Financial Management Capabilities and Demographic Characteristics on Sustainable Sales Growth of Selected Small and Medium Enterprises (MSMEs) in Nigeria

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Abstract
This study measured the relationship between of financial management capabilities and sustainable sales growth of selected small and medium enterprises using demographic characteristics as a mediating variable. Explanatory survey was used as a research design. The population of the study was 2465 registered Medium and Small Scale Enterprises (MSMEs) in Small and Medium Development Agency of Nigeria (Ogun State Chapter). The determined sample size of study was 288 copies of questionnaire validly retrieved from owners and managers of MSMEs and used for the analysis. Both descriptive and correlation analyses were employed for the test of the hypothesis through Statistical Package for Social Sciences (SPSS) software 22. The study revealed that MSMEs that are supposed to contribute to Gross Domestic Products of the state are collapsing due to lack of useful financial management capabilities (financial planning, financial forecasting, financial budgeting, & financial auditing and controlling) because of their business size and nature. The study concluded that MSMEs in food, agro-allied and services need to establish strong financial management capabilities to enhance their relevance, survival and growth in Ogun State. The study recommended that policy makers in Nigeria should embark on policy implementation that provides better and easier financial succour and empower MSME owners and managers to reduce the collapse of MSMEs in Ogun State.

Keywords: Financial management capabilities, sustainable sales growth, competitive advantage, micro, small and mmedium eenterprises.

Introduction

The entrepreneurship business environment is located amid economic turbulence, globalisation, insurgency, cashless policy and intense competition in both developed and developing countries. Entrepreneurship sustainability has become a critical issue for government, business practitioners, and researchers, due to the inaccessibility of useful financial management capabilities that can be garnered and managed to achieve the goals of MSMEs incorporation (Anekwe et al., 2019; Ufua et al., 2020). Therefore, owners and managers are increasingly seeking strategic approaches to realise, improve, and sustain organisational performance and competitive advantage through independent and useful financial resource management capabilities available for their firms in Nigeria.

Meanwhile, procurement and mixtures of sufficient financial resources have become the backbone for achieving the objectives of organisations, including small and medium-scale enterprises in Nigeria (Dada & Adeigbe, 2022). It is even becoming worrisome for business owners and practitioners because of the after-effects of Fulani/herdsmen banditry and kidnapping in the South-West, religious/jihadist war and insurgency in the North-East, and armed robbery and piracy in the South-South on business operations and sales performance of MSMEs in Nigeria. This is unlike large-scale organisations which may have different sources for these financial management resources, even across the frontiers, when and where they are needed.

Consequently, many attempts have been made by the Nigerian government to sensitize entrepreneurs in the MSMEs sub-sector through a series of programmes and policies initiated in the past to improve the MSMEs. These programmes are established to be responsible for coordinating the development of micro, small and medium scales enterprises and employment generation in Nigeria. Despite this intervention by the government, the majority of owners and managers of MSMEs in Nigeria still lack useful financial management capabilities to maintain sustainable sales growth in the Nigerian MSMEs sub-sector.

Statement of Research Problem

Over the years, the profitability level of MSME firms has become discussed in some business cycles with some firms experiencing a continuous decline that results in the sudden collapse of many vibrant firms. The financial management capability which is one of the crucial dimensions of efficient performance of MSMEs has been in a state of neglect. The important roles played by the MSMEs and their potential in transforming economies in both developed and developing countries, especially in terms of employment generation, the raising of government revenues for infrastructural facilities development and economic development are expected to translate to improved economies but not (OECD, 2021; Ogbu & Ugwu, 2023).

Literature has shown that MSMEs that implemented enhanced financial management capability performed better in record keeping, resource management allocation, fund management practices and business performance while tackling poverty reduction and solving employment challenges in both rural and urban centres. More so, different empirical studies have also indicated the existence of financial management challenges hindering agro-allied MSMEs' performance, leading to reduced sales growth rates. These challenges are not limited to accessibility to finance and low level of financial inclusion, unhealthy competition, inability to cope with technological capacity utilisation, lack of database, higher transaction costs relative to their size, lack of entrepreneurial keenness, inadequate business management skills and lack of effective financial management capacity (Yogendrarajah et al., 2017; Kiyabo & Isaga, 2019; Aceli Africa, 2020; Moore, 2022; & Mang'ana et al., 2023).

