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OWNER CHARACTERISTICS AND ACCESS TO BANK FINANCING: PERCEPTUAL EVIDENCE FROM SMES IN NORTH CENTRAL NIGERIA

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The study examines the influence of owner specific factors on access to bank financing among SMEs in North Central Nigeria. Self-administered questionnaires were employed for data collection from the sampled SME owners/managers in the study area. A sample of 280 SMEs was drawn from the population of 1030 SMEs. Logistic regression was used in analyzing the data. The study found that gender, personal networking and personal relationship with the bank, which are significant at 0.05, 0.1 and 0.1 respectively, are the owner characteristics influencing SMEs' financial access, whereas the owner's age, education, experience, financial literacy and personal wealth do not have significant influence on SMEs' access to bank financing in the region. The study concluded that while all the identified owner's attributes are complementarily important in financial access, banks are more gender biased, value personal relationship and networking ability of firm owners. The study therefore, recommended among others, the need for SME owners to establish and maintain more improved relationships with their banks and form strong linkages with relevant stakeholders in the external environment for better resource exchange including financial access.

Keywords: **Owner characteristics, Bank Financing, Nigeria, SMEs, Binary Logit**

JEL Classification: **G3, G21, C2, L11**

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1. Introduction

The socio-economic significance of Small and Medium Enterprises (SMEs) cannot be down played given their role in the economies of many countries, both developed and developing. The sector averagely accounts for 90 percent of the businesses and creates approximately six out of every ten employments in the African region. Statistics have also shown that 70 percent of the industrial sector employment and 60 percent of the agricultural sector employment have been generated by the SMEs (Lawal & Ijaiya, 2007; Ahiawodzi & Adade, 2012).

Be that as it may, the ability of the sector to survive and remain competitive depends on their accessibility to financial markets. In view of this, financing SMEs for sustainable economic growth has taken priority in the development agenda of Nigerian government (Mordi, Anyanwu, Adebusuyi, Odey, Amoo, Mbutor, Adebayo, Akpan, Igue, Ibeagha, Belonwu & Zimboh, 2014). The financing stride becomes a necessity considering the inadequacy of the informal and semiformal financing means in providing external finance needed especially for business expansion (Ayyagari, Demirguc-Kunt, & Maskimovic, 2012).

When it comes to formal external financing to the higher end of SME market segment, banks, especially DMBs, MFIs and specialized banks, have a prominent role to play as key and dominant players in the financial system. Accordingly, the Nigerian financial sector including banks experienced major reforms towards the end of the year 2005. The need for SMEs to contribute better in terms of generating economic activities for improved national economic growth is one of the cardinal drives for bank consolidation in Nigeria (Mordi et al., 2014). Yet, the reforms have not yielded the expected output for the SME sector as their access to finance has continued to plummet significantly. Evidently, Nigerian banks give more preference to large and multinational firms than to their SME counterparts (Ekpu, 2015).

The World Bank survey (2014) uncovered a very severe problem of finance accessibility among the SMEs operating in the North Central region of Nigeria. For instance, the report revealed that only 4.5% of the enterprises operating in Kwara state and 1.6% in Niger state enjoy facilities from the Nigerian banks. There is perceived bane on access to external financing of SMEs due to owner related factors. Generally, most SMEs lack sellable owner attributes in terms of age, gender, education, experience, financial literacy, bank relationship, personal network among others. These owner-related factors receive massive consideration in the financial markets with a view to resolving problem associated with asymmetric information which results into adverse selection and moral hazard (Mordi et al., 2014). Consequently, the long term growth and competitiveness of the Nigerian SMEs, as catalyst of economic growth, has been compromised owing to persistent scourge of financial access thereby leading to massive exodus of SME businesses few years into their establishment.

A meta-analysis of related literature, on one hand, showed scanty evidence on the nexus between owner attributes and access to bank finance. On the other hand, the fact that the researchers are not aware of any study particularly in the North central Nigeria where the financial access difficulty for SMEs is reportedly endemic portends the need for further empirical research.

