International Journal of Innovative Research in Accounting and Sustainability
ISSN: 2736-1381 (Print), ISSN 2736-1500 (Online)
Vol. 9, No. 2, 2024

Crowdfunding Practices and Productivity of Small Businesses: The Role of Investors' Attitudes and Government Policy

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Abstract

The study examined the influence of crowdfunding practices on productivity as a measure of survival for small businesses in Lagos State, Nigeria. The study adopted survey research design. Data were collected using questionnaire administered to 484 small businesses in Lagos State across the five (5) divisions/Ibiles (Ikeja, Ikorodu, Lagos Island, Badagary and Epe) and analysed using descriptive frequencies and structural equation modelling (SEM). The results revealed that Productivity of small businesses in Lagos state responded significantly and positively to Donation based-DB, Equity based-EB, Loan based-LB and Reward based-REB respectively, while Royalty based-RB and Invoice trading-ITC had positive but insignificant impact. Also, that both Investor's Attitude (IA) and Government Policy on Crowdfunding (GPC) had negative indirect trend on crowdfunding practices and small business survival measured in terms of productivity. The study concluded that DB, LB, EB and REB crowdfunding practices are alternative and creative source of funding for small businesses that contribute positively and significantly to productivity. In view of the findings, the study recommended that proprietors of small businesses should identify and concentrate on crowdfunding practices that influence its productivity and concomitantly guarantee survival of the business. Furthermore, study recommended that investors (fund backers) and fund raisers should be of good behavior and demonstrate transparency in their crowdfunding activities and also adhere to set rules and regulations by SEC and other regulatory authorities on crowdfunding.

Keywords: Crowdfunding, government policy, investors attitude, productivity, small-businesses.

1. Introduction

The survival of small businesses is essential to economic strategies because they reduce unemployment, raise living standards, add to gross domestic product of an economy and provide goods and services. Hence, the survival of small business has become a priority to every manager of national economies be it developed, emerging and developing, defined by traditional funding and modern financing (Crowdfunding) particularly in developing nations (Efebeh, Ikenga & Orher, 2021). According to Surowiecki (2004), the idea about modern financing (Crowdfunding) was created and is predicated on the "power and wisdom of the crowd." Crowdfunding is a modern and creative way of raising fund from large group of people (Crowd) without the involvement of any traditional intermediaries (Camilleri,2021). This could be in terms of Loan-based, Equity-based, Royalty-based,

Invoice Trading, Reward-based and Donation-based crowdfunding which facilitates small business start-up without the burden of interest charges like the traditional sources of financing (Camilleri & Bresciani, 2022).

According to a United Nations Industrial Development Organization (UNIDO) Report (2023), obstacles arising from finance and non-funding considerations have impeded small business survival strategies affecting sales, productivity, business continuity, and competitive advantage across countries. Crowdfunding practices have been associated with various challenges worldwide, such as trust, determining the appropriate amount to request, selecting the right platform, and safeguarding the innovative ideas of fundraisers in developed, emerging, and developing economies, such as Nigeria (Afrikstart, 2022; International Monetary Fund, 2022). In addition, these other issues are related to crowdfunding practices especially in Nigeria; fraud, corruption, double taxation, illegal framework, and ignorance (Aderemi,Maulida & Maiabara, 2022). These difficulties have also made it difficult to find funding and finance growth, which has an impact on small businesses ability to survive in terms of productivity (Adam & Alarifi, 2021; Aderemi, Maulida & Maikabara, 2022).

Economists consider the attitude of entrepreneurs toward risks and risk-taking as one of the important factors that influence the rate of economic growth and development in any economy (Kisaka, 2014). Adegboyo, et al. (2021) noted that it is the goal of any rational government to improve the living conditions of her populace through major economic policy either through fiscal, monetary or trade policy and security. It is in the light of these that this study considers the role of investor's attitude and government policy.

The study noted that numerous researchers, both inside and outside of Nigeria, had conducted several studies on crowdfunding, including those by Aderemi, Maulida and Maikabara (2022), Camileri (2021), and Camileri and Bresciani (2022), among others. However, majority of these earlier studies on the subject had not considered how crowdfunding practices influence productivity of small businesses. In the light of the prospect of this creative source of funding for small businesses and the impediments and gap identified, this study attempted to examine crowdfunding practices and productivity as a measure of survival of small businesses in Lagos state: The role of investor's attitude and government policy.

