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RESEARCH ARTICLE

Fostering Entrepreneurial Finance and Entrepreneurship Development: The Moderating Role of Institutional Finance Agencies in Nigeria

Inegbedion Daniel[1], Akande Olusola[2]

[1]Dr, Caleb University, Lagos, Nıgeria. College of Art, Social and Management Sciences, Department of Business Administration, Lagos, Nigeria
[2]Prof, Ladoke Akintola University, Faculty of managment Sciences, Department of Mnanagement and Accounting, Ogbomosho, Nigeria

ABSTRACT
This research examines the nexus between entrepreneurial finance (E_F) and entrepreneurial development (E_D) as well as the moderating role of institutional finance agencies (IF_A) in Nigeria. We employed a survey approach using questionnaires and interviews to elucidate information gathered from 450 entrepreneurs and five selected institutional finance agencies. In this regard, 450 questionnaires were circulated, and only 300 copies were retrieved from the respondents. Data retrieved was subject to examination using the bivariate correlation and multiple linear regression. The outcomes revealed that EF was strongly correlated and significantly related to ED. Furthermore, the test for the multicollinearity on the moderating role of institutional finance agencies indicated that IF_A had a relationship with E_F (R^2 337, $p < 0.05$, β .581) and E_D (R2 .384, $p < 0.05$, β .618). The result further indicated that IF_A contributes significantly to both EF and ED. This study underscores the practical knowledge of EF and how it can lead to the ED of micro, small, and medium enterprises (MSMEs) and also provides adequate information on the institutional framework.

Keywords: Entrepreneurial Development, Entrepreneurial Finance, Institutional finance Agencies & MSMEs
JEL Code: M1

Introduction

The most dynamic and evolving paradigm in today's emerging business environment is the nexus between entrepreneurial finance and entrepreneurial development and the moderating role of institutional finance and governmental agencies. This concept, to an extent, has dramatically changed the creative thinking of potential and existing business entrepreneurs and is becoming not only a career developmental approach but also a desirable employment creation opportunity for most Nigerians and Africans in general. Against this backdrop, in the last three decades, researchers have committed to writing on the subject matter and educating people on the need for entrepreneurial development and financial facilities and accessibility as a bedrock and catalyst for poverty reduction, skill acquisition, and economic growth. Accessibility to financing has been a challenge for small and medium-sized enterprise (SME) operators and entrepreneurs in Nigeria for a long time. Most significantly, the importance of EF comes to light when the government in collaboration with institutional finance agencies identifies the major factors inhibiting entrepreneurship development and growth of SMEs. The failure of the conventional educational system and the unemployment rate in the country appear to act as a catalyst for skill acquisition, entrepreneurial creation, and entrepreneurship development (Lee & Wong, 2006; Barinua & Olarewaju, 2022; Okoro, Ngmendoma, Nasse, Carbonell & Nanema, 2022). As a result, many countries of the world, especially in the African continent, supposedly established networks and social support for entrepreneurs (Adebayo & Kovoos, 2016) who have developed the culture and intentions of promoting an entrepreneurial mindset. Several countries in Asia, such as China, Thailand, Japan, and other emerging and developed European countries, such as the UK, as well as the US (Ewan, 2020), have promulgated and established ED interventions and various institutions (Turner, 2021).

ED is a process of activities undertaken by institutional agencies of government and promoters of entrepreneurship to enhance entrepreneurial skills and mindsets (Sherrif & Muffatto, 2021) and develop skill acquisitions. Skill acquisitions can be achieved through structural training, building entrepreneurial culture and attitude, and capacity-building programs (Osemeke, 2012; Ogedengbe, Okhakhu & Adekunle, 2016; Inegbedion & Oghojafor, 2021). EF refers to any form of funding, borrowing, or credit facility given to an entrepreneur to start an incubating business or to invest in a dying business with a view to rejuvenating the

Corresponding Author: Inegbedion Daniel **E-mail:** daniel.inegbedion@calebuniversity.edu.ng
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business (Barbulescu, Nicolau & Munteanu, 2021). Financing is described as any form of credit contractual agreement between the borrower and the receiver, who receives money or financial support and promises to pay within a period of time and with a certain interest rate or return of investment (Al-Rahahleh, Ishaq & Najuna, 2019). In addition, most financing agencies and organizations provide financial support, advice, capacity building, training, and research for owners of micro, small, and medium enterprises (MSMEs). Certainly, Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), the Bank of Industry (BOI), and other institutional agencies have played pivotal roles in funding and developing MSMEs in Nigeria. Consequently, entrepreneurs of MSMEs tend to provide facilities as a form of guarantee that the finance or loan provided to them can be recovered when they default on payment.