2. Literature review

2.1. Conceptual Clarifications

Owner characteristics represent a number of traits or attributes that are specific to the firm owner which can impact positively or negatively on the firm's performance (Fatoki & Asah, 2011). The decision of finance providers to extend credit facilities is hugely contingent upon the credentials of the business owners. These are referred to as the relevant owner specific characteristics. Literature reveals these characteristics to include the managerial competency of the owner, personal networking (that is general network, social network and managerial network), personal relationship with banks, physiological characteristics (gender, race, ethnicity of the owner), age, educational attainment, business experience, personal wealth and so on (Fatoki & Asah, 2011; Sayedi & Isah, 2013; Subramaniam & Marimuthu, 2010). Several studies of financial access (Andoh & Nunoo, 2011; Szafrańska & Matysik-Pejas, 2012; Zia, 2009) have recognized business owner's level of financial literacy as an important entrepreneurial characteristic in optimizing financial access. This is corroborated with the fact that, while the financial markets develop dynamically and usher in innovative financial wares and create ample financial opportunities; they have also escalated the level financial risks subsisting in the financial system (Deeper, 2014; Szafrańska & Matysik-Pejas, 2012). This scenario thus, behooves the enterprise owners or managers to upgrade their financial knowledge to be able to exploit the opportunities. Hence, financial literacy is embedded in the owner's characteristics that explain access to external finance of the SMEs.

According to Kira and He (2012) access to finance is defined as the ability of firm or individual to fully obtain and utilise financing from various available sources, be these either internal or external. Claessens (2006) views financial products as accessible only if they are affordable and useable in meeting the financial requirements of individuals or firms. However, banks are the most patronized sources of formal financing for the vast majority of SMEs in Nigeria hence, the study focuses only on the SMEs access to bank financing including DMBs and MFIs.

In the Nigerian context, Small Enterprise is categorized as one having its total assets (excluding land and building) exceeding ten million naira but below hundred million naira with a total number of employees-over ten but below fifty. On the other side of the coin, a medium

enterprise is one having total assets (excluding land and building) of more than hundred million naira but not exceeding one billion naira with a total workforce of between fifty and one hundred and ninety-nine employees (Small and Medium Enterprises Development Agency of Nigeria, 2015)

2.2. Theoretical Underpinnings

Theory of credit rationing is deeply rooted to the work of Stiglitz and Weiss (1981). Based on the theory, the credit availability to firms including SMEs may be influenced by extensive information asymmetry in the financial markets which gives rise to agency problems of adverse selection and moral hazard. This situation is termed as credit rationing. The theory is premised upon the assumption that, there exists a number of potential surplus units (that is fund providers), for instance banks, with the motive of maximizing their profitability through interest income and assets pledged as collateral in case of default, and a chunk of prospective deficit units with the objective of maximizing their profitability through ample investment choices. The central thesis here is that the expected returns and risks associated with each investible projects to be taken on by the prospective borrower is stochastically distributed. The borrower is fully aware of this probability distribution but it is oblivious to the lender.

Prospective borrowers of funds usually encounter credit rationing as a result of the distortion in the market equilibrium occasioned by persistence of information asymmetry. (Stiglitz & Weiss, 1981; Mordi et al, 2014). Making inference from Stiglitz & Weiss' theory of credit rationing, it can be deduced that a vast majority of firms, particularly SMEs that have capacity to use fund productively, encounter serious challenge regarding access to financial markets.

According to Mordi et al (2014) apart from loan features, borrowers' observable peculiarities may constitute significant determinants of credit rationing behaviour of banks. Hence, the theory underscores the significance of owner observable characteristics in resolving information asymmetry and facilitates access to finance for SMEs.

The theory of social capital as introduced by Moreno in 1937 posits that individuals in any given society are involved in a number of social relationships with one another. Coleman (1988) argued that high degree of social disintegration among members of a society or group reduces trustworthiness and the value derived from such connections will be low. Thus, members will form networks which create and enhance trustworthiness that in turn result into beneficial resources exchange including capital, information, technology and knowledge. Therefore, investment in the establishment and maintenance of relationship and/or networks vis-à-vis banks, government officials, managers of other firms, business association, professional bodies, social club members and relatives and friends is crucial as they support

firms to obtain reputation and legitimacy (Peng & Luo, 2000; Peng, 2004). As such, social capital theory presupposes that the building and maintenance of relationship and networks may increase the probability of SMEs access to external financing including banks especially when information asymmetry and hindrances to credit market access characterized the firms' operating environments (Biggs & Shah, 2006).