The primary objective of this study is to examine the effect of crowdfunding practices on productivity as a measure of small business survival, while specific objectives are to examine the influence of crowdfunding practices on productivity (PROD) of small businesses and assess the complementary impact of investor's attitude (IA) and government policy (GP) on the relationship between crowdfunding practices and survival of small businesses in Lagos State. It is in view of these objectives that these pertinent questions of what is the influence of Crowdfunding practices on productivity of small businesses and in what way does investor's attitude and government policy complimentarily impact on crowdfunding between crowdfunding practices and survival of small businesses in Lagos State?

2. Literature Review

2.1 Conceptual Review

2.1.1 Crowdfunding and crowdfunding practices

Crowdfunding is a modern and creative way of raising fund from large group of people (Crowd) via the internet through a platform referred to as Crowdfunding Platform (CFP) without the involvement of any financial institutional intermediaries (Camilleri,2021). According to Hossain and Oparaocha (2017), crowdfunding is an online method of

obtaining capital for creative projects, ideas, or endeavors in which a large number of individuals pledge or donate money over a predetermined length of time. Crowdfunding, as defined by Ezekiel and Toba (2020), is an online method of generating money where the fund raiser is expected to provide factual details through image and video content. In the context of this concept of crowdfunding and in tandem with the research questions and objectives, the study thus hypothesised, that there is no significant influence of crowdfunding practices on productivity of small businesses and that investor's attitude and government policy has no significant complimentary impact on crowdfunding between crowdfunding practices and survival of small businesses in Lagos State

2.1.2 Productivity

Productivity is generally considered to be the efficient utilization of organizational resources (OECD, 2019). At firm level, productivity is a measure of a firm's ability to utilize its inputs to make as much output as possible. Majiwa (2017) defined productivity as the ratio of an aggregate output to a single input or an aggregate input used in a production process, i.e output per unit of input, typically over a specific period of time. Productivity and performance are important concepts and measures describing the successfulness of an organization. Productivity is a crucial factor in production performance of firms (Majiwa, 2017). The increase in productivity could lead to better profitability for the firm due to decreasing cost per unit produced. However, since the firm often employs a bundle of resources or input such as labour, capital, material, energy and others to produce output, there are several ways of defining and measuring productivity (Prakash, Jha, Prasad, & Singh, 2017).

2.1.3 Survival of Small Business

Small businesses are defined in a variety of ways. Due to the subjectivity of classification and categorization, studies have revealed that small businesses are defined differently in different economies. As a common yardstick, many classifications and definitions have been made using turnover and the number of employees in their activities (Olayinka & Joseph, 2013). According to SMEDAN (2017) it sees small business as an enterprise that operates with assets value of an amount up to N10 million and less than N100 million excluding land and building and employing between ten and 49 people in its operation. This study however adapts the Finance Act, 2020 which defines small businesses as any organisation whose turnover ranges between N1Million and N25Million with permanent employees of between 5 to49. According to United Kingdom companies Act (2006). Small business is defined as one that employs 50 people and has a £6.5 million annual revenue. While small business is defined by the European Union (2008) as one that employs no more than fifty (50) people and has a revenue of no more than €10 million.

The idea of "business survival" has gained enormous traction and popularity among management specialists. This is mostly the case since it is one of the factors taken into account when assessing an organization's potential for expansion, profitability, and long-term viability. Since it's referred to by many names, there isn't a single, accepted definition for "business survival." Organizational survival, according to Collins (1996), is maintaining operations and accomplishing objectives without making sacrifices for the future. Business survival, according to Fakunmoju, Fasola, and Fashagba (2021), is the ability of a business to remain open at the end of a given period of time if it was open at the start of that period. According to Cefis and Marsili (2012), a business's ability to continue operating without permanently closing down is referred to as survivability.

