical comparative cross-sectional data, the research aims to evaluate the effectiveness of the SMIEIS program in Nigeria. Specifically, it assesses its impact on enhancing the capital bases of banks and addresses the funding challenges faced by SMEs. Additionally, the study seeks to determine how this program influences the overall financial stability of the system. The findings underscore the urgent need for the government to address issues related to financial intermediaries and stability at the national level. Furthermore, the study emphasizes the necessity of establishing institutions to drive the reform process [19].

In exploring innovative approaches to SME financing globally, particularly in private equity financing, the study aims to identify best practices and lessons to be learned. It also reviews the Small and Medium Industries Equity Investment Scheme (SMIEIS) in Nigeria. The investigation reveals that there are still numerous challenges that banks in Nigeria must address before successfully implementing the scheme. These challenges include issues related to cash flow, investment structuring, monitoring/value enhancement, liquidity, and exit strategies [3].

b. Credit Procedure:
Ensuring that a business extends credit only to customers capable of making payments requires a crucial process of credit assessment. The responsibility for managing this credit evaluation lies with the credit department. In a non-automated setting, where physical copies of sales orders are provided by the order entry division detailing each customer's requested orders, the credit department initiates a manual assessment process upon receiving a sales order. During this process, credit personnel have the authority to halt sales orders from progressing to the shipping department unless they provide an authorized version of the sales order to the shipping manager [17].

If the company utilizes credit insurance, pertinent customer information is forwarded to the insurer to assess whether it will insure the credit risk. Optionally, the credit staff may verify the remaining credit. In cases where a sales order is forwarded for an existing customer with an existing credit, the credit staff compares the remaining available credit to the order amount. If there is sufficient credit, the order is approved. If not, the credit staff may consider a one-time increase in the credit level to accept the order or contact the customer to arrange an alternative payment. Once the credit level needed for a sales order is approved, the credit staff stamps the sales order as approved, signs the form, forwards a copy to the shipping department for fulfillment, and retains a copy. Lastly, a file for the customer is created, and all information collected during the credit examination process is stored in it [17].

Non-Financial Performance
The recognition of the importance of non-financial metrics became prominent with the introduction of the "Balanced Scorecard" by Kaplan and Norton [20]. However, existing literature in the field indicates that non-financial performance indicators, especially those related to human resources and factors such as 'employee morale,' including individual employee turnover rates, absenteeism, and punctuality, have been in use for an extended duration, dating back to as early as 1920 [21].

Customer retention and churn are two sides of the same coin. While many marketing organizations focus on customer acquisition, adding customers while a significant number of existing customers are exiting indicates a problem. Retention measures how many customers continue to buy from you, while churn measures the number of existing customers who no longer buy your products or services. The goal is to increase retention and reduce churn, with the key being to define when a customer is no longer considered as such. For example, if your company provides a subscription-based product, defection/churn might be defined as 30 days after the renewal date [23].

Customer experience directly impacts customer retention and churn. To measure customer experience, you need to consider all major touchpoints where a customer interacts with your company and establish key criteria for what constitutes a superior vs. subpar experience. Innovation gauges your ability to successfully bring new products/services to market. The number of new products in the pipeline and the adoption rate of these products reflect your company's ability to provide value to customers and the market.

Market share, influenced by metrics such as preference, customer retention, take rate, customer experience, and innovation, is a primary measure of both the company and marketing's success. An increase in market share brings various benefits, including better operating margins. To measure market share, you must determine the available customers and dollars in the market and then calculate how many of these are in your portfolio of products and services [17].

Monitoring and measuring these six non-financial metrics can benefit almost every company. While these metrics aren't the only ones to measure, they effectively communicate marketing's contribution and impact on the business. Further insights on creating key metrics for your organization can be found in our workbook, "It's More than Money on the Line: Creating Metrics to Measure Marketing's Effectiveness, Impact and Value," included in our Marketing Metrics Workshop [9].

4. Experimental Method/Procedure/Design

The research employed a survey design approach, which serves as a structured framework for conducting research projects. This survey design was chosen to help the researcher understand and outline the characteristics of the specific variable of interest. In this particular investigation, the total study population consisted of 2066 SMEs businesses in Bauchi metropolis, as indicated by the National Bureau of Statistics' first-quarter report [22]. Therefore, the study's population was determined to be 2066 SMEs [23].

For sampling, the researcher utilized random sampling techniques, ensuring an equal chance of selection for each participant. This approach resulted in the random selection of 335 SME samples using Yamane's formula [24]. The instrument's reliability and validity were examined, revealing a Cronbach's alpha coefficient of approximately 0.880, establishing the internal consistency of the tool. The research instrument was validated by four experts, allowing the main survey to proceed.

The study's hypotheses were tested using multiple regression coefficients at a significance level of 0.05. The decision rule was set to reject the null hypothesis if the p-value was less than 0.05; otherwise, the null hypothesis would be supported and accepted if the p-value exceeded 5%.