However, scholars have argued that many of these challenges emanate from poor financial management capabilities among MSMEs (Obazee, 2019; Zada et al., 2021). This is due to the fact of disruptive business environment (Jonathan et al., 2022) which contributed to the hard time on sales volumes of MSME firms in Nigeria, in which inadequate financial management practices cannot be underestimated. There is no doubt that MSMEs in Nigeria lack financial management capabilities such as financial planning, financial forecasting, financial budgeting, financial auditing and controlling (Ufua et al., 2020). Dwangu and Mahlangu (2021) have argued further that when financial management is poorly implemented due to whatever reason, such as financial illiteracy, MSME firms are more likely to make decisions which are sometimes detrimental to their survival, growth and relevance.

Therefore, the goal of this study is to identify what financial management capabilities owners and managers of MSMEs consider useful in the provision of financial and managerial insights into their businesses and how those capabilities can be encouraged in enhancing sustainable sales growth of MSME firms, as a departure from previous studies which have regional and continental arrangements.

Research Objectives

(i) To examine the influence of financial management capabilities on sustainable sales growth of MSMEs in Ogun State; and

(ii) To determine the moderating role relationship of demographic variables on financial management capabilities and sustainable sales growth of MSMEs in Ogun State.

Research Question

(i) To what extent do financial management capabilities influence sustainable sales growth of MSMEs in Ogun State? and

(ii) What are the roles of demographic variables on financial management capabilities and sustainable sales growth of MSMEs in Ogun State?

Research Hypotheses

(i) Ho: Financial management capabilities have no significant influence on sustainable sales growth of MSMEs in Ogun State; and

(ii) Ho: Demographic variables have no significant relationship with financial management capabilities and sustainable sales growth of MSMEs in Ogun State.

Therefore, this paper is divided into sections including an introduction, literature review, methodology, results and discussions and conclusion and recommendations.

Literature Review

The Concept of Financial Management Capabilities

Scholars such as Sieriebriak et al., (2023) opined that financial planning is the process of framing objectives, policies, procedures, programmes and budgets regarding the financial activities of a going concern. This ensures effective and adequate financial and investment policies. Financial planning capability enables the owners and managers of MSMEs to make adequate funds available and ensure a reasonable balance of outflow and inflow of funds so that stability is maintained. Good mixtures of funds ensure that the suppliers of funds are easily investing in organisations while exercising financial planning (Ogriki & Atagboro, 2023; Taiwo, 2023). Financial planning helps in making growth and expansion programmes to ensure long-term survivability. It also enables MSMEs to reduce uncertainties about changing market circumstances, which can be faced easily through enough funds. Management of large business firms use financial information systems to drive the goals of their organisations, which can manifest in the form of policies, strategies, methods, standards, procedures, and programmes to increase sustainable sales growth, but conspicuously unavailable in many SME firms (Adeleke et al., 2010; Emmanuel, 2015; Ogriki & Atagboro, 2023).

For financial budgeting to be maintained and sustainable sales growth achieved, Alu Chituru et al., (2022) see financial budgeting management as the process usually undertaken before the beginning of the financial year, to create a plan or estimate of the expected incomes and expenditures in the upcoming financial year. The budgeting process can provide an opportunity to agree on resource allocations, recognise efficiencies, as well as identify practical ways other incentives can be managed to serve the strategic goals of the SME firms. Scholars such as Leopold & Harris (2009), Ogriki &Atagboro (2023), and Nworie & Ogujiofor (2023) argued that whether a firm decides to use zero-based budgeting, incremental budgeting, or performance-based budgeting, or activity-based budgeting or value proposition budgeting, right budgeting type varies by company and situation. This capability which is the combination of attitude, knowledge, skills and staff efficacy needed on the money management decision that best fits the circumstances of one's life, with an enabling environment to grow sales volume, is still lacking in Nigerian MSMEs.

Financial auditing and controlling have become a nightmare in growing sales volume for MSME firms in Nigeria.

Financial auditing and controlling is described as the process in which all the transactions of the company are reviewed (Moore, 2022; Osaloni, 2023). The core objective of this procedure is to find out the financial health of the company and to make certain that all the information provided by the management is accurate. This enables the department in charge to ensure that all the financial transactions of the company are properly recorded and reported in the books of accounts. Scholars such as Ufua et al., (2020) have opined that it is better to use an internal auditor for a financial control audit as the internal auditor will have more knowledge about the internal workings of the company and, hence, will be able to better understand the modus operandi of MSMEs.

