



## INFLUENCE OF RETAINED EARNINGS ON THE GROWTH OF SMALL AND MEDIUM SIZE MANUFACTURING ENTERPRISES IN RWANDA

*Emmaboles Rubunda, Gregory. S. Namusonge and Oluoch Oluoch*

*Jomo Kenyatta University of Agriculture and Technology, Box 62000-00200, Nairobi*

*Email: gsnamusonge@jkuat.ac.ke, oluochjoluoch@gmail.com, erubunda@yahoo.co.uk*

### How to cite:

Rubanda, E., Namusonge, G. S., Oluoch, O. (2022). Influence of retained earnings on the growth of small and medium size manufacturing enterprises in Rwanda. In: Isutsa, D. K. (Ed.). *Proceedings of the 8th International Research Conference held in Chuka University from 7th to 8th October, 2021, Chuka, Kenya*, p.496-502

### ABSTRACT

This study analyzed the influence of retained earnings finance structure on the growth of manufacturing SMEs in Rwanda. Mixed research design was used in collecting, analyzing and interpreting quantitative data. The target population was all the 868 SMEs registered with Rwanda Development Board as of November 2017. A sample of 273 firms was taken using stratified and random sampling techniques. Close-ended questionnaires were used in data collection. The data was analyzed using Statistical Package for Social Science. Multiple regression analysis was used to explore the relationships between retained earnings and the growth of small and medium size manufacturing enterprises in Rwanda. The findings revealed a beta coefficient of  $\beta=0.255$ ,  $p=0.000 < 0.05$ , indicating that retained earnings have a positive and significant effect on growth of manufacturing SMEs in Rwanda. Hence, a unit increase in retained earnings would result into an increase of 0.225 units in growth of SMEs. Among the recommendations, the management of the SMEs in Rwanda should consider reinvesting some of the profits into business to support growth. Similarly, governments, NGOs and lending institutions must come together to create a forum where small business are trained in cash and capital management. This will ensure that some small businesses retain their earnings to finance firm expansion and growth during times of low liquidity such as the turbulent financial times created by the COVID-19 pandemic.

**Keywords:** Retained Earnings; Small and Medium Size Manufacturing Enterprises

### INTRODUCTION

The SME sector is globally recognized as the engine for economic growth and job creation with many countries having SMEs comprise more than 90% of all businesses (World Bank, 2018). Hence, having a strong, vibrant, competitive and resilient base of SMEs is key to enhancing wealth creation and social well-being. Yet, to fully realize a sound SMEs sector requires easy access to finance to foster innovation, enhance macro-economic resilience, and improve GDP growth (Ayyagari et al., 2015). Njeru et al. (2012) observe that retained earnings are a major source of financing for most established small and medium enterprises. In some industries, in fact, it is the major source of financing. Hence, retained earnings are a part of the profits withheld from shareholders and kept for future firm expansion so as to generate superior returns and growth rate since they are a cheaper source of finance and do not lead to ownership dilution (Thirumalaisamy, 2013).

In Rwanda, Gamba, (2019) highlights the main challenge facing SMEs as limited access to finance which inhibits SME growth and expansion. This is further stressed by the Ministry of Trade and Industry (MINECOM, 2010) which maintains that insufficient operating and investment capital renders SME growth and expansion difficult and that SMEs in Rwanda face obstacles obtaining finance, especially if they lack collateral and have insufficient documents to support loan applications. It is little wonder that despite Rwanda's economy being among the ten fastest growing in Africa, its manufacturing sector has not kept pace with the overall national growth (Behuria, 2019). To date, SME GDP share is only estimated at approximately 6% per annum as opposed to the services industry estimated at 48% to GDP (NISR, 2016). Moreover, the manufacturing sector is less diversified as 92 percent of the country's total manufacturing comes from only seven sub sectors: food, beverages and tobacco, textiles and clothing, wood, paper and printing, chemicals, rubber and plastics, metallic minerals as well as furniture (United

Nations Industry Development Organization, UNIDO 2013). Thus, according to MINECOM (2014) Rwanda's manufacturing sector has not attracted required investment for growth and expansion thereby remaining a minor player in the Rwanda economy.