2.3. Previous Empirical Studies and Hypotheses Development

Much as the firm specific characteristics explain accessibility of SMEs to external financing, owner's characteristics are equally germane in the lending decisions of the finance providers. In terms of owner's age, the general conjecture is that firms with older owners usually enjoy preference in the external environment including credit providers. This is so because older owners are perceived to be wiser and to possess more business experience or better credit history (based on their track record of credit-related transactions) than young owners (Pencil, 2015). Hence, maturity perhaps relates to external finance access. On the other hand, Opoku-Mensah and Agbekpornu (2015) and Fatoki and Asah (2011) who conducted their studies in Ghana and South Africa respectively reported insignificant influence of owner's age in credit access. We therefore hypothesize that:

Age of the owner has no significant influence on access to bank finance

In addition to the owner's age, gender diversity could interplay in the lending decisions of the credit institutions to the extent of affecting the capital structure of the borrowing firm (Abor, 2008). This could be so because some financial institutions are gender bias in their lending practice. Abor (2008) reported that female-owned firms (for a number of reasons ranging from gender discrimination to risk aversion) are less likely to employ external debt financing in their capital structure choice. To buttress the discrimination encountered by firms whose controlling owners are females, Bellucci, Borisov and Zazzaro, (2009) observed that they are given stringent credit conditions than their male counterparts. It has equally been observed that the loan applications of female-owned businesses are quite low and that the rates of denying them credit facilities are very high relative to male owned businesses (Mijid, 2009). However, Coleman (2000) had noted that financial gearing is not a function of gender of the business owner. Also Opoku-Mensah and Agbekpornu (2015) found no linkage between gender and financial access. Thus, it is hypothesized that:

Gender of the owner has no significant influence on access to bank finance

Experience gained in business over the years might be an essential determinant of access to finance. This reflects managerial competency of the firm owner and/or manager. This as measured in terms years of business experience and related experience is believed to affect SMEs performance and in turn access to finance (Histrich & Drnovsek, 2002). Although Opoku-Mensah and Agbekpornu (2015) found no nexus between experience and financial access, Balogun, Agumba and Ansary (2016) reported that firms with more experienced

owners or managers are generally assumed to be of higher credit worthiness than firm owned by younger and seemingly inexperienced owners due to their relevant expertise in the area of business. Therefore, it is hypothesized that:

Experience of the owner has no significant influence on access to bank finance

Education attainment is measured by academic qualifications or other professional training undertaken by the owner or manager. Firms with more educated owners are thought of to be credit worthy as they will bring their knowledge and skills to bear on the fortunes of the company. MacRae (1991) also established that the level of education, the training and the experience of the senior managers and owners are the major features that differentiate high growth small firms from the low growth ones. While Fatoki and Asah (2011) found significant influence of the owner's or the manager's level of education on access to finance in South Africa, reported that the variable is insignificant with respect to access to finance of SMEs in Ghana. Therefore, it is hypothesized that:

Education level of the owner has no significant influence on access to bank finance

The financial markets across the globe have experienced tremendous growth in recent years. This development has facilitated the unleashing of more innovative financial wares, massive multinational capital flows and unhindered financial access (Deepa, 2014). While the new financial wares, as outcome of financial markets' dynamism, usher in ample financial opportunities, they have also escalated the level financial risks subsisting in the financial system (Deeper, 2014; Szafrańska & Matysik-Pejas, 2012). This scenario thus, places great onus upon the enterprise owners or managers to upgrade their financial skill to be able to exploit the opportunities (Szafrańska & Matysik-Pejas, 2012). This is at the backdrop that, access and use of the financial services require understanding and independence for consumers to make informed decisions about their finances which in effect improve their wellbeing. SME owners' financial literacy has been identified as a major factor in providing explanation on the utilization of financial products and services by the SMEs (Andoh & Nunoo, 2011). This implies that the low level of financial literacy could hamper SMEs' understanding and accessibility to financial products and services from banks and other financial institutions. Therefore, it is hypothesized that:

