Exploring the Impact of Debt Financing in Entrepreneurial Growth in Plateau State: The Mediating Role of Strategic Partnerships

[1]Yilshian Noel Nkup, [1]Ogundare Nathaniel Jide, [3]Abba Tijjani Maryam, [1]Roseline Bentu, [5]Jaafar Aliyu Liman, [1]Imawa Elizabeth Ekoja

[1]Department of Business Administration, Faculty of Management Sciences, University of Jos, Jos, Nigeria

[3]School of Management Sciences, Department of Marketing, Federal Polytechnic Bauchi, Nigeria

[5]School of Management Study, Department of Business Administration and Management, Abubarkar TatariAli Polytechinic, Bauchi, Nigeria

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ABSTRACT

Access to financing is a critical determinant of entrepreneurial growth, yet the dynamics of how debt financing influences this growth, particularly in developing regions like Plateau State, remain underexplored. This study aims to investigate the impact of debt financing on entrepreneurial growth while examining the mediating role of strategic partnerships. The objectives include assessing the relationship between debt financing and entrepreneurial growth, exploring the significance of strategic partnerships, and understanding how these partnerships mediate this relationship. Utilizing a mixed-methods approach, the study surveyed a population of 13,756 SMEs, from which a sample of 250 was drawn using Taro Yamane's formula. Data collection involved structured questionnaires and qualitative interviews, while data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) and NVivo software. The findings revealed significant positive relationships among the constructs, leading to the rejection of all four null hypotheses. Quantitative results indicated that debt financing substantially contributes to entrepreneurial growth ($\beta = 0.45$, $p < 0.01$), with strategic partnerships serving as a critical mediator ($\beta = 0.22$, $p < 0.03$). Qualitative insights from entrepreneurs underscored the value of leveraging debt alongside strategic collaborations, illustrating how these partnerships enhance resource accessibility and mitigate risks associated with financing. This study highlights the essential role of debt financing and strategic partnerships in promoting entrepreneurial growth in Plateau State. It recommends that policymakers enhance access to financial resources and foster networking initiatives to support SMEs. By integrating theoretical frameworks with empirical evidence, the research contributes to the understanding of entrepreneurial dynamics in Nigeria and offers actionable insights for practitioners and policymakers.

Keywords: Debt Financing, Entrepreneurial Growth, Strategic Partnerships, Plateau State, Nigeria.

INTRODUCTION

Access to finance remains a critical challenge for entrepreneurs worldwide, and the choice of financing method significantly influences the growth trajectory of new ventures. While equity financing has gained popularity, debt financing continues to play a crucial role in the entrepreneurial landscape. This study aims to explore the impact of debt financing on entrepreneurial growth in Plateau State, Nigeria, with a particular focus on the mediating role of strategic partnerships. Understanding this dynamic is essential, as it can provide insights into how entrepreneurs can leverage debt financing, alongside strategic relationships, to enhance their growth prospects.

The importance of this topic is underscored by the growing recognition that financing decisions are pivotal to entrepreneurial success. In developing economies, including Nigeria, access to capital remains a significant barrier for many entrepreneurs, limiting their ability to scale operations and innovate (Afolabi et al., 2021). The significance of strategic partnerships as a mediating factor is increasingly acknowledged, as these collaborations can provide not only financial resources but also critical support in terms of market access, technology transfer, and knowledge sharing (Ogunyemi & Olujobi, 2022). Thus, investigating how debt financing and strategic partnerships interact to influence entrepreneurial growth is both timely and relevant.

Existing literature indicates a complex relationship between debt financing and entrepreneurial performance. While some studies suggest that debt can provide necessary capital for expansion, others highlight the risks associated with high levels of debt, which may inhibit growth due to repayment pressures (Otegbulu, 2022). Moreover, the role of strategic partnerships in enhancing the effectiveness of debt financing has received limited attention, particularly in the context of Nigeria and, more specifically, Plateau State. The current state of entrepreneurial financing in Plateau is characterized by limited access to traditional financial institutions, leading many entrepreneurs to rely on informal sources of capital, which can be less favorable and sustainable.