Some of the institutional agencies promoting and financing entrepreneurship development in Nigeria include BOI and SMEDAN (Oseni, 2017). These institutional agencies were conceptualized by the government of Nigeria to stimulate and offer assistance to the various industries in the economy through the financing, nurturing, and support services developed for newly incubated and already existing small, medium, and large industries in Nigeria. These efforts can help SME industries compete favorably with local and international emerging markets. Furthermore, the institutional agencies are fully instructed and empowered to provide technical, non-technical, and non-financial support; marketing assistance (Chidodo, 2015); and provision and funding to SME industries, with a view to developing innovative projects, expanding new market territories, and backing up of new business and operational diversification of risky products or investments.

In recent times, there has been growing attention on entrepreneurship finance discourse as a scholarly field of research. However, considering the significance of entrepreneurial finance to entrepreneurship advancement, entrepreneurial orientation, and strategies, adequate scholarly research is yet to be done in this field (Inegbedion, Afolayan & Opaleye 2019). Besides, the position of researchers on the theme varies depending on the nature of SMEs and the country of study. In recent times, entrepreneurial financing organizations have undergone a structural transformation in most developing countries like Nigeria, and their effort toward promoting entrepreneurship needs to be further explored. In this process of innovative and entrepreneurial drive, industrial development banks and other governmental agencies and parastatals appear to be the only reliable, domesticated, and emerging catalytic institutional and empowerment agencies that have brought about industrial and economic growth for sustainable entrepreneurship development.

Therefore, the research on entrepreneurship finance discourse is a continuum. Given this, this research explores the effect of financing MSMEs for entrepreneurship development and the role of statutory institutional agencies in Nigeria. Most research on this subject in Nigeria focuses on ED and skill acquisition and the role of microfinance banks in promoting SME performance. However, only a few studies focus on exploring statutory institutional finance agencies as a tool for providing and funding SME financing in Nigeria (Akande, 2013; Onwuka, 2014; Akande & Yinus, 2015; Odoom, Fosu, Ankomah & Amofa, 2019; Rabbani, Bashar, Nawaz, Karim, Ali, Rahiman & Alam, 2021). Based on this premise, we plan to determine how financing entrepreneurs can lead to the development and advancement of entrepreneurs and the moderating role of institutional/regulated finance agencies in Nigeria. Entrepreneurial financing and ED can be supported through the efforts of BOI, SMEDAN, Small and Medium Enterprises Equity Investment Scheme (SMEEIS), Central Bank of Nigeria (CBN), and other finance statutory agencies whose core responsibility is to provide financial support and inclusiveness (Inegbedion, Akande, Asikhia, Adeyemo & Adebayo, 2022) and initiate ED programs for micro, small, and medium (MSM) business owners in Nigeria, especially in Lagos.

Literature Review and Hypotheses Development

The wide-ranging and inclusive terminology "EF" has a variety of related terms, such as fundraising, sources of financing (Huges, 2009), credit and bank financing, venture capital (VC), lease financing, and capital structure theory. Most recently, contemporary literatures use the terms venture capital, crowdfunding (Agrawal, Catalini & Goldfarb, 2010; 2014), business angel and other traditional interactive financing schemes (Hanssens, Deloof & Vanackers, 2015). Hence, EF can be conceptualized as value creation and resource distribution and the provision of finance to business entrepreneurs (Inegbedion, Olalekan & Adebayo, 2022). This entails raising money for new start-up ventures and evaluations (Abor, 2016; Alemany, 2014). Accordingly, strategic EF is a method of obtaining, securing, and acquiring resource allocation, risk allocation (Klonowski, 2014), and capital or funds for effective entrepreneurial decision-making to enable entrepreneurs to incubate new ventures or embark on innovative ideas and implementations (Knight & Huang, 2015; Osemudiamen, Adebayo, Olalekan & Ekperiwere, 2022). Entrepreneurs who seek capital or funding can start new operational businesses and make their vision a reality. This perspective supports the article of Gompers and Lemer (2011), which posits that money is a 'catalyst of innovation and creativity.' Conversely, the term entrepreneurship development can be viewed from different scholarly angles. Hathaway (2013) described ED as an organized and regular training process undertaken by individual entrepreneurs to acquire skills and knowledge and change their behavior toward organizational goals. Saidi and Abideen (2017) explained the concept of ED from the titled nature of growth and development. The authors posit that ED refers to the increase in the capacity, skills, learning, and knowledge of entrepreneurs to function effectively. Development, therefore, is mostly seen in terms of its connections to growth.