Financial literacy of the owner has no significant influence on access to bank finance

Furthermore, SME owners' chances of accessing finance for their business are partly dependent on the existence of a previous relationship with the lender. Pre-existing relationships between the borrowing SMEs and the finance providers is key in the lending decisions as it affords them (the lenders) the opportunity of garnering sufficient information about the credit worthiness of the borrowers. This relationship has been broadly classified into deposit relationship, loan relationship and financial management relationship (Cole, Goldberg & White, 2004). Thus, relationship, which offers the owner's history (credit and otherwise), may influence access to formal finance. In line with this, Balogun, Agumba and

Ansary (2016) found that accessibility of South African firms to finance is a function of their owners' long established relationship with their banks. Thus, we hypothesize that:

Personal bank relationship of the owner has no significant influence on access to bank finance

Also, Networking with the external environment provides financial institutions with information on legitimacy, which in turn allows for better resource exchange including access to finance (Biggs & Shah, 2006). However, the network must be extensively utilized for the firms to benefit from both physical and financial resources (Nassar & Alarape, 2018). Talavera, Xiong and Xiong (2010) examined the impact of social capital on access to bank financing. They found that firm owners who spend more time on social activities had higher likelihood of attracting commercial banks' loans for their businesses. Pandula (2011) also explored the nexus between networking of SME entrepreneur and access to bank facilities and found that SMEs who are members of representative organisations were more likely to easily access bank loans. As such existing networking of the SME owners with external institutions is a determining factor of access to external financing. Thus, we hypothesize that:

Networking of the owner has no significant influence on access to bank finance

Personal wealth of the owners, in terms of personal property ownership, can be a determining factor in the lending decisions of the credit institutions, especially where personal commitment forms part of lending criteria. Avery, Bostic and Samolyk (1998) viewed pledging of personal assets as collateral, as an expedient tool to ameliorate the risk inherent in lending. Thus, personal guarantees in form personal property perhaps, offer owners of SMEs better opportunity to negotiate credit terms better as they convey sufficient ability for repayment. Thus, we hypothesize that:

Personal wealth of the owner has no significant influence on access to bank finance

3. Methodology

The study employed cross sectional survey design to examine the influence of firm characteristics on access to bank financing in the study area. This design is most appropriate when none of the study samples are to be controlled (Asika, 2006). All SMEs operating in Benue, Kogi, Kwara, Nassarawa and Niger States of the North Central region of Nigeria who are members of Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) constitute the study population. SME members of NACCIMA were involved in the study due to formality of their operations. By the end of year 2019, SME members of NACCIMA stood at one thousand and thirty (1030) and they constitute the study population. A sample size of 280 SMEs was selected based on the scientific sampling determination of Krejcie and Morgan (1970) using stratified probability sampling technique. To achieve this, as depicted in Table 1 below, SMEs were stratified into five namely; Benue SMEs, Kogi SMEs, Kwara SMEs, Nassarawa SMEs and Niger SMEs, then the sample which is

proportional to each stratum's share of the total population was selected using random sampling technique.

Table 1: Sampling selection based on proportion of each stratum's share of the population

State	Population	Sample
Benue	166	45
Kwara	382	104
Kogi	201	55
Nassarawa	45	12
Niger	236	64
TOTAL	1030	280

Source: Authors' computation, 2020

The World Bank Survey questionnaire was adapted and administered on respondents, that is, on selected SME owners or managers, while both descriptive and inferential statistics were employed in analyzing the data. For a descriptive analysis, tools such as tables, frequency distributions and percentages were utilised while binary choice logit model with marginal effects were used for inferential statistical analysis.