The Concept of Sustainable Sales Growth

Sales growth is "the amount by which the average sales volume of a company's products or services has grown, typically from year to year" (Ibidunni, 2014). Sales growth metrics measure the pace at which an organisation's sales revenue is increasing or decreasing. This is a key metric for any organisation to monitor since it is an essential part of growth projections and is instrumental in strategic decision-making, to monitor this metric over multiple periods, to gain a clear indication of growth trends and normalize corporate values. At the highest level, the sales growth metric is used to provide executives and sales directors with an assessment of the sales performance of the organisation. However, the sales growth metric can also be broken down to show how each sales team or sales representative can contribute to achieving organisational goals, rather than providing each sales team with a broad objective of increasing total sales and by providing attainable (yet challenging) objectives that will help them effectively contribute to achieving the business objective (Ibidunni, 2014).

Sustainable sales growth is the measurement of sales activity against the goals outlined in the sales plan. The simplest method of tracking sales performance is to establish sales goals for your team and individual team members and then evaluate performance, either monthly or quarterly. One can then improve on growth using new processes and sales tools. The achievement of acceptable sales results is an essential requirement of companies' performance as well as a requirement which enables salespeople to achieve their objectives (Ines & Pedro, 2010). Sustainable sales growth can be said to signify a result of behaviour which is evaluated in terms of its contribution to the company's objectives and is determined by factors the salesperson can control. Therefore, Okolo et al., (2022) opined that sustainable sales growth becomes a practice of monitoring and guiding personnel to improve their abilities to sell products or services because the key objective of the sales performance management process is to educate and motivate salespeople to set goals and satisfy customers.

The Concept of Demographic Variables

This concept is the collection and study of data regarding the general characteristics of specific populations. It is frequently used as a business marketing tool to determine the best ways to reach out to customers and assess their behaviour. Segmenting a population's demographics allows companies to determine the size of a potential market. The study of human populations and the variations in their size related to migration, fertility, and mortality is known as demographic factors. The Greek word "describing people" is where the word "demography" originates. As a result, this field studies population characteristics, accounting for attributes including sex ratio, age distribution, composition, spatial distribution, and population density (Callaghan, 2021). There is occasionally a distinction drawn between "population studies," or the examination of the causes and consequences of changes in population structure in a larger context and about other phenomena and processes, and "formal demography," or "demographic analysis," which comprises the statistical analysis of population parameters and their dynamics.

Furthermore, from the standpoints of business and entrepreneurship, demographic factors are essential for controlling the creation and distribution of new goods and services as well as for marketing purposes. Therefore, statistical analyses that rely primarily on mathematics and statistical methods applied to data from population censuses, population change surveys, and systems are typically associated with the phrase "demographic variables" (Klimczuk, 2021). The purpose of demographic variables is to determine how particular demographic occurrences connect to MSMEs in Ogun State, Nigeria, over a defined area and period (Aransi, 2020).

Resource Dependency Theory

Resource dependency theory specifies how the external resources of one organisation affect the behaviour of dependent organisations to operate. The fundamental assumption of this theory was that dependence on essential and critical resources influences the actions of MSMEs and that organisational decisions, and actions could be elaborated depending on the particular dependency situation. The theory emphasized the importance of looking at the world in which MSMEs operate when attempting to clarify actions and effects (Pfeiffer & Salancik, 2003). Most MSMEs owners and managers in organisations need to understand that their success is linked to consumer demand. Their organisations thrive when consumer demand grows. That makes customers the ultimate resource that businesses are dependent on. This may seem obvious when it comes to sales, but it’s the organisational stimuli that show the management customers as a resource (Oliveira et al., 2022).

Resource dependency theory enables the owners and managers of MSMEs to display the ability to attract the adequate mix of funds they need to finance their activities and customers that would develop brand loyalty for their products and services. This theory further explains the usefulness of the environmental linkages of MSME organisations and the external resources which when used, could effectively provide MSMEs with a competitive advantage through improved sales growth (Hull & Rothenberg, 2008). Murluki et al., (2017) and Satrirenjit et al., (2012) argue that owners and managers serve to connect the MSMEs with external resources to minimize uncertainty because the presence of the MSMEs would be crucial for managing uncertainty effectively. Instead of simply assessing environmental opportunities and risks in the performance of MSMEs, the competitive advantage relies on the uniqueness of the resources and skills possessed (Kura et al., 2020; & Dada & Adeigbe, 2022). By relevance of this theory, capable owners and managers with the necessary potential and vibrancy, first-hand information and dynamic competencies could drive MSMEs towards sales growth.