Relationship between Entrepreneurial Finance and Entrepreneurial Development

Previous researchers and empirical scholarly studies have examined EF and its contribution to ED. For instance, Andriamahery and Qamruzzaman (2022) employed the use of a questionnaire, a structural equation model (SEM), and a multivariate analytical approach to examine women-owned businesses and women entrepreneurs having access to finance, training, skills, technical acquisition and information on financial knowledge for enhancing entrepreneurship development. The findings revealed that financial expansion, technical know-how ability, and financial literacy of women entrepreneurs contribute significantly to ED, empowerment, and entrepreneurship sustainability. Subsequently, Mehta, Qamruzzaman, and Ayesha (2022) conducted a study on salon, boutique, and clothing shop owners, as well as fashionpreneurs. All of the selected respondents were women entrepreneurs from the developing country of Bangladesh, who are less privileged and have inadequate access to financing and the implications on ED. The study revealed that the tripartite variables—accessibility to finance, knowledge management, and women's leadership style—play pivotal roles in contributing to ED among women entrepreneurs. Similarly, Abiola, Adedoyin, Abiola, Tochukwu, and Godwill (2020) utilized the pooled data least squares to assess the connections between financial stability and ED. Furthermore, they also identified the implications for achieving national advancement plans in a spectrum dated 2004–2017. This study covered the sub-Saharan African nations. The results showed that the financial strength of the bank had a significant relationship with ED. In addition, the stability of the financial environment provides a suitable ground for ED and –starting new businesses. Invariably, Fowowe (2017) employed panel data also known as enterprise data survey from the World Bank to empirically examine the relationship between financing and the growth of entrepreneurial firms. The results indicated that enterprise firms that have low-level credit limitations experienced faster growth than enterprise firms with high-level credit limitations. Therefore, we concluded the stated assumption as:

H_1: Entrepreneurial finance affects ED.

The Moderating Role of Institutional Government Finance Agencies and Their Impact on Entrepreneurial Finance

The hypothetical premise of the moderating role of institutional government finance agencies and the significance of EF has been confirmed by past empirical literature. For example, Cai, Li, Sikandar, Asadullah, and Shumalia (2020) studied the moderating and mediating role of statutory institutional finance agencies and business incubators in the relationship between enterprise financing and entrepreneurship development, such as networking services, financial support, and enterprise training programs. It was revealed that enterprise institutional agencies of government and business start-up incubators have a role to play in entrepreneurship development, training support, networking, and financial services to entrepreneurs. A related study by Tetteh, Kwarteng, Gyamera, Lamptey Sunu, and Muda (2022) employed a partial least square structural modeling equation to investigate the mediation and moderating role of corporate governance on the financing decision of small business performance. The findings indicated that corporate institutional governance systems and financing decisions had a significant connection with small business performance. Therefore, we conclude the stated premise:

H_2: The moderating role of institutional government finance agencies affects Entrepreneurial Finance.