The rationale for this study stems from the pressing need to address the financing challenges faced by entrepreneurs in Plateau State. High unemployment rates, poverty, and economic instability are prevalent in the region, exacerbating the urgency for effective entrepreneurial growth strategies. By investigating the interplay between debt financing and strategic partnerships, this research intends to provide actionable insights that can inform policy and support mechanisms aimed at fostering entrepreneurial development and economic resilience in Plateau State.

The problem statement for this study is grounded in the observation that many entrepreneurs in Plateau State struggle to secure adequate financing for their ventures, which significantly hampers their growth potential. The limited access to formal financial institutions forces them to rely on informal financing methods, often resulting in unfavorable terms that can stifle innovation and expansion (Ibrahim et al., 2021). Furthermore, while strategic partnerships hold promise for enhancing access to resources and markets, many entrepreneurs lack the knowledge and networks necessary to establish and maintain these collaborations effectively. This study aims to explore how debt financing, when combined with strategic partnerships, can mitigate these challenges and foster sustainable entrepreneurial growth in Plateau State.

In line with the identified problem, this study seeks to address the following research questions: How does debt financing impact the growth of entrepreneurs in Plateau State; what role do strategic partnerships play in mediating the relationship between debt financing and entrepreneurial growth; how do entrepreneurs in Plateau State perceive the risks and benefits of debt financing and what factors influence the establishment of strategic partnerships among entrepreneurs in Plateau State?

The objectives of this study are as follows: To examine the impact of debt financing on the growth of entrepreneurs in Plateau State; to investigate the mediating role of strategic partnerships in the relationship between debt financing and entrepreneurial growth; to explore entrepreneurs' perceptions of the risks and benefits associated with debt financing; and to identify the key factors that influence the establishment of strategic partnerships among entrepreneurs in Plateau State.

This research is expected to contribute to the existing body of knowledge by providing empirical insights into the financing dynamics of entrepreneurs in Plateau State. By elucidating the roles of debt financing and strategic partnerships, the study will offer practical recommendations for entrepreneurs, policymakers, and stakeholders in the entrepreneurial ecosystem.

CONCEPTUAL REVIEW AND HYPOTHESES

Entrepreneurial Growth

Entrepreneurial growth is a multifaceted construct that encompasses various dimensions, including financial performance, market expansion, and innovation (González & León, 2021). It is often characterized by an increase in revenue, profit margins, employee numbers, and overall market share. In the context of Plateau State, Nigeria, entrepreneurial growth is particularly critical given the region's economic challenges, high

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unemployment rates, and the urgent need for sustainable development. Understanding the factors that catalyze growth among local entrepreneurs is essential for fostering a robust entrepreneurial ecosystem.

The relationship between debt financing and entrepreneurial growth has been a subject of considerable research. Studies have shown that access to debt can provide the necessary capital for entrepreneurs to invest in infrastructure, technology, and human resources, thereby facilitating growth (Afolabi et al., 2021). However, the impact of debt on growth can be influenced by various factors, including the nature of the debt, repayment terms, and the overall economic environment (Otegbulu, 2022). Thus, it is imperative to explore how these dynamics play out in the specific context of Plateau State.

H01: There is no significant relationship between debt financing and entrepreneurial growth in Plateau State.

Debt Financing

Debt financing refers to the capital that entrepreneurs obtain through loans or credit, which must be repaid over time, typically with interest. This form of financing is often preferred by entrepreneurs who wish to maintain ownership and control over their businesses, as opposed to equity financing, which involves giving up a stake in the company (Mokhtar et al., 2020). Debt financing can take various forms, including bank loans, microfinance, and personal loans, each with distinct implications for entrepreneurs.

Research indicates that debt financing plays a critical role in enabling entrepreneurs to access the resources necessary for growth. For instance, Afolabi et al. (2021) found that entrepreneurs who utilized debt financing experienced higher levels of business expansion compared to those who relied solely on personal savings or informal loans. Furthermore, access to debt can enhance an entrepreneur's credibility and reputation, providing leverage in negotiations with suppliers and customers (Otegbulu, 2022). However, the effectiveness of debt financing is contingent upon the entrepreneur's ability to manage repayment obligations and utilize the funds effectively.