Survival-based Theory

The survival of the fittest principle originally formulated by Herbert Spencer (Miesing & Preble, 1985) was considered ideally suited to the theoretical underpinning of the research, in line with the empirical conclusions of previous scholars. The survival-based theory explores the uses of strategic institutions to keep rivals in check. To excel in financial innovation and a strong intellectual and functional capacity to operate an organisation, the mechanism of sensing, intuition, feeling, and thought must be built by MSME owners and start-up entrepreneurs. This enables MSMEs to embrace financial uncertainties to achieve relevance, survival and sales growth (Gibcus, 2003; Octasylva et al., 2022). The foundation of the survival strategy is that to survive, SME firms need to constantly adapt to their competitive financial climate. Brian (1996) cited in Egwakhe et al., (2020) opined that a new way of thinking about the business world (a paradigm) and new ways of behaving (corporate strategies) seem to be introduced every decade.

This theory, which was very popular during the late 19th and early 20th centuries, stressed the notion that only the best and fittest of MSME competitors would benefit by pursuing the concept of design, which eventually would lead to the development of a creative and innovative service or product. The survival-based view of the management emphasized the assumption that businesses that follow financial strategies that focus on running very productive activities would thrive in a competitive environment (Egwakhe, et al., 2020; Octasylva, et al., 2022). These scholars concluded that the most equipped and willing MSME owners and start-up entrepreneurs that adapt to the favourable financial and environmental business climate is the organisation that succeeds. Based on this claim, this study focused on hypotheses based on resource dependency and survival-based theories.

Empirical Review on Financial Management Capabilities and Sustainable Sales Growth

Al Breiki, & Nobanee (2019) explored the role of financial management in promoting sustainable business practices and development. Based on the thematic analysis of resources from varied scholars, it confirmed that appropriate financial management models were necessary to enhance productivity while mitigating issues of financial risks. The findings also indicated that allocating capital budgeting for sustainable issues enhanced the competitive advantage of the business, and utilization of Western and Islamic financial management were efficient sustainability measures. The study concluded that financial management played a vital role in promoting sustainable business practices and development.

Khan et al., (2019) investigated the influence of investment in key intangible resources and capabilities of firms, including intellectual capital (IC), financial capability (FC), and corporate social responsibility (CSR) on sustainable competitive advantage (SCA) and firm performance (FP) in an emerging country, Pakistan. The research model and its pertinent hypotheses were tested on a sample of 329 Pakistani small and medium enterprises (SMEs) by a structural equation model (SEM). The results exhibited a significant influence of the aforesaid factors on FP. However, SCA fully mediates the relationship between FC and FP and between CSR and FP, whereas SCA partially mediates the relationship between IC and FP. Taken together, the findings suggested the role of CSR and FC in indirectly spurring FP through SCA. Despite the limitations of this study, the results have several practical and theoretical implications for owners, managers, and policymakers.

Lontchi et al., (2023) examined the mediating effect of financial literacy on fintech and SMEs' performance during COVID-19 recovery in Cameroon. The study collected 381 survey data from SMEs in Yaoundé and Douala, the country's business hub, to determine how these financial technology innovations affect SMEs' business performance. Similarly, the PLS-SEM model was used to test the proposed hypotheses. The study result showed that the relationship between fintech and financial literacy was positive and significant. The findings also revealed that fintech has a positive and significant effect on SMEs' performance. In addition, the results indicated that financial literacy positively and significantly mediates the relationship between fintech services and the performance of SMEs. Therefore, the study concluded that financial literacy is an essential mechanism through which fintech services influence SMEs' operational and financial performance in Cameroon.

Sinha et al., (2023) examined the determinants of sustainable financial and innovation performance using a panel data analysis of Indian manufacturing SMEs. The study aimed to provide important implications to improve their competitive position by trying to identify the determinants which influence the two critical indicators of sustainable firm performance- sustainable financial performance and sustainable innovation performance. The researchers analysed 486 R&D-conducting SME manufacturing firms from the firm-level data from 2006 to 2017. The results indicated that the determinants have a disparate impact on both types of sustainable firm performances. The study revealed important theoretical as well as practical insights for the long-term sustainability and competitiveness of manufacturing SMEs.