Abeywardhana (2017) posits that firms prioritize internal financing over borrowing and equity capital while Paulo (2017) adds that funds generated internally are less costly compared to risky debt. Thuramura (2014) further shows that retained and distributed earnings favorably influence the profitability of firms showing a positive relationship between a firm's dividend policy and performance. According to Mulindabigwi, Ndikubwimana, Umurungi and Kazarwa (2018) about 47% of firms in Rwanda possess a credit line while Harelimana (2017) observes that only 35.5% of firms in Rwanda operate their enterprises using internal finance. Other studies such as Calabrese, Papadavid and Tyson (2017) note that the finance sector in Rwanda is underdeveloped and dominated by banking sector. Gamba (2019) maintains that available research on Rwandan SMEs with regard to use of retained earnings is scanty as there are mostly study reports carried out by government departments and development agencies on SME financing. This indicates a gap in extant literature and hence makes a study on retained earnings and SMEs growth in Rwanda critical. This study investigated the influence of retained earnings finance structure on the growth of small and medium manufacturing enterprises in Rwanda. What is the influence of retained earning finance structure on the growth of small and medium manufacturing enterprises in Rwanda?

## **LITERATURE REVIEW**

Finance structure is highlighted by Mwendu, Muturi and Njeru (2019) as one of the most crucial concerns of a business as it entails acquisition of resources for realizing the business objectives. One of the financing options for SMEs include retained profit. This funding can be used to finance start-up companies and firm expansion. Start-ups are usually limited on the type of financing they can get such as personal savings used as equity. Klyton and Ngoga, (2017) argue that the main challenge facing Small and Medium Enterprises (SMEs) in Rwanda is inadequate access to finance which stalls their growth and expansion. This is further stressed by Wang (2016) who maintains that access to finance is the single most significant obstacle limiting SMEs growth in the developing world.

Yet, as Beck and Cull, (2014) observe, SMEs contribute significantly to micro and macro levels of economic development of any country. Thuramura (2014) shows how retained and distributed earnings influence the profitability of firms in the future among Kenyan firms. Similarly, a weak positive relationship between a firm's dividend policy and firm performance was revealed by the study. On the other hand, Al-Sa'eed, (2018) studied how dividend payout policy relates to performance of firms in the Nairobi Stock Exchange. The findings reveal that firm performance is strongly and positively associated with dividend payout. They hence conclude that given the significance of the dividend payout policy, managers should assign sufficient attention towards an appropriate dividend policy for firm performance and shareholder value.

## **RESEARCH METHODOLOGY**

### **Research design**

Coopers and Schindler, (2008) define research design as a framework for guiding a study which connects the questions or objectives of the study to the data gathered. This study adopted mixed methods research design which according to Elahi and Dehdashti (2011) is ideal when the study objectives require predicting the degree to which study variables are associated hence, both qualitative and quantitative research approaches were used. Castillo, Olivos and Azar, (2019) define a target population as the whole set of individuals or objects to which a researcher is interested in making generalizations. The target population for this study is all 868 SMEs in the Rwandan manufacturing sector (RDB 2017). Kothari (2014) refers to sampling as the process of acquiring information on an entire population by testing only a part of it. The study adopted stratified random sampling techniques to ensure that small-categories in the population are adequately represented in the sample. On the other hand, simple random sampling procedure ensured all subjects in the population of interest had an equal chance of being considered in the selected sample. The sample size for this research of 273 respondents was obtained by way of Yamane's (1967) formula for finite population as cited by Adekola, Allen, and Tinuola (2017).