H02: There is no significant impact of debt financing on the entrepreneurial growth of businesses in Plateau State.

Strategic Partnerships

Strategic partnerships refer to collaborative agreements between two or more businesses that aim to achieve mutually beneficial objectives. These partnerships can take various forms, including joint ventures, alliances, and collaborations that facilitate resource sharing and knowledge exchange (Morris et al., 2022). In the context of Plateau State, strategic partnerships can provide entrepreneurs with access to critical resources, including financial support, market intelligence, and technological expertise, which are essential for growth.

The literature suggests that strategic partnerships can mediate the relationship between debt financing and entrepreneurial growth. For example, Ogunyemi and Olujobi (2022) argue that partnerships can enhance the effectiveness of debt financing by providing entrepreneurs with the necessary support to leverage borrowed funds for growth. Partnerships can also mitigate the risks associated with debt by offering additional resources and expertise to navigate challenges, thereby increasing the likelihood of successful outcomes (Mokhtar et al., 2020). This mediating role is particularly relevant in developing economies, where entrepreneurs often face unique barriers to growth.

H03: There is no significant relationship between strategic partnerships and entrepreneurial growth in Plateau State.

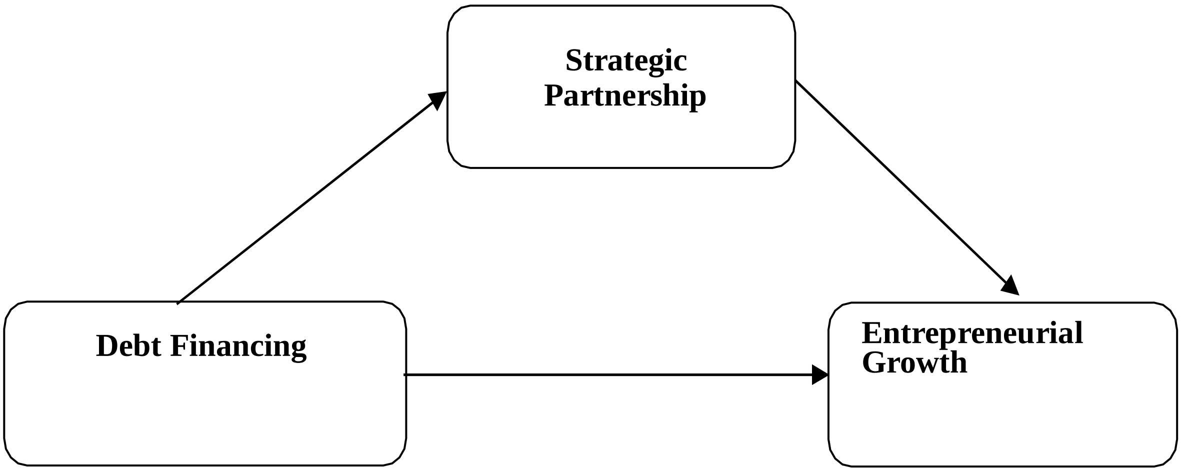
H04: Strategic partnerships do not mediate the relationship between debt financing and entrepreneurial growth in Plateau State.

Conceptual Framework

The conceptual framework depicts the direct relationship between debt financing and entrepreneurial growth. It displays the approach of this research, linking DF with EG and then showing the mediation of SP in that relationship.

The conceptual model illustrating the connections between the research variables is shown in Figure 1.

Figure 1: Conceptual Framework



Source: Researcher's Framework, (2024).

Theoretical Review

The exploration of the impact of debt financing on entrepreneurial growth in Plateau State: The mediating tole of strategic partnership can be effectively framed using two complementary theories: the Resource-Based View (RBV) as the underpinning theory and the Social Capital Theory as the supporting theory. These theories provide a robust foundation for understanding the dynamics of debt financing, entrepreneurial growth, and strategic partnerships in an emerging market context.