Methodology

The study adopted an explanatory survey research design. A quantitative method was used in this study. A structured questionnaire was designed and used to collect data from the respondents on the variables studied. The population used for this study was 40 small and medium-scale firms randomly selected in Ogun State, Nigeria. The database survey on small and medium-scale firms held by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Ogun State Chapter provided the estimated figure of 2465 registered MSMEs in 2017. The sample frame for this study was determined from the population of selected MSMEs in Ogun State in Nigeria from the foods, agro-allied and services sectors. The sample size determination of 288 was considered appropriate given the research involving a moderately high population using Taro Yamane Formula (1967). Consequently, respondents: small business owners, owner-managers and start-up (emergent) entrepreneurs returned filled and valid copies of the questionnaire which were used for this study.

Three constructs were measured in this study: financial management capabilities, demographic characteristics, and sustainable sales growth. The questionnaire was divided into three sections: the first section contained personal demographic information while the second section contained questions relating to financial management capabilities. The third section contained questions relating to sustainable sales growth. In addition, the questionnaire was formatted on a Five-point Likert Scale. The Cronbach's Alpha test was used to test the reliability and validity of the research instrument. Data were analysed using descriptive tests, while the Pearson Correlation Coefficient was used to examine the impact of financial management capabilities (Independent variable) on sustainable sales growth (Dependent variable), and demographic characteristics (mediating variable).

Results and Discussions

Descriptive Analysis of Variables

A more through overview of the received questionnaire answer descriptions is presented as follows:

Table 2: Response to the Issue of Financial Management Capability

S/N	STATEMENTS	SD 1	D 2	N 3	A 4	SA 5	Total	Mean	SD ∂	Remark
1	My organisation financial plans manage and maintain facilities effectively	28 14.3	33 16.7	18 9.3	43 21.9	74 37.5	288 100%	**3.80**	0.870	Average
2	My organisation implements financial forecast to accomplishes improvements	33 16.7	27 13.5	23 11.5	43 21.9	70 35.7	288 100%	**3.80**	0.784	Average
3	My organisation prepares and administers budget control effectively.	20 10.4	27 13.5	6 3.1	59 30.2	84 42.7	288 100%	3.95	0.775	Fair
4	My organisation uses funds efficiently and effectively.	29 14.6	20 10.4	12 6.3	76 38.5	59 30.2	288 100%	3.94	0.807	Fair
5	My organisation allocates and control funding to support programs	25 12.5	33 16.7	23 11.5	75 38.0	40 20.4	288 100%	**4.05**	0.576	Good
6	My organisation pursues and secures additional funding for the unit.	29 14.6	19 9.69	12 6.3	76 38.5	60 30.6	288 100%	**4.41**	0.533	Good

From Table 2, it is depicted "that the firms maintained facilities effectively, implemented and accomplished improvements, prepared and administered budget effectively. Moreover, it was agreed that the firms utilized funds efficiently and effectively by fairly allocating funding to support programmes. Finally, the firms pursued and secured additional funding for the unit as shown in the analysis. Many scholars have shown in their studies that "the efficient and effective management of money (funds) were determinants for accomplishing objectives of the organization (Drucker, 2006; Dada & Adeigbe, 2022, Ogunode et al., 2023).

Table 3: Response to the Issue of Sustainable Sales Growth of MSMEs

S/N	STATEMENTS	SD 1	D 2	N 3	A 4	SA 5	Total	Mean	SD ∂	Remark
1	My firm's sales growth position is relative to competition	26 13.	14 7.3	35 17.7	49 25.	72 36.5	288 100 %	3.96	0.732	Fair
2	My firm is satisfied with the sales growth rate	73 37.	42 21.	23 11.5	25 12.	33 16.7	288 100 %	**4.13**	0.665	Good
3	My firm market share gains is relative to competition	21 10.	17.	8 4.2	59 30.2	73 37.5	288 100 %	**4.15**	0.791	Good
4	My firm sales growth have increased in the last two years	45 22.	43 21.	10 5.1	35 17.	63 32.1	288 100	**4.03**	0.569	Good
5	My firm's yearly profit position is relative to competition	57 29.2	25 12.5	14 7.1	67 34.2	33 16.8	288 100 %	**3.92**	0.764	Fair
6	My firm is satisfied with return on sales growth	55 28.1	39 19.8	19 10.0	35 17.7	48 24.4	288 100	3.99	0.770	Fair
7	My firms financial liquidity position is relative to competition	29 14.	41 20.	10 5.1	53 27.	63 32.0	288 100	**3.92**	0.904	Fair
8	My firm is satisfied with return on investment	45 22.9	33 16.7	13 6.6	68 34.7	37 18.7	288 100	**4.00**	0.683	Good