Both primary and secondary data were collected for this study. According to Sounders (2019), the most prevalent instruments used in data collection are interview schedules, questionnaire, observational forms and standardized tests. Primary data can be defined as information that is collected from the field for the first time. In this study, questionnaires were deployed in collection of primary data from the proprietors or the manager of SMEs selected in the study sample. According to Victoria (2018) secondary data analysis is popular among educational and social science researchers. In this study, secondary data was collected from Rwanda's National Institute of Statistics (NISR), Rwanda Development Board, (RDB) and Ministry of Trade and Industry since they are main Government departments that oversee the creation and promotion of viable and dynamic SMEs.

Data analysis entailed use of statistical package for social science (SPSS) version 22. Cronbach coefficient alpha values were utilized in checking the goodness of the data as well as the consistency and reliability of measures obtained from the Likert scale items (Adeniran, 2019). The study deployed inferential statistical approaches; correlation and regression analysis to test for relationships between variables. The use of multiple regression analysis and Pearson's product moment correlations analysis was justified to check if there was a relationship between retained earnings finance structure and SMEs growth in the manufacturing sector of Rwanda.

## RESEARCH FINDINGS AND DISCUSSION

### Response Rate

In this study, 273 questionnaires were administered to selected respondents. The questionnaires that were dully filled and returned equaled 225 while 48 were not properly filled and some not returned. A response rate of 82% was recorded, which is deemed adequate for one to proceed with data analysis (Mugenda and Mugenda, 2009).

### Summary of the Scale Reliability Results

Table 2 shows a summary of findings from the reliability test obtained from pilot study. The finding indicates the following Cronbach Alpha scores on retained earnings 0.887 while SMEs growth had 0.735. These findings point to a high reliability measure for the scale deployed to assess the study variables and so, all attributes used to measure variables were maintained in the final survey.

### Demographic Information

This section analyzed the demographic information of the respondents which included age bracket, gender, highest level of education, among other characteristics. Background information enabled the researcher to understand the respondents and whether their characteristics reflected the entire the population so as to make generalizations.

### Age Bracket of the Respondents

As indicated, 37% of the respondents were aged between 31 and 40 years, 32% were age between 21 and 30 years, 22.7% were aged between 41 and 50 years, 8% were age between 51 and 60 years while 2.7% were above 60 years. Since over 66.7% were below 40 years, the study results reveal that mostly young people operate small business in manufacturing industry.

### Sex of the Respondents

Table 4 shows findings on the sex of respondents. As revealed in the table, 55% of the study participants were male while 45% of the respondents were female. This study finding implies that information collected by the study was gender representative.

**Table 1: Summary of the reliability statistics**

Variables	No. of Items	Cronbach's Alpha	Remarks
Retained Earnings	9	0.740	Accepted

**Table 2: Age bracket of the respondents**

Age Bracket	Frequency	Percent (%)
21-30 years	72	32
31-40 years	78	37
41-50 years	51	22.7
51-60 years	18	8
Over 60 years	6	2.7
<b>Total</b>	<b>225</b>	<b>100</b>

**Table 3: Sex of the respondents**

Sex	Frequency	Percent (%)
Male	123	57
Female	102	45.3
<b>Total</b>	<b>225</b>	<b>100</b>

### Highest Level of Education attained

The results on the highest level of education attained show that 38.3% of the respondents had attained secondary education, 32% had primary education, and 20% were undergraduates while 9.7% had attained graduate level education respectively (Table 4).

### Influence of Retained Earnings Finance structure on SMEs Growth

The study used factor, descriptive statistics, correlation and univariate regression analysis to answer the objective.

### Factors Analysis for Retained Earnings Finance Structure Indicators

The study conducted factor analysis to determine the factor loading of the all the constructs used to measure retained earning finance structure. This aimed at condensing information into a smaller manageable factors with the highest significance without losing much information. The factor analysis procedure found no variable had a coefficient of less than 0.4 and so none was eliminated (Mwiti, 2013).