The Moderating Role of Institutional Government Finance Agencies and Their Impact on Entrepreneurial Development

Conventionally, entrepreneurial agencies are focused on young entrepreneurial innovative mindsets, with a view to providing financial assistance, organizing training for young entrepreneurs, and providing entrepreneurial training programs and entrepreneurship education for people who are interested in establishing a new business enterprise (Inegbedion & Oghojafor, 2021). Akpoviroro and kadiri (2018) studied the pivotal role of entrepreneurial agencies as a catalyst in the process of ED. The authors further examined the various challenges militating against institutional capacity and empowerment agencies in Nigeria. For this study, they employed an explanatory qualitative research design. The findings revealed that poor planning and training programs and other problems affect the role of institutional government finance agencies in Ogun State, Nigeria. In the same vein, Jegede and Orewole (2020) determined the influence of government entrepreneurial agencies on entrepreneurship development. The findings showed that the significant impact of entrepreneurial agencies is very minimal due to issues, such as corrupt practices, bureaucratic practices, and the lack of entrepreneurial intention of the managers of agencies in Nigeria. In contrast, Ahsan, Adomako, and Mole (2021) studied the mediation between formal and regulated agencies in Ghana and their relationship with entrepreneurial activities, persistence-motivated entrepreneurs, and small business venture performance. The results revealed a connection between institutional support, business activities, and outcomes of small ventures in Ghana, which empowers motivated entrepreneurs within a hostile environment.

The above three assumptions previously stated were drawn from a previous study (Inegbedion, Olalekan, Adadugba & Ebiere, 2022) based on the institutional-based theory of entrepreneurship finance (Acemoglu, Aghion & Zilbotti, 2006) and the resource-based theory of entrepreneurship finance (Subramanian, 2010, cited in Ifionu & Akinpelumi, 2017). Financial resources are the most significant resources that contribute to the success and advancement of MSME operators. Adequate financing of entrepreneurs leads to ED and job creation (Inegbedion, Akande, Olalekan, Adeyemo & Adebayo, 2022; Noor & Isa, 2020; Abiola, Adedoyin, Abiola, Tochukwu & Godwill, 2020). Furthermore, government intervention through institutional agencies plays a critical role in deciding the appropriate entrepreneurial policies and programs suitable for entrepreneurs and MSMEs. Subsequently, the institutional agencies provide, support, and develop entrepreneurial programs that help enhance entrepreneurial intention and build capacity development. In inference, the proposed assumption is:

H_3: Institutional finance agencies have a significant association with entrepreneurial development.

Several statutory, regulated, and institutional finance agencies and intervention programs have been formulated by the Nigerian government. These institutions were recognized by the government to provide financial support to MSMEs, build entrepreneurial skills, and introduce capacity-building programs, which will enhance entrepreneurial intention and the culture of entrepreneurs who are involved in educating and training graduates and non-graduates to be self-employed (Inegbedion et al., 2021). Therefore, capacity-building programs are usually targeted at owners of MSMEs, with the aim of equipping them with entrepreneurial tools for self-employment and entrepreneurship (Njoroge & Gathungu, 2013; Nungsari, Ngu Shi & Chin, 2022), management of successful businesses, and entrepreneurial sustainability.

Therefore, the institutions formed by the government to support and finance microbusinesses include the Nigerian Bank for Commerce and Industry, The Nigerian People's Bank, and the various microfinance banks under the supervision of CBN. The Raw Materials Research and Development Council is one of the established intervention, research-based, and educational training institutions mandated to support micro and small businesses. Furthermore, the CBN established the Small and Medium Industries Equity Investment Scheme (Sanusi, 2001; Isaac & Abimbola, 2005) as an intervention program required by financial institutions to provide funds for SME equity investment schemes.

In the last decades, the Nigerian government set up more institutional finance agencies for providing credit lending and technical and management support and initiating training programs for new incubators and potential entrepreneurs. Consequently, institutional agencies, such as the Manufacturing Association of Nigeria (MAN), SMEDAN, and BOI (Umadia & Kasztelnik, 2020), are formed and regulated by the tripartite arms of the nation in order to support and assist trades, such as small- and medium-scale businesses (Akinbola, Sanni & Akinbola, 2019). Shanker (2019) stressed that in delivering the financing requests of MSME owners, the government established specialized institutions and credit finance schemes to support MSME development. These financing agencies are mostly development finance institutions/banks (DFIs) mandated to assist in overcoming the challenges and restrictions entrepreneurs encounter in accessing funds and identifying training needs (Maliti & Nwewa, 2015). Hence, these agencies include the Agricultural and Rural Development Bank, the Bank of Agriculture, the Nigerian Bank of Commerce and Industries, and the Nigeria Export-Import Bank promotion. Other intervention support programs developed by the government to create job opportunities and reduce poverty include the Youth Empowerment Scheme (YES), the Nigeria Directorate of Employment, the Youth Employment and Vocational Skills Development Programme, and so forth. This specialized intervention and empowerment programme was initiated to eliminate unemployment, promote entrepreneurship, and encourage ED. More importantly, the Nigerian government initiated the development finance projects, which were unveiled in 2019 in alliance with the Development Bank of Nigeria. Their role includes initiating support, providing long-term financing, lending, and maintaining limited credit collateral financial agreements with MSMEs. Hence, the government has disbursed a significant amount of US$243.7 million to approximately 50,000 MSME entrepreneurs, of which very minute significant figure were women entrepreneurs.