2.1.4 Government Policies, Crowdfunding and Security and Exchange Commission (SEC)

Regulatory policy is about achieving government's objectives through the use of regulations, laws, and other instruments to deliver better economic and social outcomes and thus enhance the life of citizens and business (Adegboyo, Keji & Fasina,2021). Policy studies have three characteristics; first, as a framework to solve a problem; second, the nature of policy is multidisciplinary and policy is normative or value oriented (Roziqin et al., 2021). Making a policy is an effort to combine technical knowledge with a complex political and social reality (Roziqin, Mas'udi, & Sihidi, 2021). The Nigerian Securities and Exchange Commission ("SEC") released its Rules on Crowdfunding ("the Rules") on January 12, 2021, in accordance with section 13(a) of the Investment and Securities Act 2007 to regulate investment-based crowdfunding in Nigeria, according to Diya (2021), which noted the fundamentals of policy. The SEC has ordered that all currently operating portals and platforms that support investment-based crowdfunding adhere to the regulations set forth in the Rules, register with the SEC, or close their doors by June 30, 2021. Thus, this study is tailored along this policy.

2.1.5 Investors' Attitude

Attitude is defined as a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour (Kisaka, 2014). Investors do not follow the rational models of investment which are assumed in the theory of efficient markets and there exist significant variations in the behaviour of investors (Riitsalu & Murakas, 2019). An attitude has the cognitive, affective and behavioural components. This view of attitudes has a direct impact on the way people who hold them behave toward specific attitude objects. However, in another clime behavioural finance is knowing investor's psychology related to financial decisions and is a combination of two disciplines, i.e., psychology and economics (Nadeem et al., 2020).

2.2. Theoretical Review

2.2.1 Social Exchange Theory (SET)

George Homans, a sociologist, created this Theory in 1958. The exchange mechanism that underpins social behavior serves as the theoretical foundation. Its fundamental presumption is that people will engage with one another and exchange goods and services, in this case money and ideas. Accordingly, the theory examines how relationships among people impact the kinds of transactions that they engage in. This idea is used in the study to explain why individuals and groups engage in swapping behaviors. Specifically, it views crowdfunding promoters as individuals and new entrepreneur teams as groups. Crowdfunding systems enhance positive social exchange behavior by fostering mutual trust, communication, and commitments. This theory was adopted in similar studies by Camileri & Bresciani (2022) and Giglio (2022)

2.3 Empirical Review

Elhassan (2019) used a descriptive analytical technique to identify the challenges and issues that small and medium-sized enterprises (SMEs) in the Kingdom of Saudi Arabia experience. The study's conclusions showed that SMEs confront a wide range of issues. The results indicate that the issues include inadequate funding, a shortage of competent workers, low demand, burdensome government rules, and additional barriers in the form of fees. Havrylchyk and Ardekani (2020) explores the short-term impact of borrowing via lending-based crowdfunding on performance and health of small and medium enterprises (SMEs) in

France. They found that firms borrowing from lending-based crowdfunding platforms were more dynamic (higher asset growth and higher profitability) and innovative, but they had lower leverage, less cash, higher funding costs and less tangible assets that could be pledged as a collateral.

Akhter and Hoque (2022) conducted a study on the moderating effects of financial cognitive abilities and considerations on the attitude–intentions nexus of stock market participation. Data were collected from active and potential investors in Dhaka stock exchange of Bangladesh using structured questionnaire. The findings of this study suggest that investors' attitudes, financial planning ability, and perceptions of financial risks and benefits are important factors that influence their decisions in stock market participation. Also, the link between attitude and behaviour intentions to invest in the stock market is moderated by financial planning, financial satisfaction and perceived financial risk.

Mwanzi and Muturi (2021) using survey research design, investigated external elements affecting capital structure of small and medium enterprise in Kenya: a case of Kitui County, Kenya. The results of data analysis revealed that the cost of capital had negative coefficient effect. The analysis also showed that the market condition had a positive but insignificant effect. Additionally, investors' attitude revealed a significant effect on the capital structure.