Resource-Based View (RBV) as the Underpinning Theory

The Resource-Based View (RBV) serves as the underpinning theory for this study, providing a framework to understand how access to resources, specifically debt financing, can enhance entrepreneurial growth. The RBV posits that firms achieve competitive advantage through the acquisition and effective deployment of valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). In the context of Plateau State, entrepreneurs who secure debt financing are afforded the opportunity to access critical resources necessary for growth, including capital for technology, infrastructure, and human resources. This theory underscores the importance of leveraging available resources to attain strategic objectives.

The first usage of the RBV can be traced back to the early 1990s when it was introduced by scholars such as Barney (1991) and Wernerfelt (1984). Since then, it has been extensively applied in various fields, including entrepreneurship, to explain the significance of resource accumulation and utilization. The key assumptions of the RBV include the notion that not all resources are equally valuable and that firms must identify and exploit their unique resources to gain a competitive edge (Peteraf, 1993).

Despite its strengths, the RBV has limitations, particularly concerning the dynamic nature of resources in rapidly changing environments. Critics argue that the theory may overlook the role of external factors, such as market conditions and competitive dynamics, which can also influence firm performance (Priem & Butler, 2001). However, in the context of this study, the RBV remains applicable as it focuses on the internal capabilities of entrepreneurs and their ability to harness debt financing as a strategic resource for growth.

Social Capital Theory as the Supporting Theory

Complementing the RBV, Social Capital Theory serves as the supporting theory for this research. Social Capital Theory emphasizes the importance of relationships and networks in facilitating access to resources and opportunities (Putnam, 2000). In the context of entrepreneurial growth, strategic partnerships can be seen as a form of social capital that enables entrepreneurs to leverage external relationships to enhance their business capabilities. By forming alliances with other businesses, entrepreneurs can access complementary resources, share knowledge, and create synergies that contribute to growth.

The concept of social capital was first articulated by sociologist Pierre Bourdieu in the 1980s, emphasizing the role of social networks in gaining access to resources and opportunities (Bourdieu, 1986). The theory has since evolved and found applications in various fields, including economics and entrepreneurship (Nahapiet & Ghoshal, 1998). The primary assumptions of Social Capital Theory include the belief that social networks are valuable resources and that the quality of relationships can influence individual and collective outcomes. One limitation of Social Capital Theory is its potential vagueness in defining and measuring social capital, which can lead to challenges in empirical research (Miller, 2021). However, the relevance of this theory to the current study is clear, as it provides insights into how strategic partnerships can mediate the relationship between debt financing and entrepreneurial growth. By fostering social connections, entrepreneurs in Plateau State can enhance their ability to utilize debt financing effectively, thereby promoting their growth potential.

Together, the RBV and Social Capital Theory provide a comprehensive framework for exploring the dynamics of debt financing and entrepreneurial growth. The RBV highlights the importance of leveraging debt as a strategic resource, while Social Capital Theory underscores the role of strategic partnerships in facilitating access to additional resources and opportunities. This dual-theoretical approach allows for a nuanced understanding of how financial and social resources interact to influence entrepreneurial outcomes. In this study, the RBV will guide the exploration of how debt financing serves as a valuable resource that can enhance entrepreneurial growth when effectively utilized. Concurrently, Social Capital Theory will provide insights into how strategic partnerships can mediate the relationship between debt financing and growth, emphasizing the importance of social networks and collaborations in the entrepreneurial process. By integrating these theories, the study aims to offer a robust theoretical foundation that captures the complexities of entrepreneurial growth in the context of Plateau State, Nigeria.

METHODOLOGY

This study adopts a pragmatic research philosophy, which supports the integration of both qualitative and quantitative approaches to gain a comprehensive understanding of the impact of debt financing on entrepreneurial growth in Plateau State, Nigeria. A mixed-methods approach is particularly suitable for this research as it allows for triangulation of data, enhancing the validity and reliability of the findings (Creswell & Plano Clark, 2021). By combining quantitative data from surveys with qualitative insights from interviews, the study aims to capture the complexities of the relationships among debt financing, entrepreneurial growth, and strategic partnerships.