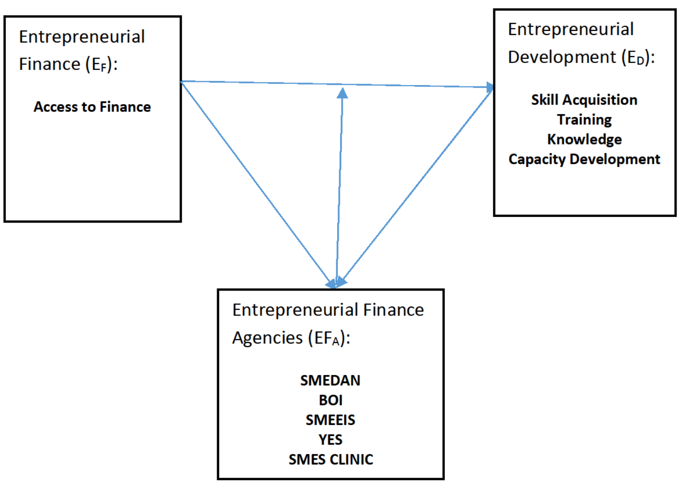

Figure 1. Researcher's Design and Conceptual Model

Figure 1 illustrates the moderating role of institutional finance agencies and their relationship with EF and ED. The conceptual model shows the link between EF and ED and how EF agencies moderate the two main variables.

Methodology

The study employed a quantitative statistical analytical approach, utilizing a mixed data collection strategy that involved the use of questionnaires and interviews. Therefore, to gain more insight into the study, the authors employed a survey approach using questionnaires and interviews to gather information from registered MSMEs based in the Lagos State division and five selected institutional finance agencies. Prominent among the respondents are MSM entrepreneurs who have benefited from access to finance or any form of credit facility from institutional government finance agencies or any form of intervention, support, and training programs. Hence, the outstanding excellence of Lagos is predicated on the premise that Lagos is the heart of industrial development in the nation. Besides, Lagos metropolis has the highest proliferation of MSMEs. This is in support of the National MSME survey report, 2020, which states that a total of 39.6 million MSMEs in Nigeria, out of which 91,073 are based in Lagos metropolis, represent 23.4% of MSMEs in Lagos (NBS, 2017) (Inegbedion, Asikhia & James, 2020).

Study Population and Sampling Techniques

Due to the heterogeneous nature of the population within the same clustered group, it was necessary to estimate the population size based on the number of registered MSME operators from the same group who have benefited from access to finance/credit facilities provided by SMEDAN, SMEEIS, BOI, and other intervention programs of the government in the last seven years. A multistage sampling technique was adopted for this study. According to the National Enterprise Development Programme (NEDEP), an estimated number of more than 3,800 owners and managers of MSMEs applied for finance support, loans, or credit facilities. However, only an estimated figure of over 2,000 entrepreneurs benefited from access to finance, borrowing funds, and technical support (Aganga, 2015). Thus, multi-stage nonprobability sampling techniques were employed for this study, which include convenience, purposive, stratified, and random sampling techniques. The aim for employing these techniques is built on the statistic that the respondents are willing to supply information gathered from the research instrument and interview. Purposive sampling was utilized because only the institutional agencies and registered entrepreneurs who had benefited from intervention funds and credit facilities or were supported with finance were considered for this study. Furthermore, stratified sampling was employed as the population is divided into strata within each stratum; thus, very MSME manager or operator was given an equal opportunity to be selected using a random sampling method. The sampling frame adopted for this study consists of 2,000 operators of MSME or entrepreneurs in Lagos State and four selected institutional finance, research, and marketing agencies. The selection of these four categories of agencies is based on their deep involvement in EF, funding support, capacity development, training, value chain, research, and marketing. Ultimately, a sample size of 450 was determined using Yamane's sample size formula (Yamane, 1973, cited in Daniel & Terrell, 2006). Hence, a total of 450 copies of the questionnaire were administered randomly via a Google form or in person to registered entrepreneurs who represent 23% of the total population that have benefited from access to finance, any form of credit facilities, capacity development, and training. This gave room for unbiased representation. Out of 450 questionnaires distributed, only 300 copies were retrieved from the respondents, which represent 66.7% of the number subjected to data analysis. To study and assess the validity and consistency of the pilot survey responses, the Cronbach's Alpha consistency test was adopted. The test scores for entrepreneurship finance, ED, and institutional finance agencies were 0.762, 0.782, and 0.801, respectively. These scores validate the available information in the questionnaire. Therefore, a single correlational analysis was adopted to check for the first hypothesis, and multiple regression analysis was employed to test the second and third hypotheses.