3. Methodology

As a result of the difficulty in securing secondary data that fits this study, especially given the nature of the business sector in which this study being conducted. The study adopted the survey research design which involves the use of structured research questionnaire in obtaining data from the respondents. The population of this study comprises 11,663 small businesses operating across the five (5) divisions referred to as *Ibile* (Ikeja, Ikorodu, Lagos Island, Epe and Badagary) in Lagos state being the latest number of small businesses captured, that also satisfies the study's definition (Lagos Ministry for Commerce, Industry and Cooperatives Report,2021; SMEDAN,2020; PwC survey,2021). A sample size of 484 small businesses determined by applying Cochran (1997) formular as stated below;

$$\mathbf{n=}\ \frac{NZ^2pq}{d^2\,(N-1)+Z^2pq}$$

Where:
n = sample size
N = Total number of small businesses in Lagos State (N=11,663)
Z = 95% Confidence Interval (Z = 1.96),
p = 0.5
q = 1 – p
d = degree of accuracy or estimation (d = 0.05)
Therefore;

$$n = \frac{11{,}663\,(1.96)^2(0.5)\,(0.5)}{(0.05)^2\,(11{,}663-1)+(1.96)^2\,(0.5)\,(0.5)} = 372$$

However, 30% of the computed size was added to compensate for the non-response and wrong filling of copies of the questionnaire. This brings the total sample to 484. This is as recommended by Zikmund (2000). The sample size of 484 was the distributed disproportionally based on stratified random sampling technique because the number of elements sample from each stratum is not equal to their population representation (Iliyasu & Etikan,2021). Primary source of data was used for this study; this is also justified by the fact that it translates research objectives in to specific questions which respondents are ask to

give their responses. The instrument used is a close ended and well-structured questionnaire adapted from the study of (Camilleri & Bresciani, 2022).

3.1 Reliability and Validity of Research Instrument

The instrument was subjected to expert opinion validity as recommended by Raza and Nawaz (2011). A content validity test was conducted on the instrument. The questionnaire was reviewed by experts in financial management and practitioners in the field of accounting and finance. The test instrument validity was guaranteed because their opinion did not significantly change the instrument's structure or content. According to Nunally (1978) the standard reliability test in management science research is 70%. Hence, the results on Table 1

Table 1: Construct Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
DBC	0.608	0.684	0.740	0.569
EBC	0.784	0.603	0.747	0.576
ITC	0.698	0.601	0.757	0.584
LBC	0.620	0.645	0.763	0.597
RBC	0.673	0.581	0.741	0.567
REBC	0.678	0.582	0.746	0.571
Sales Growth (SG)	0.711	0.733	0.810	0.562
Productivity (PROD)	0.797	0.630	0.755	0.589
Market Share (MS)	0.693	0.700	0.802	0.548
Competitive Advantage (CA)	0.761	0.508	0.793	0.561

Source: Authors' Computation (2024)

From the findings obtained on the assessment of reliability of the construct through Cronbach's Alpha (CA) and Composite Reliability (CR) values. The generally accepted threshold of 0.7 for most research purposes (Nunnally,1978; Hair et.,2010). However, certain researchers contend that a slightly lower threshold of 0.6 may also be deemed acceptable in certain scenarios (George & Mallery,2003). The result demonstrated that the CA and CR values exceeded 0.6 signifying the presence of one-dimensionality with the 10 constructs. The data collected were analysed using descriptive and inferential statistical techniques and employed structural equation modelling via SmartPLS 3,0 software version.

3.1 Model Specification

The operational model for the study variable is denoted in equation Y = f(XZ); Y = y_1 = PROD and X = (x_1, x_2, x_3, x_4, x_5, x_6) representing the crowdfunding practices respectively.

The models formulated for each of the hypotheses are written as:

Hypothesis One

$y_1 = f(x_1, x_2, x_3, x_4, x_5, x_6)$

$y_1 = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \varepsilon_i$

$PRO = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_3 RBC_i + \beta_4 ITC_i + \beta_5 REBC_i + \beta_6 DBC_i + \varepsilon_i$ i

Hypothesis Two

$Y = f(X\ z_1 z_2)$

$Y = \beta_0 + \beta_i X + \beta_z z_1 z_2 + \beta_{iz} X z_2 + \varepsilon_i$
$SBS = \beta_0 + \beta_i CP_i + \beta_{z1z2} (IA*GPC) + \beta_{iz1z2} CP*(IA*GPC)_I + \varepsilon_i$
ii

4. Data Analysis and Discussion of Findings

4.1 Descriptive Analysis of Variables

The descriptive statistics for the variables on a six-point Likert scale is shown in Table 2. A total of 484 copies of the questionnaire were administered to small business owners operating in the five divisions in Lagos state. Only 344 were correctly filled out and returned.