Table 3 indicated that the market shares of firms had been on the increase since inception and that firms were fairly satisfied with the sales growth rate and market share gains were relative to competition. The findings also indicated that firms made efforts to find out what their customers needed, and the firms' yearly profit position was relative to the competition. The firms were satisfied with the return on sales and the financial liquidity position was relative to the competition. Finally, it was agreed that firms were satisfied with the return on investment. This was consistent with prior studies in the strategic management, customer relationship management and marketing disciplines that showed that increasing sales of existing products to existing markets (market penetration), finding new markets for existing products (market development), creating new products for existing markets (product development), and creating new products (diversification) contributed to MSME's growth (Hisbam, 2011).

Table 4: Correlation Coefficient of Financial Management Capabilities and Sustainable Sales Growth

Correlations			
		financial management capability	Sustainable sales growth
financial management capability	Pearson Correlation	1	0.801**
	sig. (2-tailed)		0.000
	Sum of squares and cross-products	50.000	36.250
	Co-variance	0.526	0.382
	N	288	288
Sustainable Sales Growth	Pearson Correlation	0.801**	1
	sig. (2-tailed)	0.000	
	Sum of squares and cross-products	36.250	40.990
	Co-variance	0.382	0.431
	N	288	288
**. correlation is significant at the 0.01 level (2-tailed).			

Ho: Financial management capabilities have no significant influence on sustainable sales growth of MSMEs in Ogun State

In Table 4, the relationship between financial management capability and sustainable sales growth of MSMEs was investigated using the Pearson Product-Moment Correlation Coefficient. There was a strong, positive correlation between the two variables, financial management capability and sustainable sales growth of MSMEs; $r = 0.801$, $n = 288$, $p < 0.01$, that is, high levels of financial management capability were associated with relatively high levels of sales growth. This result implies that the level of market share on sales growth at 36.25% was averagely influenced by the financial management capability of the entrepreneurs at 52.6%. The better the capabilities involved in handling financial management practices, the more would be the sustainable sales volume of MSMEs. This is in line with the submission of Akanbi & Adewoye (2018) and Al Breiki, & Nobanee (2019). Therefore, the null hypothesis that financial management capabilities have no relationship with sustainable sales growth of MSMEs is rejected, while the alternate hypothesis is accepted.

Table 5: Demographic Characteristics of the Respondents

Demographic Characteristics	**Frequencies**	**Percentages**
Gender		
Male	180	62.5
Female	108	37.5
Total	**288**	**100%**
Age		
24 years and below	96	33.3
25 – 40 years	159	55.2
41 years and above	33	11.5
Total	**288**	**100%**
Marital Status		
Single	60	20.8
Married	207	71.9
Others	21	7.3
Total	**288**	**100%**

Educational Qualification		
SSCE	33	11.5
OND/ NCE	123	42.7
B.SC/B.Ed./B.A	102	35.4
Others	30	10.4
Total	**288**	**100%**
	Work Experience	
Below 6 years	84	29.2
6-10 years	126	43.7
11 -15 years	48	16.7
16 years and above	30	10.4
Total	**288**	**100%**

Ho: Demographic variables have no significant relationship with financial management capabilities and sustainable sales growth of MSMEs in Ogun State.

The demographic variables in Table 5 showed that 62.5% of the respondents were represented by males and 37.5% were represented by females indicating that the demographic profile of males is more than females in the agro-allied agricultural sector of the State. This table indicated that 33.3% of the respondents fall within the age bracket below 25 years, while 55.2% represented 25 to 40 years and respondents between the age of 41 years and above constituted 11.5%. This is an indication that young men are finding interest in the agro-allied agricultural sector. On the marital status of the respondents, it was exhibited that 20.8% were single, 71.9% were married and 7.3% represented the others. For the educational qualification, the table shows that 11.5% of the respondents have SSCE certificates; 42.7% of the respondents represented OND/ NCE holders; and 35.4% have B.Sc./B.Ed/B.A and only 10.4% represented others like M.Sc/M.Ed/M.A and other professional certifications, showing that a higher proportion of the respondents were literate represented by 88.9%.