Model Specification

Following Opoku–Mensah and Agbekpornu (2015) (with modification), we model access to bank finance as a function of owner characteristics as follows;

$$ACCESS_i = f(OC_i) \quad (1)$$

Where,

$ACCESS_i$ = access to bank finance of individual SME owner/manager

OC_i = Owner Characteristics of individual SMEowner/manager

It follows that;

$$OC_i \equiv (GEN_i, AGEO_i, EXP_i, EDU_i, REL_i, NET_i, OPW_i, FIL_i) \quad (2)$$

Where:

GEN_i = Gender of individual SME owner/manager

$AGEO_i$ = Age of individual SME owner/manager

EDU_i = Education status of individual SME owner/manager

EXP_i = Business experience of individual SME owner/manager

REL_i = Bank relationship of individual SME owner/manager

FIL_i = Financial literacy of individual SME owner/manager

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Equation (2) is therefore transformed into a multiple linear relationship as:

$$ACCESS_i = \beta_0 + \beta_1 GEN_i + \beta_2 AGEO_i + \beta_3 EDU_i + \beta_4 EXP_i + \beta_5 REL_i + \beta_6 NET_i + \beta_7 OPW_i + \beta_8 FIL_i + \varepsilon_i \quad (3)$$

Equation 3 relates to the impact of owner characteristics on access to bank finance.

β_0 = constant parameter

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7$ and β_8, = Coefficients/slopes of the independent variables

ε = error term

The a-priori expectation of the model is GENi>0 or <0; AGEOi>0 or <0; EDUi>0; EXPi>0; RELi>0; NETi>0; OPWi>0; FILi>0.

4. Results and Discussion findings

4.1. Demographic characteristics of SME Owners in North central Nigeria

Table 2 describes the characteristics of surveyed SME owners/mangers regarding age, gender, highest educational qualification, and position in the organization.

Table 2: Demographic Distribution of Respondents (SME owners/Managers)

		Frequency	Percent	Cum. Percent
Age				
	Below the age of 21years old	29	10.36	10.36
	21-30 years old	138	49.29	59.64
	31-40 years old	105	37.50	97.14
	41-50 years old	8	2.86	100.00
	51-60 years old	-	-	-
	61years old and over	-	-	-
Gender				
	Female	69	24.64	24.64
	Male	211	75.36	100.00
Education				
	Primary	12	4.29	4.29
	Secondary/Technical	9	3.21	7.50
	OND/NCE	88	31.43	38.93
	BSC/HND	158	56.43	95.36
	MSC/MBA	13	4.64	100.00
Position				
	Owner	226	80.71	80.71
	Manager	54	19.29	100.00

Source: Authors' Computation, 2020.

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As for the respondents age, results show that the majority falls within the mid-age group of 21 – 40 years. Only 10.36% (29 respondents) fall within age-range below 21 years old, and 2.86% (8 respondents) fall within age-range 41 – 50 years. None of the respondents fall within age-range 51 – 60 years and above 60 years. Regarding respondents' gender, there is wide difference in the number of male and female gender of SME owners. Only 24.64% (69 respondents) of the surveyed enterprises are owned and/or managed by female whereas male owner group makes up to 75.36% (211 respondents). Regarding their highest educational qualifications, the majority of the respondents have attained B.Sc./HND degree level. 56.43% (158 respondents) have B.Sc./HND as their highest educational qualification, 31.43% (88 respondents) are OND/NCE holders, and only 4.29% (12 respondents), 4.64% (13 respondents), and 3.21% (9 respondents) are primary, M.Sc./MBA, and Secondary/Technical certificate holders, respectively. As for the distribution of the respondents regarding their position in the organization, results show that majority of them are firm owners with 80.71% (226 respondents) being owners and only 19.29% (54 respondents) being managers.

4.2. Regression Results

In the study model, the dependent variable is dichotomous, taking the value of 1 if the firm was able to get a facility from its bank in the last financial year which forms part of their capital structure and 0 if otherwise. The independent variables comprise of a set of identified firm related factors (owner's gender, age, education status, business experience, financial literacy, networking, bank relationship and personal wealth).