Table 2 Descriptive Results on Crowdfunding practices

Crowdfunding practice	Results/Findings
Loan-Based Crowdfunding (LBC)	Result indicated that 51% of the respondents agreed with 5 items under LBC among small businesses in Lagos state
Equity-Based Crowdfunding (EBC)	55% of the respondents agreed with 5 questions for Equity-Based Crowdfunding – EBC
Royalty-Based Crowdfunding (RBC)	Result revealed 51% of the respondents concurred with all the 5 questions raised for Royalty-Based Crowdfunding – RBC
Invoice Trading Crowdfunding (ITC)	52% of the respondents agreed with 5 items raised for ITC except for item five (That ITC does not enable online investors to fund small businesses in Lagos state)
Reward-Based Crowdfunding (REBC)	Result indicated that 58% of the respondents had divergent opinion towards 5 items raised for REBC
Donation-Based Crowdfunding (DBC)	61% of the respondents agreed with 5 Fitems of questions raised for Donation-Based Crowdfunding – DBC

Source: Authors' Computation (2024)

Table 3: Descriptive Statistics on Productivity

Statement	Strongly Agree	Agree	Moderately Agree	Moderately Disagree	Disagree	Strongly Disagree	Missing	Mean	Std. Deviation
My business gives opportunity for product market expansion	14.1%	15.2%	52.3%	8.9%	6.7%	2.2%	0.4%	4.49	1.214
The business allows for Judicious use of raw materials	19.2%	18.3%	45.4%	9.4%	5.4%	1.6%	0.7%	4.56	1.210
Quick response to mal-function production processes exists in my business	16.1%	46.1%	17.4%	12.1%	6.0%	1.6%	0.7%	4.46	1.225
In my business, there is target to meet customer demand	15.0%	15.7%	49.2%	8.9%	8.7%	2.0%	0.4%	4.44	1.258
Customer service sensitivity is paramount in my business	19.7%	48.5%	11.6%	9.2%	9.2%	0.7%	1.1%	4.53	1.297

Source: Authors' Computation (2024)

From Table 3, it was depicted that 52.3% of majority respondents moderately agreed that my business gives opportunity for product market expansion, 45.4% of majority respondents moderately agreed that the business allows for Judicious use of raw materials, 46.1% majority of respondents agreed that quick response to mal-function production processes exists in my business, 49.2% of majority respondents moderately agreed that in my business, there is target to meet customer demand while 48.5% of majority respondents agreed that customer service sensitivity is paramount in my business. From respondent responses, it was indicated that majority of respondents agreed on all items towards productivity.

4.2 Crowdfunding Practices and Productivity of Small Businesses

4.2.1 Hypothesis One

PATH DIAGRAM FOR HYPOTHESIS - One

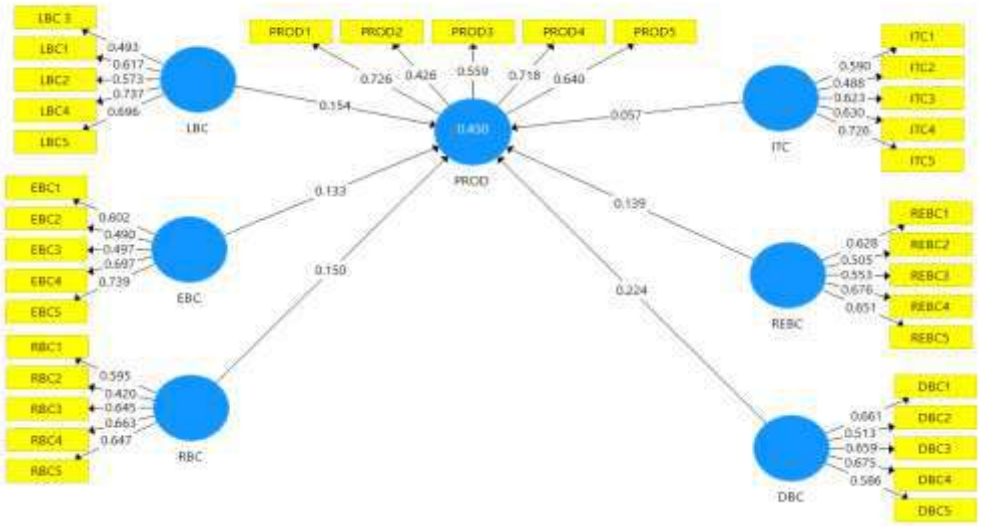

Figure 3.1: Path diagram for Hypothesis One

$PRO = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_3 RBC_i + \beta_4 ITC_i + \beta_5 REBC_i + \beta_6 DBC_i + \varepsilon_i$