**Table 4: Highest level of education**

Highest level of education	Frequency	Percent
Primary School	72	32
Secondary School	86	38.3
Undergraduate	45	20
Graduate	22	9.7
Total	225	100

**Table 5: Factors analysis for retained earnings finance**

Statements	Factor Loading
1 The business has been declaring dividends each year	0.788
2 Dividends per share for the business have been increasing each year	0.803
3 Paying dividends helps the business return profit gained to shareholders.	0.735
4 Net income after tax has been increasing each year	0.765
5 Optimal net income after tax is maintained by the business at all times	0.726
6 The business uses net income after tax to finance business operating expenses	0.656
7 Business investments in tangible assets have increasing each year	0.68
8 Maintenance costs for tangible assets have reduced in the last five years	0.601
9 The business invests in plant expansion and acquisition of modern equipment's whenever retained earnings are available	0.616

Extraction Method: Principal Component Analysis.

### Correlation Analysis for Retained Earnings Finance Structure and SMEs Growth

The study further used correlation analysis to check for the association between retained earnings, finance structure and growth of small and medium manufacturing enterprises in Rwanda, Table 6

**Table 6: Correlation between retained earnings finance and SMEs growth**

Variable	Statistics	Retained Earnings Finance	Growth SMEs
Retained Earnings Finance	Pearson Correlation	1	.258**
	Sig. (2-tailed)		0.000
	N	225	225
Growth of SMEs	Pearson Correlation	.258**	1
	Sig. (2-tailed)	0.000	
	N	225	225

\*\*Correlation is significant at the 0.05 level (2-tailed).

In Table 6, retained earnings finance structure has a weak positive association with growth of manufacturing SMEs in Rwanda as shown by the correlation value of  $r = 0.258$  and  $p = 0.000$ , although correlations were found to be significant at 0.05 level of significance. The results mean that when manufacturing SMEs increase the proportion of retained earnings, chances of increased growth for manufacturing SMEs in Rwanda would equally go high. According to Thirumalaisamy (2013) there is need for firms to retain more profit since the more profit the company withholds the higher the growth rate. The study findings also concur with Paulo (2017), who bases on the pecking order theory to provide supports for the use of retained earnings as opposed to other sources of financing for start-up ventures. He maintains that funds generated internally are less costly, as opposed to those gotten from external sources. In addition Paulo further underscores, the role of retained earnings in reducing dividend payout which decreases taxes paid, albeit lowering debt-to-assets ratio and consequently reducing future fiscal savings through a reduction in interest payments.

Furthermore, Masood (2018) argues that retained earnings are an important source of internal financing for a company. The savings generated internally by a company in the form of retained earnings are cultivated back into the company for diversification of its business. It also helps reduce firm dependence on externally sourced funds to finance their regular business needs. The author argues that retained earnings are favorable for companies as issuing of new capital is inconvenient given the associated floatation costs let alone the increased financial obligations and risks. Moreover, retained earnings not only offer growth in firm value but equally raise the value of its shares.

#### Univariate Regression Analysis on Retained Earnings Finance structure and SMEs growth

The study further used univariate regression to test the influence of retained earning finance on the growth of manufacturing SMEs in Rwanda. Regression analysis was deployed due to its ability to produce results on the nature of the relationship between variables, magnitude of the relationship and significance of the relationship between the variables under investigation.

**Table 7: Model summary retained earnings finance and SMEs growth**

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate
1	.605a	0.366	0.062	0.4643

a. Predictors: (Constant), Retained Earning Finance

Table 7 shows coefficient of determination (R-square) = 0.366 which means that other factors remaining constant, retained earning finance contributes 36.6% of the variation in growth of manufacturing SMEs in Rwanda. The finding further implies that retained earning finance is a good predictor variable of growth of manufacturing SMEs in Rwanda. This finding is congruent with those of other scholars such as Campbell (2012) who argue that retaining profits is a precursor to more firm growth. Similarly, Bassey, Onyam, and Aganyi, (2016) equally observe that retained profit in the business has the potential to improve a firm's future earnings, growth and expansion.