Measurement of Research Instrument and Reliability Test

The questionnaire was adapted from the empirical work of Brophy and Shulman (1992), Denis (2004), Saint Pierre and Mathieu (2003), and Maris and Sugeng (2019) for measuring EF. For measuring ED, the works of Abdullah (1999), Wang and Wong (2004), Tambunan (2008), Robson and Haugh (2009), and Ali and Ali (2013) were employed. The empirical works of Falola et al. (2020), Hassan and Olaniran (2011), and Abereijo et al. (2009) were used for measuring institutional finance agencies. The Cronbach's alpha reliability test is expected to be above 0.70 (Atandi, Bwisa & Sakwa 2017; Taber, 2018). EF, ED, and the moderating role of EF agencies each had a Cronbach's alpha of 0.820, 0.860, and 0.890, respectively.

Model Specification

The model reflects the conjectural statement that was tested in line with the objectives. The first hypothesis was tested using a single Pearson correlation analysis. A single Pearson correlation analysis tests the direction and connection concerning two or more variables, in this case, EF and ED. The second and third hypothetical assumptions were tested by adopting multiple regression analysis. Thus, the model correlation coefficient between EF and ED for hypothesis one is stated below:

$Y = f(X)$

Therefore, $Ef = f(E_D)$. . . . . (i)

For hypotheses two and three, multiple regression analysis was used to examine the moderating role of institutional finance agencies and their effect on EF and ED.

$IF_A = E_F + E_D$

Therefore $Y = [X, Z]$

$E_D[Y] = F[X]\, E_F$. . . . . (ii)

Thus, $Y = F[E_F, E_D]$. . . . . (iii)

The study adopted the Morgan, Elijah, and Ngacho (2019) model with very little but unique modifications. To further strengthen the model used in this study, the implicit form of the equation for the multiple regression model was estimated as:

$Y = \alpha 0 + \beta_x + e_t$

Specifying it in explicit form:

$Y = \alpha 0 + \beta_1 \times_1 + \beta_2 \times_2 + \beta_3 \times_3 + \ldots\ldots\, \beta_n \times_n + e$

Therefore, $Y = \alpha 0 + \beta_1 E_{F_1} + \beta_2 E_{D_2} + \beta_3 IF_{A3} + \ldots\ldots \beta_n \times_n + e$

E_{F_1} = Entrepreneurial finance

E_{D_2} = Entrepreneurial development

IF_{A_3} = Institutional finance agencies

$\beta_1 \beta_2 \beta_3$ = Parameters of coefficient

e = Estimated error

Results and Discussion

The study utilized both quantitative and qualitative approaches to data analysis. Data obtained from primary sources via email questionnaires were analyzed through a quantitative approach, whereas data obtained from secondary sources were analyzed using a qualitative approach. All aspects of this approach were executed through correlational analysis and multiple regression analysis.

To test the first objective and the hypothetical statement, Pearson correlation analysis was employed to examine the relationship between EF and ED.