Descriptive Model

$PRO = \beta_0 + \beta_1 LBC_i + \beta_2 EBC_i + \beta_5 REBC_i + \beta_6 DBC_i + \varepsilon_i$

Prescriptive Model

PATH DIAGRAM FOR HYPOTHESIS – One - T- STAT

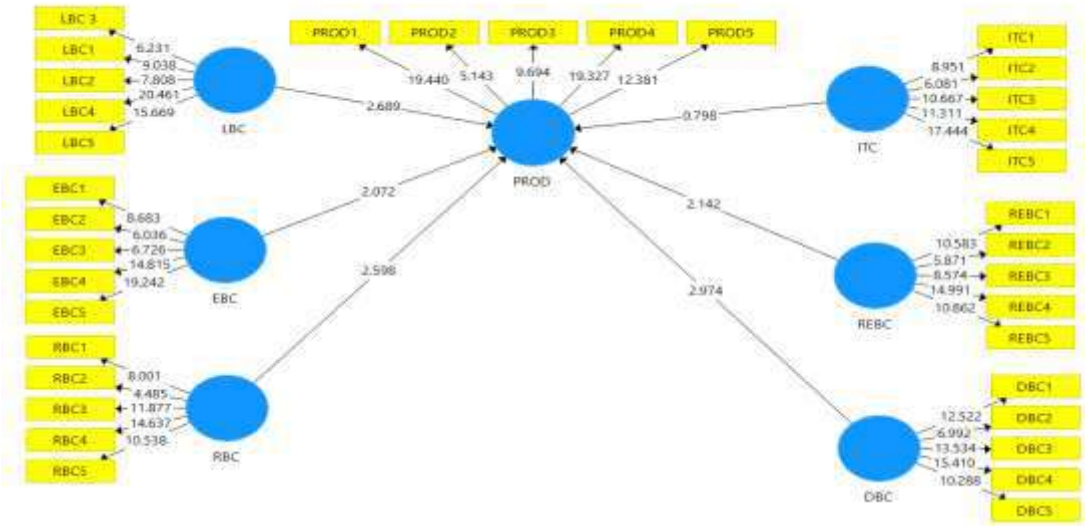

Figure 3.2: Path diagram for T-Stat on Hypothesis One

Table 4: Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
DBC -> PROD	0.224	0.224	0.075	2.974	**0.003**
EBC -> PROD	0.133	0.134	0.064	2.072	**0.039**
ITC -> PROD	0.057	0.063	0.072	0.798	**0.425**
LBC -> PROD	0.154	0.154	0.057	2.689	**0.007**
RBC -> PROD	0.150	0.156	0.058	2.598	**0.010**
REBC -> PROD	0.139	0.137	0.065	2.142	**0.033**

Source: Author's Computation (2024)

From Table 4, the path coefficient for hypothesis one which stated that; **H_{01}:** Crowdfunding practices (loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding) have no significant effect on productivity of small businesses in Lagos State. Result from Table 4 revealed that donation based crowdfunding has positive and significant effect on productivity of small businesses in Lagos State, Nigeria ($\beta = 0.224$; t-stat = 2.974; $p<0.05$); equity based crowdfunding has positive and significant effect on productivity of small businesses ($\beta = 0.133$; t-stat = 2.072; $p<0.05$); invoice trading crowdfunding has positive and insignificant effect on productivity ($\beta = 0.057$; t-stat = 0.798; $p>0.05$); loan based crowdfunding has positive and significant effect on productivity ($\beta = 0.154$; t-stat = 2.689; $p<0.05$); royalty-based crowdfunding had positive and insignificant effect on productivity ($\beta = 0.150$; t-stat = 2.598; $p<0.05$); and reward-based crowdfunding had positive and significant effect on productivity of small businesses in Lagos State,

Nigeria (β = 0.139; t-stat = 2.142; p<0.05).