Akinkoye and Akinadewo (2018) also underscore that the amount of retained earnings is a critical issue to investors and other stakeholders as an indicator of management ability to bring improvement in market value of a firm. Hence, retained earnings is used as investment criteria to measure how much value in terms of capital gain, business growth and asset net worth a company portends before acquisition. Finally, Beena (2011) reveals that an increasing trend in retained earnings contributed a significant proportion of finance Indian firms use for their growth and expansion during and after the liberalization policy.

**Table 8: ANOVA for retained earnings finance structure and SMEs growth**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.416	1	3.416	15.845	.000 <sup>b</sup>
	Residual	48.073	223	.216		
	Total	51.488	224			

a. Dependent Variable: Growth of SMEs

a. Predictors: (Constant), Retained Earning Finance

Table 8 presents ANOVA findings on the model used to link retained earnings and growth of small and medium manufacturing enterprises in Rwanda. The results of  $F=15.845$  with a corresponding  $p=0.000$  shows that the model was statistically significance hence, the study failed to reject the null hypothesis of the goodness of fit. Table 9 presents the findings of regression coefficients of retained earnings finance and growth of small and medium manufacturing enterprises. The results show a beta coefficient of  $\beta=0.255$ ,  $p=0.000 < 0.05$ . These findings indicate that retained earnings have a positive and significant effect on growth of manufacturing SMEs in Rwanda other factors put to a hold. Hence, a unit increase in retained earnings would result into an increase of 0.225 units in growth of small and medium manufacturing enterprises. This finding is in agreement with those by Thirumalaisamy (2013) who highlighted retained earnings as a cheaper source of finance compared to equity as it does not cause ownership dilution. Moreover, Thirumalaisamy stressed that there are no transaction and bankruptcy costs associated with retained profits which renders it a critical source of finance for companies. In another study, Thurunura (2014) shows a weak positive relationship between a firm's dividend policy and firm performance. However, Al-Sa'eed, (2018) show results to the contrary as they investigated how dividend payout policy relates to performance of firms in the Nairobi Stock Exchange and found that firm performance is strongly and positively associated with dividend payout.

**Table 9: Regression coefficients for retained earnings finance structure and SMEs growth**

Variables	Unstandardized coefficients $\beta$	Std Error	Standardized coefficients beta	t	Sig.
(Constant)	2.66	0.22		12.077	0.000
Retained earnings Finance	0.255	0.064	0.258	3.981	0.000

a Dependent Variable: Growth of SMEs

## CONCLUSION

The objective of the study was to determine the influence of retained earnings finance structure on the growth of manufacturing SMEs in Rwanda. The study used factor analysis, descriptive statistics, correlation and univariate regression analysis to determine how retained earning finance influences the growth of manufacturing SMEs in Rwanda. Generally, findings of correlation analysis revealed retained earnings finance has a weak positive association with growth of manufacturing SMEs in Rwanda. This implies that increasing retained earnings finance would lead to increase in growth of manufacturing SMEs in Rwanda. The findings of multivariate regression analysis further indicate that retained earning finance structure positively and significantly affects the growth of manufacturing SMEs in Rwanda. Hence, the findings showed that in Rwanda, manufacturing SMEs can exploit benefits of retained earnings finance to leverage their growth.

## RECOMMENDATIONS

It is recommended that the management of the SMEs should be sensitized on the need to retain and plough back a portion of their profits into their businesses to support growth. Similarly, governments, NGOs and Lending institutions must come together to create forum where small business are trained in cash and capital management. This will ensure that firm owners retain their earning to finance firm expansion and growth.