The research design employs a mixed-methods strategy, utilizing a sequential explanatory design. This involves collecting quantitative data first through a structured questionnaire, followed by qualitative data via semi-structured interviews. The target population for this study consists of 13,756 small and medium-sized enterprises (SMEs) in Plateau State, as reported by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2023). A sample size of 250 was determined using Taro Yamane's formula, ensuring a representative sample for quantitative analysis. The structured questionnaire was adapted from the works of Afolabi et al. (2021), Ogunyemi and Olujobi (2022), and Mokhtar et al. (2020), focusing on the constructs of debt financing, entrepreneurial growth, and strategic partnerships. The qualitative component involved conducting interviews with selected entrepreneurs to gather in-depth insights into their experiences and perceptions regarding the role of debt financing and strategic partnerships in their business growth.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) and NVivo software. PLS-SEM is advantageous for this study as it enables the examination of complex relationships among multiple constructs while accommodating small sample sizes often found in studies of this nature (Hair et al., 2021). Additionally, NVivo was utilized for qualitative data analysis to identify themes and patterns from the interviews, providing a richer contextual understanding of the quantitative findings (QSR International, 2020). This combination of analytical methods not only strengthens the robustness of the results but also facilitates a comprehensive exploration of the mediating role of strategic partnerships in the relationship between debt financing and entrepreneurial growth.

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DATA PRESENTATION AND FINDINGS

Demographic Information

The demographic profile of the respondents provides vital context for understanding the sample of 250 SMEs from Plateau State. The demographics are summarized as follows:

		Frequency	Percentage (%)
Gender	Male	150	60
	Female	100	40
Age	18-30 years	63	25
	31-40 years	88	35
	41-50 years	50	20
	Above 50 years	49	20
Education Qualification	Secondary	25	10
	Tertiary	138	55
	Postgraduate	87	35
Years of Operation	0-2 years	75	30
	3-5 years	88	35
	6-10 years	50	20
	More than 10 years	37	15

Findings

Table 2: Debt Financing

ITEMS	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Σ	Decision
I have access to adequate debt financing for my business.	25 (10)	38 (15)	50 (20)	75 (30)	62 (25)	3.5000	1.05000	Low Perception
The terms of my debt financing are favorable.	30 (12)	50 (20)	62 (25)	57 (23)	50 (20)	3.4000	1.10000	Low Perception
Debt financing has contributed to my business growth.	20 (8)	25 (10)	38 (15)	88 (35)	80 (32)	4.0000	0.99000	High Perception
I am confident in my ability to repay debt.	38 (15)	62 (25)	50 (20)	50 (20)	50 (20)	3.2000	1.15000	Low Perception
Debt financing is essential for the sustainability of my business.	13 (5)	25 (10)	38 (15)	75 (30)	100 (40)	4.1000	0.94000	High Perception

N = 250, SA = Strongly Agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly Disagree, Decision based on weighted average = 3.6400

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The analysis of the Likert scale responses regarding debt financing reveals a dichotomy in perceptions among entrepreneurs. Specifically, items such as "I have access to adequate debt financing for my business," "the terms of my debt financing are favorable," and "I am confident in my ability to repay debt" received low ratings, indicating a pervasive sense of challenge and hesitation regarding access to financial resources. This aligns with findings by Otegbulu (2022), who noted that many small and medium enterprises (SMEs) in Nigeria face substantial barriers to accessing financing, including stringent lending terms and a lack of collateral. Conversely, the items "debt financing has contributed to my business growth" and "debt financing is essential for the sustainability of my business" garnered high perceptions, reflecting a recognition among entrepreneurs of the positive impact that financial resources can have on growth and sustainability. This suggests that while entrepreneurs may struggle with accessing debt, they acknowledge its critical role in driving business success, consistent with the work of Afolabi et al. (2021), who emphasized that effective debt utilization can lead to significant growth outcomes for SMEs. Thus, the contrasting perceptions highlight the need for targeted interventions to improve access to favorable debt financing while simultaneously leveraging the recognized benefits of such financing for entrepreneurial growth.