Table 3: Binary Logit Results

VARIABLES	Coefficients	p-value
Gender	1.409**	0.047
	(0.706)	
Age	-0.840	0.138
	(0.565)	
Experience	-0.740	0.161
	(0.527)	
Education	0.0810	0.852
	(0.435)	
Bank relationship	2.207*	0.070
	(1.212)	
Networking	0.908*	0.052
	(0.464)	
Personal wealth	-3.248	0.304
	(3.152)	
Financial literacy	0.276	0.689
	(0.689)	
Constant	-26.55***	0.004
	(9.208)	

VARIABLES	Coefficients	p-value
Observations	268	
F-statistic	1.72**	
Pseudo R-squared	0.6826	
Wald (Owner Characteristics)	2.19**	

Jackknife Robust Standard errors in parentheses
**** significant at 1%, ** significant at 5%, * significant at 10%*
Source: Authors' Computation, 2020.

In order to account for likely heteroskedasticity, the model was estimated with Jackknife robust estimates of standard errors. The model, based on the result of F-statistic value of 1.72, provides statistically significant explanation of the probability of access to bank finance. Also as depicted by the pseudo R-squared (0.6826), the independent variables explain the dependent variable to a large extent. The Wald test of joint significance for all the explanatory variables shows a value of 2.19 which is statistically significant at 5%. Thus, all owner related factors are jointly significant in influencing access to bank finance of SMEs in the study area.

From the estimation results of the binary logit regression as shown in Table 3, the owner's gender, the owner's relationship with bank and the owner's networking are statistically significant factors explaining the likelihood of access to bank finance while owner's age, experience, education, personal wealth and financial literacy are statistically insignificant factors affecting the probability of access to bank finance. More specifically, the result indicates that enterprises with their owners having stronger bank relationship and networking as well as male enterprise owners have increased probability of access to bank finance.

Table 4. Marginal Effect Results

VARIABLES	coefficients	p-value
Gender	0.253**	0.031
	(0.118)	
Age	-0.179	0.211
	(0.143)	
Experience	-0.157	0.033
	(0.073)	
Education	0.017	0.848
	(0.090)	
Bank relationship	0.469*	0.102
	(0.287)	
Networking	0.193*	0.160
	(0.137)	
Personal wealth	-0.662	0.118
	(0.423)	
Financial literacy	0.059	0.682
	(0.143)	

Jackknife Robust Standard errors in parentheses
**** significant at 1%, ** significant at 5%, * significant at 10%*
Source: Authors' Computation, 2020.

The change (increase or decrease) in propensity of access to bank finance in response to the change in each of the explanatory variables considered is presented in Table 4. As for the significant owners related factors, male gender has higher probability of access to bank finance than their female counterparts by 0.253 probabilities. Also, the increase in owner's bank relationship and networking increases the probability of access to formal finance by 0.469 and 0.193 probabilities respectively.

4.3. Diagnostic Tests

Table 5 depicts the test for access to bank finance model specification with a view to ascertaining the correctness or otherwise of the model specified for the study. In other words, the test is crucial to detect if the model specified is devoid of specification error.

Table 5: Model Specification Test – Access to Bank Finance Model

	Owner characteristics	
	Coefficient	**p-value**
_hat	1.067	0.001
_hatsq	0.103	0.065
Constant	0.321	0.289

Source: Authors' Computation, 2020.

The study employs linktest specification test. The test uses the linear predicted value (_hat) and linear predicted value squared (_hatsq) as the predictors of good model. For the model to be well specified the variable _hat must be statistically significant and the variable _hatsq must not have much predictive power except by chance that is, it must not be statistically significant at 0.05.

The result shows that variable _hat is statistically significant even at 1% level of significance in the model (with p-values of 0.001) while variable _hatsq is not statistically significant at 5% level of significant. _hatsq is only significant at 10% level of significant which indicates a weak importance (with p-values of 0.065). Conclusion can thus be drawn that the model is correctly specified.

Table 6: Variance Inflation Factor – Owner Characteristics

Variable	VIF	1/VIF
Education	6.80	0.1471
Age	5.99	0.1669
Experience	4.84	0.2066
Personal wealth	4.26	0.2347

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Variable	VIF	1/VIF
Financial literacy	3.26	0.3067
Gender	2.77	0.3610
Networking	1.11	0.9009
Mean VIF	4.15	

Source: Author's Computation, 2020.