Table 1. Pearson correlation between E_F and E_D

Model 1		E_F	E_D
E_F	Pearson Correlation	1	.671(*)
	Sig. (2-tailed)		.000
	N	300	300
E_D	Pearson Correlation	.671(*)	1
	Sig. (2-tailed)	.000	
	N	300	300

Correlation is significant at .05 level (2- tailed) *p<.05
Source: Research Analytical Survey, 2022

Given the demonstration of the analysis in Table 1, EF correlated strongly and significantly with ED, with a correlation coefficient of r = .671 and a probability or P value less than .01 (*p < .05). This can be represented as (r = .671; p < .05). Given this result, it can be deduced that there is a link between EF and ED. Relatedly, entrepreneurs' access to finance resulted in ED.

Results Showing the Relationship between H1 and the Related Sub-Proposed Hypotheses from H_2:H_3

Source: Research Analytical Survey, 2022 *p < 0.003

As shown in Table 2, multiple regression analysis was employed to analyze the moderating role of IF_A and their impact on E_F and E_D. An affirmative connection was found between IF_A and E_F as well as between IF_A and E_D. In a typical formula, two institutional finance agencies had a positive association with E_F. In order to assess the moderating effect of IF_A on E_F in model 2, the R result of .581 represented 58.1%, which indicated a linearity between IF_A and E_F. Thus, to determine the coefficient of determination, R^2 is .337. This result indicated that IF_A contribute significantly to EF by 33.7%. The p = 0.003 < 0.05 value indicates that institutional finance agencies determine access to EF. The value R =.335, representing the independent dimensions IF_A, explicated 33.5% of the variance in the dependent variable E_F. Furthermore, the F-statistics or distribution of 20.677 revealed that the null hypothesis is significant. The beta statistical figure .581 represents that the null hypothesis supports the null hypotheses between IF_A and E_D.

Table 2. Multiple Regression analysis of Moderating the role of Institutional Agencies (IF_A) and the significant effect on entrepreneurial finance (E_F) and entrepreneurial development (E_D)

	2nd Variable	Cronbach's alpha (α)	Entrepreneurial Finance (E_F)	Entrepreneurial Development (E_D)	Sig	Result & Description
Model 2	Moderation of Institutional Finance Agencies (IF_A)	0.860	.581a**		0.003	Significant
	R^2 Adjusted R F-statistics of model T-Value		.337 .335** 20.677** 14.081			
	Beta Coefficient		.581			
Model 3	Moderation of Institutional Finance Agencies (IF_A)	0.890		.620***	0.003	Significant
	R^2 Adjusted R F-statistics of model T-value			.384 .381 21.441 15.031		
	Beta Coefficient			.618		

Furthermore, OLS regression techniques were utilized to determine the significant effect and the moderating influence of IF_A on E_D. In model 3, IF_A is expected to be optimistic with respect to the linearity observed in E_D. In addition, in model 3, to further examine the moderating influence of IF_A on E_D, the OLS statistical assessment indicated a value of R = .620, suggesting a significant effect at 62.0%. The result reports a positive linear relationship between IF_A and E_D. Consequently, to determine the coefficient, the R^2 value is found to be .384. This result revealed that IF_A contributes significantly to E_D, with a value of 38.4%. The P = 0.003 < 0.05 value indicates that IF_A determines E_D among entrepreneurs. Hence, the hypothetical assumption was accepted. Furthermore, the adjusted R = .381 value revealed the link between the controlled or manipulated dimension and the response/observed variable. IFA elucidated 38.1% of the variance in the response dimension of E_D. Moreover, the F-statistics sign of 21.441 revealed a significant value of the model. The beta value, which is also the P-value of .618, shows that the null hypothesis was rejected and indicates that IF_A is significantly related to E_D. Hence, several findings back the various empirical works in support of detailed objectives. These results corroborated the research of Cai *et al.* (2020), which studied the intermediating interrelationship of statutory institutional finance agencies with enterprise financing and entrepreneurship development, such as interacting services, venture capital support, and enterprise capacity development. The findings revealed that enterprise institutional agencies of government and business start-up incubators play a critical role in offering entrepreneurship development, training support, networking, and financial services to entrepreneurs. Similarly, in their article, Akpoviroro and Kadiri (2018) reiterated the pivotal role of entrepreneurial agencies as a catalyst in ED. The outcomes of their study demonstrated that poor planning and training programs and other problems affect the role of institutional government finance agencies in Ogun State, Nigeria. The empirical work of Jegede and Orewole (2020) also examined the influence of entrepreneurial agencies of government on entrepreneurship development, therefore, the results of the empirical study showed that the impact of entrepreneurial agencies on entrepreneurship development is very minimal due to emanating issues, such as corrupt practices, bureaucratic practices, and the lack of entrepreneurial intention of the managers of agencies in Nigeria. Alternatively, Ahsan *et al.* (2021) studied the mediating and moderating role of institutional agencies in Ghana and their relationship with entrepreneurial activities, persistence-motivated entrepreneurs, and small business venture performance. The authors demonstrated that there was a relationship between institutional support and entrepreneurial activities and the performance of small ventures in Ghana, which support and motivate entrepreneurs within hostile environments.