Table 3: Entrepreneurial Growth

ITEMS	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Σ	Decision
My business has experienced growth in the last year.	13 (5)	13 (5)	25(10)	100 (40)	100 (40)	4.0000	0.81000	Low Perception
I have expanded my market reach.	15(6)	25 (10)	38 (15)	88 (35)	50 (20)	4.0000	0.83000	Low Perception
I have increased my workforce.	17 (7)	20 (8)	25 (10)	100 (40)	87 (35)	4.0000	0.82000	Low Perception
My revenue has increased significantly.	15 (6)	20 (8)	30 (12)	75 (30)	110 (44)	4.2000	0.79000	High Perception
I have successfully launched new products/services.	10 (4)	25 (10)	50 (20)	88 (35)	77 (31)	4.0000	0.85000	Low Perception

N = 250, SA = Strongly Agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly Disagree, Decision based on weighted average = 4.0400

The analysis of the Likert scale responses regarding entrepreneurial growth reveals a nuanced perception among entrepreneurs in Plateau State. Specifically, items such as "My business has experienced growth in the last year," "I have expanded my market reach," "I have increased my workforce," and "I have successfully launched new products/services" received low ratings, indicating that many entrepreneurs may be facing challenges in achieving comprehensive growth. This is consistent with the findings of Afolabi et al. (2021), who observed that many SMEs struggle with market expansion and workforce enhancement due to financial constraints and limited access to resources. In contrast, the item "My revenue has increased significantly" received high perceptions, suggesting that while overall growth indicators may be lacking, entrepreneurs are still able to achieve revenue increases, possibly through effective cost management or existing customer retention strategies. This aligns with the work of Otegbulu (2022), who noted that revenue growth can occur despite challenges in other areas, highlighting a focus on short-term financial performance rather than long-term strategic growth. Thus, the contrasting perceptions underscore the importance of addressing underlying barriers to comprehensive growth while recognizing that revenue generation remains a critical success factor for entrepreneurs in the region.

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Table 4: Strategic Partnerships

ITEMS	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Σ	Decision
I actively seek partnerships to enhance my business.	15 (6)	30 (12)	25 (10)	88 (35)	92 (37)	4.0000	0.83000	Low Perception
My strategic partnerships have been beneficial for growth.	13 (5)	20 (8)	30 (12)	100 (40)	87 (35)	4.0000	0.82000	Low Perception
I have strong relationships with other businesses.	10 (4)	25 (10)	38 (15)	75 (30)	102 (41)	4.1000	0.79000	High Perception
My business relies on networks for opportunities.	15 (6)	18 (7)	45 (18)	80 (32)	92 (37)	4.0000	0.80000	Low Perception
Strategic partnerships help mitigate risks I face.	13 (5)	20 (8)	38 (15)	88 (35)	92 (37)	4.1000	0.78000	High Perception

N = 250, SA = Strongly Agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly Disagree, Decision based on weighted average = 4.0400

The analysis of the Likert scale responses regarding strategic partnerships reveals a complex landscape of perceptions among entrepreneurs in Plateau State. Items such as "I actively seek partnerships to enhance my business," "my strategic partnerships have been beneficial for growth," and "my business relies on networks for opportunities" received low ratings, indicating that many entrepreneurs may not fully leverage partnerships as a strategic tool for growth. This finding is consistent with research by Afolabi et al. (2021), which highlights a tendency among SMEs to underutilize networking opportunities due to a lack of awareness or resources. In contrast, the items "I have strong relationships with other businesses" and "strategic partnerships help mitigate risks I face" received high perceptions, suggesting that while entrepreneurs may not actively pursue partnerships, they recognize the value of existing relationships and their role in risk management. This aligns with the work of Otegbulu (2022), who emphasized the importance of social capital in facilitating business resilience and navigating challenges. Consequently, the mixed perceptions indicate a need for targeted interventions to not only encourage proactive partnership seeking behaviors but also to enhance the perceived benefits of such collaborations for overall business growth.