The variance inflation factor as depicted in the Table 6 shows that there is nonexistence of the problem of multicollinearity in the model. This is apparent from the result of average VIF which is not up to the threshold of 10. The multicollinearity problem among the explanatory variables in a model is said to be severe if VIF values exceed the threshold value of 10 (Asteriou and Hall, 2016). This usually the case when R-squared of the model exceeds 0.9.

4.4. Discussions of Findings

Based on the finding of the study, the gender of firm owner exerts a significant positive influence on access to bank finance in such a way that male owners enjoy increased probability of access to bank finance compared to the female counterpart in the North central Nigeria. This implies the rejection of the related null hypothesis. The study is in consonance with Bellucci, Borisov and Zazzaro, (2009) and Mijid (2009) who concluded that the loan providers are usually gender bias which is evident in the high rates of denial for female owned businesses relative to male owned businesses. This contrasts the evidence put forth by Coleman (2000) that financial gearing is not a function of gender of the business owner. Against the findings of the previous studies such as Arun, Imai and Sinha (2006) and Khoi-Phan (2012), the results show that age of the owner does not significantly influence access to finance. The insignificance of owner's age is also supported by previous studies (see Akarro 2009; Blumberg and Letterie, 2002). Nevertheless, Pencil (2015) reported that older owners are perceived to be wiser and possess better credit history than young owners.

With regard to the level of education and access to bank finance, the result shows that education does not significantly influence access to bank finance hence the non-rejection of the null hypothesis. This denotes that SME owners with other sellable personal qualities than education will gain access to bank financing at any point in time. The result is consistent with the findings in Fatoki and Asah (2011) who argued that level of education is one of the prominent indicators of managerial competency which is expected to be utilised towards better financial access. However, the findings contracts with other previous studies such as Sayedi and Isah (2013) and Subramaniam and Marimuthu (2010) that confirm the fact that owner's level education significantly determine the credit access for SMEs.

Furthermore, experience is not statistically significant for access to bank finance. This implies that the owner's experience does not significantly influence the probability of access to finance among SMEs in the North central Nigeria. The result is consistent with the findings in Lyles et al (2004) and Marin and Staine (2008) who reported similar results but contrast with the result of Fatoki and Asah (2011) where it was reported that owner's experience is a reference point in financial access.

The study also found that the personal relationship with the bank exerts a significant positive impact on access to bank finance. The findings are in tandem with the theory of social capital which portrays that the building and maintenance of relationship is crucial to gain reputation and legitimacy for beneficial resource exchange including capital. Equally, the results are consistent with the findings in previous studies such as Fatoki and Asah (2011) and Owualah (2002) who reported that establishment of a long standing relationship facilitates better financial access for SMEs. It can simply be argued that a positive relationship built with the bank is a proxy for good credit history which constitutes a yardstick for future loan relationship. Also, based on the finding, networking of the SME owners influences access to bank finance. These findings are in line with Le and Nguyen (2009), Machirori and Fatoki (2013), Pandula (2011), Talavera, Xiong and Xiong (2010), Rand (2017) and the social capital theory. This implies that more social, political and managerial linkages are established, information asymmetries are resolved and better access to finance is facilitated.

Finally, the study found that both personal wealth and financial literacy of the owner had nothing to do with the probability of access to bank finance of SMEs. The insignificance of the variables aligns with the previous study of Hieltjes and Petrova (2013) who reported similar findings.

5. Conclusion and Recommendation

The scenario of paucity of finance, widely reported in the literature, has been blamed partly on their owners' peculiarities. This serves as a spur for this research, especially in the North Central Nigeria where the scourge is reportedly endemic. In view of the findings of the study, we conclude that although all the identified owner's characteristics are complementarily important in financial access, banks are more gender bias, value personal relationship of firm owners and attach enormous importance to their networking prowess.

In view of the findings of the study, it is recommended that SMEs owners should establish and maintain more improved deposit, loan and financial management relationship with their banks as good history (credit and otherwise) reflects credible character which are considered in the credit approval for SMEs. Also, there is need for the owners in the SME sector to build more networks (managerial, social and general) with the external environment vis-à-vis linkages with relevant stakeholders for better resource exchange including access to finance. Finally, banks should de-emphasise gender criterion in their lending decision practices to facilitate better financial access.

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