This implied that donation based, equity based, loan based and reward-based crowdfunding significantly and positively contribute to productivity of small businesses. Hence, the prescriptive model. Therefore, this study still rejected the null hypothesis one of this study. The hypothesis one dwelled on how crowdfunding practices such as loan-based crowdfunding, equity-based crowdfunding, royalty-based crowdfunding, invoice trading crowdfunding, reward-based crowdfunding and donation-based crowdfunding influence productivity of small businesses in Lagos State. Related studies like Ezekiel, and Toba (2020), Giglio (2022), Gupta, Raj, Gupta, and Sharma (2022), Havrylchyk, and Ardekani (2020), Hossain, and Oparaocha (2017), Adekoya (2019), Aderemi et al. (2021), Aderemi et al. (2022), Adjakou (2021), Baber (2020), Berndt (2016), Bernardino, and Santos (2020), Camilleri, and Bresciani (2022), and Diya (2021) all agreed that crowdfunding mechanism enhanced business performance as well as productivity.

This finding indicated that all variants of crowdfunding practices within the prescriptive model such as loan-based crowdfunding, equity-based crowdfunding, reward-based crowdfunding and donation-based crowdfunding contribute to business performance. Similarly, the Johari window theory also supported the finding of the study, as it represents information-feeling, experience, views, attitudes, skill, intentions, motivation, etc. within a person or about group. it is widely used to understand self, to achieve personal development, improve communications, interpersonal relations, group dynamics, team development and finally to strengthen inter-group relations. Thus, this study aligned with past related studies scholars that crowdfunding practices enhanced business survivability measured in terms of productivity and therefore rejected the null hypothesis one in this study.

4.2.2. Hypothesis Two

PATH DIAGRAM FOR HYPOTHESIS - Two

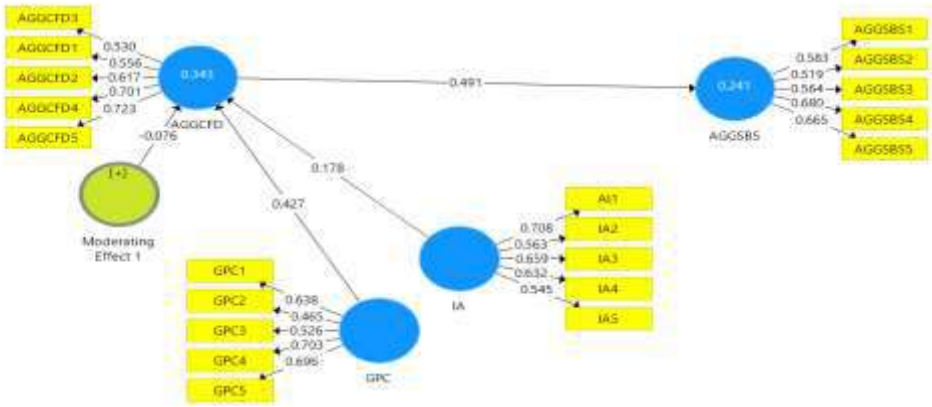

Figure 3.3: Path diagram for Hypothesis Two

PATH DIAGRAM FOR HYPOTHESIS – Two (T- STAT)