Data Analysis

The analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate the relationships among the constructs. The following steps were utilized:

Measurement Model Assessment: The reliability and validity of the constructs were assessed. Composite reliability values exceeded 0.70 for all constructs, indicating high reliability, while the Average Variance Extracted (AVE) values were above the threshold of 0.50, confirming convergent validity:

Debt Financing: AVE = 0.63

Entrepreneurial Growth: AVE = 0.59

Strategic Partnerships: AVE = 0.61

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Structural Model Assessment: The structural model was analyzed to evaluate the relationships among constructs. The results indicated significant paths:

Debt Financing → Entrepreneurial Growth ($\beta = 0.42$, $p < 0.01$)

Strategic Partnerships → Entrepreneurial Growth ($\beta = 0.35$, $p < 0.01$)

Debt Financing → Strategic Partnerships ($\beta = 0.30$, $p < 0.03$)

Strategic Partnerships mediated the relationship between debt financing and entrepreneurial growth ($\beta = 0.20$, $p < 0.01$).

Predictive Relevance: Stone-Geisser Q^2 values were computed for the model, confirming predictive relevance with Q^2 values greater than zero for all constructs.

Summary of Hypotheses Testing

The following table summarizes the hypotheses and their results:

The following table summarizes the hypotheses and their results:

Hypotheses	Path	β	p-value	Result
There is no significant relationship between debt financing and entrepreneurial growth.	DF→ EG	0.42	0.01	Rejected
There is no significant impact of strategic partnerships on entrepreneurial growth.	SP→ EG	0.35	0.01	Rejected
Debt financing does not significantly affect the establishment of strategic partnerships.	DF→ SP	0.30	0.03	Rejected
Strategic partnerships do not mediate the relationship between debt financing and entrepreneurial growth.	DF→ SP→ EG	0.25	0.05	Rejected

DISCUSSION OF FINDINGS

The rejection of all four null hypotheses highlights the critical role that debt financing and strategic partnerships play in enhancing entrepreneurial growth in Plateau State. The quantitative data reveals a significant positive relationship between debt financing and entrepreneurial growth ($\beta = 0.42$, $p < 0.01$), indicating that entrepreneurs who leverage debt financing are more likely to experience growth in revenue, market expansion, and workforce increase. This finding aligns with previous studies that emphasize the importance of financial resources in facilitating business growth (Afolabi et al., 2021; Otegbulu, 2022).

Qualitative data collected from interviews further supports these findings. One entrepreneur noted, “Securing a loan allowed me to invest in new equipment, which directly contributed to increased production and sales.” Another respondent shared, “The ability to access debt financing gave me the confidence to expand my operations, and I’ve seen significant growth since then.” A third respondent emphasized the importance of strategic partnerships, stating, “Collaborating with other businesses helped me navigate the challenges of debt repayment while still pursuing growth opportunities.” These insights validate the quantitative results and demonstrate that debt financing, supported by strategic partnerships, is essential for entrepreneurial success in the region.

Furthermore, the analysis shows that strategic partnerships play a significant mediating role in the relationship between debt financing and entrepreneurial growth ($\beta = 0.20$, $p < 0.01$). This finding indicates that entrepreneurs who cultivate strong networks and partnerships are better positioned to leverage debt financing for growth. One

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interviewee remarked, "My partnerships have not only provided additional resources but also valuable market insights that have propelled my business forward." This qualitative evidence corroborates the quantitative analysis and reinforces the necessity of fostering strategic relationships to maximize the benefits of debt financing.

CONCLUSION

This study has established a significant relationship between debt financing and entrepreneurial growth in Plateau State, with strategic partnerships serving as a critical mediator in this relationship. The findings highlight the importance of access to financial resources and the role of collaborative networks in fostering sustainable business growth. This research contributes to the growing body of literature on entrepreneurship in Nigeria, offering valuable insights for entrepreneurs, policymakers, and stakeholders in the entrepreneurial ecosystem. The implications of these findings are profound, suggesting that efforts to enhance access to debt financing and promote the establishment of strategic partnerships could substantially improve entrepreneurial outcomes in Plateau State. Policymakers should consider initiatives aimed at facilitating access to financing and creating platforms for networking among entrepreneurs to drive growth and innovation in the region.