5. Results and Discussion

Demographic Characteristics
Demographic data of the participants were gathered, and an analysis of frequency and percentage was conducted. The outcomes were presented to gain insights into the profile of the respondents. A total of 335 questionnaires were administered, and the same number of responses were received.

In the Gender category, the tabulated data indicates that 69.6%, equivalent to 257 participants, are male, while 30.4%, representing 78 participants, are female. Regarding Marital Status, the table demonstrates that 37.7%, comprising 97 respondents, are married, while 62.3%, totaling 160 respondents, are single.

The Age breakdown displays that 28.8% (74 respondents) fall within the 18-30 age range, 40.5% (104 respondents) are aged 31-40, 18.3% (47 respondents) fall within 41-50 years, and 12.5% (32 respondents) are above 50 years old.

The Level of Education chart reveals that 15.6% (40 respondents) hold a First degree qualification, 3.9% (10 respondents) possess a Master's degree, 3.9% (10 respondents) have a Ph.D., and the majority at 76.7% (197 respondents) hold Other qualifications.

In terms of Location, 46.7% (120 respondents) are from Yalwa, while 38% (98 respondents) hail from Wunti, and 15.2% (39 respondents) are associated with Central market.
The Profession distribution shows that 12.8% (33 respondents) are engaged in Manufacturing, 24.1% (62 respondents) are involved in Trading, and 63.0% (162 respondents) belong to another category.

Table.1. Regression Coefficient

Model	Understandardized coefficients		Standardized Coefficient	T	Collinearity statistics		
	B	std Error	Beta		Sig	Tolerance	VIF
Constant	3.362	.341	-	9.862	.000	-	-
Credit procedure	-.041	.057	-.045	-.719	.473	.991	1.009
Availability of credit	.137	.055	.158	2511	.013	.969	1.031

a. Dependent variable non-financial performance

Tolerance and Variance Inflation Factor (VIF) are employed to assess factors like multicollinearity. Taking tolerance as an example, the credit procedure exhibits a value of 0.991, and credit availability holds a value of 0.969, both exceeding the threshold of 0.10. This indicates minimal multicollinearity among the variables. For the Variance Inflation Factor (VIF), the credit procedure records a value of 1.009, and credit availability is 1.031, both below 10 and statistically significant.

Regression Analysis
From the model summary, the R value is 0.172, indicating that 17.2% of the variation in the dependent variable (non-financial performance) is caused by the explanatory variables (credit procedure, credit requirement, and availability of credit) included in the model summary. The remaining 82.8% is explained by other variables not included in the model but still affecting the dependent variable. By implication, the model is fit for the research, as the R value is not close to 1, indicating little fitness to the model. The result shows that 17.2% of the variation in the model is explained by the explanatory variables.

Table.2. Model Summary

Model	R	R square	Adjusted square	R	Std error of estimate	Durbin Watson
1	.172[a]	.029	.018		.4357	1.949

a. predictor (constant) availability of credit, credit procedure and credit requirement
b. non-financial performance

Also, from the ANOVA table used to test statistical significance, the value is 0.000b, which is less than the P value of 0.05. This implies that credit procedure, credit requirement, and availability of credit significantly affect non-financial performance but also have a less positive effect on non-financial performance. This suggests that the impact will less positively influence non-financial performance.

Table.3. ANOVA

Model	Sum of square	Df	Mean square	F	Sig
Regression	1.457	3	.486	2.563	.055[b]
Residual	47.934	253	.189		
Total	49.391	256			

a dependent variable non-financial performance
b predictors (constant) availability of credit and credit procedure

Hypothesis one
H1: There is a significant impact between the availability of credit on the non-financial performance of SMEs.
H0: There is no significant impact between the availability of credit on the non-financial performance of SMEs.
The Beta value representing the availability of credit is 0.158, which contributes to the dependent variable non-financial performance. In this case, the Beta value of 0.013 is less than the P-value, which is 0.05. It can be concluded that the availability of credit makes a significant contribution to non-financial performance. Therefore, the hypothesis is accepted, and the null hypothesis, which states that there is no significant impact between the availability of credit and non-financial performance, should be rejected.

Hypothesis two

H1: There is a significant impact between credit procedures and the non-financial performance of SMEs.

H0: There is no significant impact between credit procedures and the non-financial performance of SMEs.

From the table, the coefficient Beta value under credit procedures is 15, indicating a unique contribution of credit procedures to the dependent variable (non-financial performance). In this case, the significance level is 0.172, which is more than the P-value of 0.05. Additionally, it has a lesser positive increase in non-financial performance. It can be concluded that there is no significant impact between credit procedures and non-financial performance. Therefore, the null hypothesis is accepted, and the alternative hypothesis, which states that there is a significant impact between credit procedures and non-financial performance, is rejected.