For the distribution by a period in business (experience), the table indicated that 29.2% of the respondents had 1-5 years of experience in MSMEs, 43.7% had 6-10 years, while 16.7% had 11-15 years of experience in business and 10.4% had 16 years of MSMEs experience and above. This implies that owners and managers indicated by 71.9% of the respondents are assumed to have enough years of experience in business but do not have adequate and appropriate experience in handling financial management practices. Having enough experience in the handling of financial management practices would enable them to drive sustainable sales growth that enhances relevance and survivability (Teece et al., 1997; Asenge, & Agwa, 2018; & Aransi, 2020) of MSMEs in the Ogun State, Nigeria. Therefore, the hypothesis which says that demographic variables have no impact on financial management capabilities and sustainable sales growth of MSMEs is rejected, while the alternate hypothesis is accepted.

Discussions of Findings

The results of the study indicate that financial management capability has a positive and significant relationship with sustainable sales growth, meaning that a better financial management capability contributes to improving sustainable sales growth directly. The results of the study indicated a weak correlation coefficient value of 38.2% of financial management capability on 43.1% of sustainable sales growth. The implication is that if the owners and managers of MSMEs want to have good sales growth, there is a need to enhance financial management capabilities (Musa, et al., 2023). Financial management capabilities such as financial planning, financial budgeting, financial auditing and controlling positively have a strong significant relationship with sustainable sales growth of MSMEs. In theory, financial management capabilities have become accounting, management and sustainability models for owners and managers of MSMEs who tend to sustain entrepreneurship organisations for growth, relevance and survival (Adesanya et al., 2020; Dada & Adeigbe, 2022).

The test results with Pearson Product Moment Correlation Analysis using SPSS v 22.0 showed that the covariance value of 48.1% sustainable sales growth is related to financial management capability. Moreover, demographic characteristics have roles to play in improving sustainable sales growth, whereby increasing financial and managerial capabilities of owners and managers of MSMEs, meaning that the owners and managers of MSMEs who have been in business for a minimum of 6-10 years and above have better financial management capabilities going by the figures of 29.2%, 43.7%, 16.7% and 10.4% estimated altogether. In the same vein, the estimated figure of 72.9% of MSMEs are still struggling for survivability in Ogun State, Nigeria. The demographic characteristics of owners and managers with enough business experience and financial accounting knowledge demonstrated good financial organization capability precedence. The implication is that owners and managers who have enough business experience cum financial management capabilities have a better chance for success through sustainable sales growth of MSMEs. From the findings of this study, the financial accounting knowledge was not adequate for the owners and managers of MSMEs (Aransi, 2020; Adeigbe & Dada, 2022; & Lontchi et al., 2023).

Conclusion

The findings indicated that to increase sustainable sales growth of MSMEs in Ogun State, it is necessary to invest in the concepts of financial management capabilities of owners and managers. Financial management capability has a positive and significant relationship with sustainable sales growth, and a better financial management capability in owners and managers of MSMEs will contribute to sustainable sales growth.

The mediation role of demographic characteristics to the financial management capabilities and sustainable sales growth relationship is also significant in the literature. This indicates the need to combine both the features of those behind the veils of incorporation of MSMEs and practices of financial management capabilities for enhanced sustainable sales growth.

Demographic characteristics of MSMEs in Ogun State require personnel not only with long years of experience but also with accounting knowledge capabilities in financial management (financial planning, financing budgeting, and financial auditing and controlling) to enhance sustainable sales growth variables.

Recommendation

MSMEs that want to succeed in today’s competitive business environment should recognise the impact of financial management capabilities on their business success and continuous existence. Also, for continuous improvement in business performance in the area of sustainable sales growth, new product success and customer satisfaction, it is important for small and medium-scale enterprises to adopt and manage financial management capabilities to achieve the desired performance.

Contribution to Knowledge and Implication of the Study

This study served as a platform for other researchers to build their theoretical and practical studies in the areas of strategic management, organisational behaviour and entrepreneurship literature. The findings can be employed and adopted by government agencies by establishing policies that are environmentally and financially friendly for MSMEs to grow sales to relevance and sustainability because the MSMEs sector contributes to economic growth and development for youth empowerment and wealth creation. The implication of this study calls for concerns about the use of financial management capabilities in MSMEs for overall sustainable sales growth in the State.

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