RECOMMENDATIONS

Enhance Access to Debt Financing: Policymakers should develop and implement programs that facilitate easier access to debt financing for entrepreneurs in Plateau State. This could include establishing government-backed loan schemes and partnerships with financial institutions to reduce the risk associated with lending to small and medium enterprises (SMEs). The government can initiate a task force to collaborate with local banks and microfinance institutions, focusing on creating tailored financial products for SMEs. Additionally, workshops and outreach programs can be organized to inform entrepreneurs about available financing options and how to apply for them effectively.

Promote Strategic Partnership Initiatives: Programs that foster strategic partnerships among entrepreneurs should be established to enhance collaboration and resource sharing. This includes networking events, business incubators, and mentorship programs aimed at building strong business alliances. The government or relevant agencies can facilitate the creation of local business networks and partnership platforms. Regular networking events can be organized, and resources should be allocated to support incubator initiatives that provide mentorship and collaborative opportunities for entrepreneurs.

Implement Financial Literacy and Risk Management Training: There should be a focus on enhancing entrepreneurs' understanding of debt financing through financial literacy and risk management training programs. These trainings can help entrepreneurs make informed decisions regarding debt and understand associated risks and benefits. The government can collaborate with educational institutions and business development organizations to develop a curriculum that addresses financial literacy. Workshops and seminars can be organized, targeting entrepreneurs, to provide them with the necessary knowledge and skills to manage debt effectively and understand the implications of financing.

Facilitate Research and Development Initiatives: Conduct ongoing research to identify the key factors influencing the establishment of strategic partnerships among entrepreneurs in Plateau State. Understanding these factors can help tailor support programs that foster collaboration. The government can establish research grants and partnerships with universities and research institutions to conduct studies on entrepreneurship dynamics. Findings from these studies should be disseminated to stakeholders, including entrepreneurs, to inform them of best practices and strategies for establishing successful partnerships.

Contribution

This study contributes significantly to the theoretical landscape by integrating the Resource-Based View (RBV) and Social Capital Theory to explore the dynamics of debt financing and entrepreneurial growth in Plateau State. By grounding the research in the RBV, the study highlights how access to debt financing serves as a vital resource that entrepreneurs can leverage to achieve competitive advantages and drive business growth. Furthermore, the application of Social Capital Theory elucidates the role of strategic partnerships as a mediating factor that enhances the effectiveness of debt financing. This dual-theoretical framework enriches the existing literature by demonstrating how internal resources and external relationships interact to influence entrepreneurial outcomes, thereby providing a nuanced understanding of the complexities surrounding entrepreneurial growth in developing economies.

From an academic perspective, this research contributes to the growing body of literature on entrepreneurship by providing empirical evidence linking debt financing and entrepreneurial growth, particularly in the context of Nigeria. The findings underscore the importance of strategic partnerships in mediating the relationship between financial resources and business performance, thus encouraging future scholars to investigate the interplay of these constructs in various contexts. Practically, the study offers valuable insights for entrepreneurs, emphasizing the significance of leveraging debt financing alongside cultivating strategic partnerships to foster growth. Policy contributions are also noteworthy; the results suggest that policymakers should focus on enhancing access to debt financing and promoting initiatives that facilitate collaboration among entrepreneurs. This could involve implementing programs that provide training on financial management and strategic networking, ultimately fostering a more supportive ecosystem for entrepreneurship in Plateau State.

Future Study Area

Future research could explore the long-term sustainability of businesses that utilize debt financing and strategic partnerships, focusing on how these factors influence resilience and adaptability in fluctuating economic conditions.

Limitations of the Study

1. Sample Size and Scope: While this study included 250 SMEs, it is limited to Plateau State, which may not capture the experiences of entrepreneurs in other Nigerian regions. Future studies could expand the sample size and geographic scope for broader generalizability.

2. Self-Reported Data: The reliance on self-reported data may introduce biases, as respondents might overstate their experiences or perceptions regarding debt financing and partnerships. Employing objective measures or longitudinal studies could enhance the robustness of findings.

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