Discussion of Results

This subheading presents an explanation and discussion of major findings in light of past literature, as well as the interpretation of the results. The study aimed to address two research questions concerning the impact of the availability of credit and credit procedures on the non-financial performance of small and medium enterprises (SMEs) in Bauchi metropolis. The discussion of findings provides critical analyses of the results and their implications.

The findings were discussed based on the order of the research questions as follows: As observed, the findings reveal that the relationship between the availability of credit and credit procedures on non-financial performance has a positive and significant R-value statistic at the 5% level of significance in all the models. This indicates that the models are statistically fit to predict the non-financial performance of SMEs in Bauchi metropolis, meaning that the variables used in the study are appropriate for predicting the dependent variable. Furthermore, availability of credit and credit procedure indicators explained 17.3% of the variation in the models. Looking at the contribution of each of the bank credit indicators in the model, availability of credit and credit procedure had a significant contribution to customer trust with coefficient values of -0.045 and probability values of 0.003 and 0.0000, respectively.

The findings also showed that the impact of the availability of credit on non-financial performance has a positive and significant influence on the non-financial performance in the Nigerian banking industry, where the non-financial performance was measured for the study period. This is because the probability values depicted in the table under the robust standard error are all less than the 5% level of significance, as seen in 0.001. The result is in agreement with prior studies such as [34], [35], [36], [37] that found a positive significant influence of customer trust. However, the results are not in accordance with what was expected based on the hypotheses statement in Chapter One. The result contradicts the previous studies of [38], [39] in their study.

This became necessary, particularly because the purpose of the study was to examine the impact of credit procedures on the non-financial performance of small and medium enterprises (SMEs) in Bauchi metropolis. Therefore, in the course of conducting the study, the report presents the results of all the relevant inferential statistics. The observations made in the course of carrying out this study agree with the study of Yu et al., [25], [26] in their study as stated. On the other hand, the result contradicted the previous studies of [27] that all discovered the existence of a negative impact in his study.

6. Conclusion and Future Scope

This paper concludes by assessing how banks' credit affects small and medium-sized non-financial enterprises in Nigeria. The findings affirm the continued significance of bank credit as a crucial financing source for SMEs, fostering their growth. To maximize benefits, SMEs should view bank credit as a financial resource to expand their operations. Government intervention should encourage deposit banks to lend to SMEs, offering incentives and urging a preference for them. Simultaneously, SMEs should maintain comprehensive financial records, a prerequisite for obtaining loans. Additionally, the study finds that bank credit to SMEs, government spending, and bank density moderately influence SMEs' output, possibly due to credit accessibility restrictions and the impact of government expenditure in the economy. The study also notes that interest rates negatively impact SME output, aligning with expectations and reflecting the stable macroeconomic interest rate management in Nigeria. Shifting focus, this research investigates the influence of internet and mobile banking on customer satisfaction in Nigeria.

Recommendations

1. Increased efforts should be undertaken to provide access to short, intermediate, and extended-duration loans for productive ventures such as SMEs. These enterprises form an essential component of the development and transformation of an agriculture-centered economy like Nigeria's. This action will stimulate job creation and earnings for diverse economic participants, leading to a ripple effect on personal savings and sectoral expansion.
2. The government must actively enhance the business landscape in Nigeria by offering essential infrastructure, thereby reducing the expenses associated with conducting business. This action will stimulate the expansion of small and medium-sized enterprises (SMEs).

Suggested Areas for Further Research

The following research areas are hereby recommended.

i. The research focused solely on a specific set of Nigerian SMEs during the timeframe of 2017 to 2018. Consequently, there is a requirement for additional investigations involving different banks and spanning a greater number of years in Nigeria.

ii. Scholars within this field have the opportunity to conduct analogous research employing alternative non-financial performance metrics as their dependent factors. This effort can aid in offering precise recommendations to the Nigerian banking sector regarding the provision of suitable e-service quality that maximizes a bank's value. This is particularly relevant since a majority of prior investigations have drawn from foreign nations for their evidence.

iii. In future research, it is crucial to extend the reach of this study to encompass additional geographical regions within Nigeria. This expansion will contribute to the enrichment of knowledge, considering that the current survey was exclusively conducted in Bauchi state, Nigeria.

Contribution to Knowledge

The study's results carry implications across theoretical, practical, policy, and managerial aspects. The notable and meaningful impacts of the study's components offer a chance for informed decision-making by bank executives and managers, empowering them to formulate improved strategic policies. The insights from this research will also be utilized by practitioners and stakeholders to convey the advantages linked to bank credit, enhancing non-financial performance and customer support.

Conflict of Interest

This distinct replica has not been distributed and is not being considered for publication elsewhere. As a result, there are no conflicts of interest to disclose.

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Author Contributions

All authors contributed equally to this inquiry work. They all examined and confirmed the final draft of the original manuscript.

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