Conclusions

The study examined the role of institutional finance agencies in financing entrepreneurship and supporting ED. The study explicitly investigated the relationship between EF and ED. It also evaluated the moderating role of institutional agencies and their relationship with EF and ED in Nigeria. The study revealed that institutional agencies enhance financial support, access to start-up capital, and ED. Relatedly, the study found that EF has a significant impact on entrepreneurship development. Based on the findings, the following recommendations were expressed by the authors. First and foremost, the government in collaboration with the various supporting agencies should set up a financing scheme or program. This policy or program is expected to provide every potential and existing entrepreneur access to finance either in the short run or the long run. Furthermore, all other agencies formed by the federal government to support entrepreneurship finance and development should be properly monitored to ensure that money budgeted for supporting finance projects and entrepreneurship programs is disbursed to entrepreneurs and operators of MSMEs. Most importantly, the government should have a database of registered entrepreneurs and non-registered entrepreneurs. Consequently, adequate information concerning numbers of those who had in the past benefited from any form of access to finance or credit facilities should be collected and be in the custody of the required institutional agencies of government.

Implication of the Finding

Applied and real-life situations of the current study revealed the fundamental role of institutional finance agencies as essential instruments for entrepreneurial financing, entrepreneurship development, and entrepreneurship growth. This study underscores the germaneness of entrepreneurship development, highlighting the importance of identifying entrepreneurship needs with the aim of improving the skills, knowledge, attitude, and behavior of entrepreneurs. The findings help to emphasize the need for financing MSMEs to develop an entrepreneurial mindset with the help of institutional support agencies and programs.

In addition, this study can be practically applied by researchers, entrepreneurs, enterprises, and institutional agencies of government. The study confirmed that entrepreneurial financing is the fundamental and crucial element of ED, and the support of institutional government agencies provides financial and entrepreneurial sustainability. Therefore, the practical managerial and theoretical implication is that MSME funding will not only be a supportive initiative but an institutional and formulated policy that will promote ED and financial sustainability.

Limitations and Future Research

After concrete research and in-depth analyses, certain suggestions and future scholarly directions are identified. Most importantly, the authors have looked at various institutional and supporting agencies in Nigeria that support entrepreneurship financing. It is expedient that future research compares the role of other intuitional bodies in Europe and other African countries. The authors also identified moderating variables, such as institutional finance agencies, to strengthen and support other variables of the study. Furthermore, future research can explore other moderating variables, such as capacity development, training, entrepreneurial intention, and entrepreneurship education. The use of a mixed research strategy can also be employed.

Abbreviations
BOA: Bank of Agriculture
BOI: Bank of Industry
CBN: Central Bank of Nigeria
DBN: Development Bank of Nigeria
DFIs: Development finance Institutions Bank/scheme
ED: Entrepreneurial Development
EF: Entrepreneurial Finance
IFA: Institutional Finance Agencies
MSM: Micro, Small and Medium
MSMEs: Micro, Small, Medium Enterprises
NBCI: National Bank of Commerce and Industries
NDE: Nigeria Directorate of Employment
NEDEP: National Enterprise development programmes
RMRDC: Raw materials and research development council
SMEDAN: Small and Medium Enterprise Development Agency of Nigeria.
SMEIS: small, medium industry, equity investment scheme.
YES: Youth Empowerment support

Ethics Committee Approval: This study was approved by the ethics committee of the Caleb University Office DVC, RISA
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ORCID:

Inegbedion Daniel 0000-0002-9413-8339
Akande Olusola 0000-0002-6258-4959

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