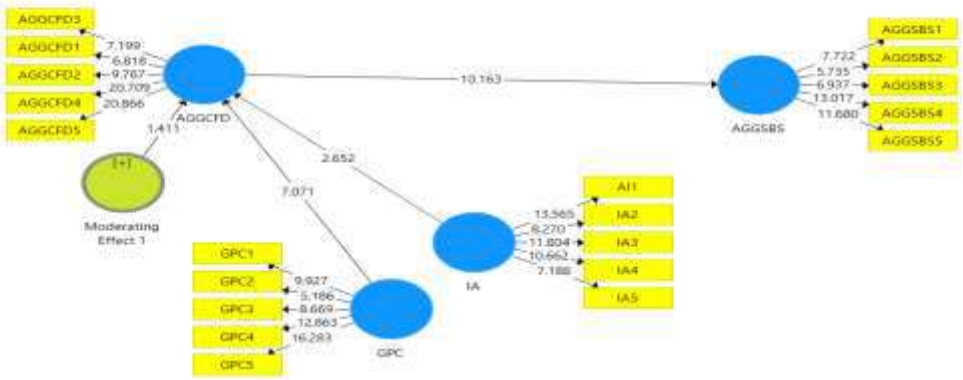

Figure 3.4: Path diagram for T-Stat on hypothesis Two

Table 5: Total Effects

	AGGCFD	AGGSBS	GPC	IA	Moderating Effect 1
AGGCFD		0.491			
AGGSBS					
GPC	0.427	0.210			
IA	0.178	0.087			
Moderating Effect 1	-0.076	-0.037			

Source: Author's Computation (2024)

The path diagram depicts how Investor's Attitude (IA) and Government Policy on Crowdfunding (GPC) interacts between crowdfunding practices and survival of small businesses in Lagos State. It was shown that both Investor's Attitude (IA) and Government Policy on Crowdfunding (GPC) had negative, significant moderating and complimentary impact on business survival of small business in Lagos State. The interaction of Investor's Attitude (IA) and Government Policy on Crowdfunding (GPC) with crowdfunding practices had inverse direction with business survival. Table 5 showed that both Investor's Attitude (IA) and Government Policy on Crowdfunding (GPC) had negative indirect trend (β = -0.037) with crowdfunding practices and small business survival while GPC and IA had positive indirect effect with crowdfunding practices and small business survival in Lagos State. In addition, it is also shown on table 5 that both Investor's Attitude (IA) and Government Policy on Crowdfunding (GPC) inversely affect crowdfunding practices and business survival in Lagos State. This implied that Government policy on crowdfunding was not well recognised and known by majority individual and as well individual investors are scared to pool their financial resources for crowdfunding due to corrupt attitude of investor who want to crowdfund and the fraudulent intention of fund raisers

The hypothesis two dwelled on how both government policy on crowdfunding and investors attitude affects crowdfunding practices and business survival. Finding like Mwanzi and Muturi (2021), Nadeem, Qamar, Nazir, Ahmad, Timoshin, and Shehzad (2020), Nordin, Md. Sum, and Zainuddin (2018), Shneor, Zhao, and Flåten (2020) that investor character

determines crowdfunding practices and business survival. Similarly, the Johari window theory also supported the finding of the study, as it represents information-feeling, experience, views, attitudes, skill, intentions, motivation, etc within a person or about group.

5. Conclusion and Recommendations

The general objective of the study was to examine the influence of crowdfunding practices on productivity as a measure of survival of small businesses in Lagos state with the mediating role of investor's attitude and government policy on crowdfunding practices to see how both intervening variables interrelated, strengthened or weakened the interaction between the independent and dependent variables. The result shows that crowdfunding practices (Donation-based, Reward-based, Equity-based, Loan-based, Royalty-based and Invoice trading crowdfunding) are veritable alternative source of financing for small businesses in Lagos state, Nigeria as revealed by the descriptive statistical analysis.

Also, from the regression result, it was revealed that crowdfunding practices such as loan based, equity based, donation based and reward based crowdfunding by small businesses in Lagos state contributes positively and significantly to the productivity of small businesses as a measure of their survivability. In addition, the study also revealed and posited that both Investors' Attitude (IA) and Government Policy (GP) on crowdfunding had negative significant moderating and complimentary impact on small business survival measure in Lagos state, Nigeria. However, the study noted that investor's attitude and government policy on crowdfunding are positively connected with crowdfunding practices and survival of small businesses in Lagos state.

Based on these findings, the study concluded that crowdfunding practices actually influences productivity of small businesses and that both investor's attitude and government policy compliment the relationship between crowdfunding practices and survival of small businesses in Lagos state, Nigeria.

In the light of the study's finding and conclusion, the study recommended that owners of small businesses in Lagos state should identify and concentrate on the best crowdfunding practices that influences its productivity and concomitantly guarantees survival of the business. Also, recommended that investors (fund backers) and fund raisers should be of good behavior, demonstrate transparency in their crowdfunding activities and also adhere to set rules and regulations by SEC and or other regulatory authorities on crowdfunding.

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