## REFERENCES

- Adekola, O. P., Abimbola, A. A., & Tinuola, F. R. (2017) Socio-economic and health implications of urban renewal on internally displaced persons in Ogun state, Southwestern Nigeria. *Journal of Internal Displacement* 7(1)
- Adeniran, A. O. (2019). Application of Likert Scale's type and Cronbach's Alpha analysis in an air perception study. *Scholar Journal of Applied Sciences and Research* 2 (4) 1 – 5.
- Akinkoye E. Y., & Akinadewo I. S. (2018). Retained earnings and firms' market value: Nigeria experience. *The Business and Management Review*, 9(3) 482 – 496.
- Al-Sa'eed, M. T. A. (2018). The impact of ownership structure and dividends on firm's performance: Evidence from manufacturing companies listed on the Amman Stock Exchange. *Australasian Accounting, Business and Finance Journal*, 12(3), 87-106.
- Ayyagari, M., Demirguc-Kunt, A., & Maksimovic, V. (2017). *SME finance*. Policy Research Working Paper, 8241, World Bank Group. World Bank Washington DC.
- Bassey, E., Onyam, G. E., & Aganyi, A. A. (2016). Assessing the impact of retained profit on corporate performance: Empirical evidence from Niger mills company, Calabar -Nigeria. *European Journal of Business and Innovation Research* 4 (1), 36-47.
- Beck, T. & Cull, R. (2014). SME finance in Africa. *Journal of African Economies* 23 (5) 583 – 613.
- Beena, P. L. (2011). *Financing patterns of Indian corporate sector under liberalization: With focus on acquiring firms abroad*, Working Paper 440, Centre for Development Studies, Trivanthpuram, Kerala India.
- Behuria, P. (2019). Twenty first century industrial policy in a small developing country: The challenges of reviving manufacturing in Rwanda. *Development and Change*, 50 (4) 1033–1062
- Calabrese, L., Papadavid, P. & Tyson, J. (2017). *Rwanda: Financing for manufacturing*. Supporting Economic Transformation Paper. London: ODI
- Castillo, J., Olivos, F. & Azar, A. (2019). Deserving a just pension: A factorial survey approach. *Social Science Quarterly*, 100(1) 359 -378.

- Cooper, D. & Schindler, P. (2008). *Business Research Methods*. New York: McGraw-Hill.
- Elahi M. H. A., & Dehdashti, M. (2011). Classification of researches and evolving a consolidation typology of management studies. *The Center for Innovations in Business and Management Practice 1* (4), 190 -204
- Gamba, F. J. (2019). SME development policies of Tanzania and Rwanda: Comparability of policy presentation on focus, significance, challenges and participation. *Journal of Development and Communication Studies*, 6(1), 1-17.
- Harelimana, J. B. (2017). Effect of debt financing on business performance: A comparative study between I&M Bank and Bank of Kigali, Rwanda. *Global Journal of Management and Business Research 17* (2)
- Klyton, A. & Ngoga, R. S. (2017). SME finance and the construction of value in Rwanda. *Journal of Small Businesses and Enterprise Development*, 25(1)
- Kothari, C. R. (2014). *Research Methodology: Methods and techniques*. Jaipur: New Age International Publishers.
- Kubwimana, J. (2016). *The evaluation of loans towards SME development: A case study of RIM LTD Huye Branch*. (Master's Thesis) University of Rwanda, Kigali.
- Masood, S. (2018). Determinants of retained earnings in profitable steel companies in India: A study of steel sector. *International Journal of Research, Granthaalaya*, 6(1).
- Mugenda, O. M., & Mugenda, A. G. (2009). *Research methods: Quantitative and Qualitative*. Nairobi, Kenya: ARTS Press.
- Ministry of Trade and Industry, MINECOM. (2010). *Rwanda small and medium enterprises (SME) development policy*. Kigali, Author.
- Ministry of Trade and Industry, MINECOM. (2014). *Wood products cluster strategic plan 2014 - 2019*. Kigali, Author.
- Mulindabigwi C. R., Ndikubwimana J. B., Umurungi, P., & Kazarwa, S. (2018). Impact of access to financial services on business development in Rwanda. Retrieved from: <https://www.researchgate.net>3273>
- Mwende, J. M., Muturi, W. & Njeru, A. (2019). Effect of equity finance on financial performance of small and medium enterprises in Kenya. *International Journal of Business and Social Science*, 10(5), 60 - 75.
- Mwiti, E. (2013). Determinants of initial export market participation among micro and small enterprises in the commercial craft sector in Kenya. *Journal of Current Business and Social Sciences*. 1 (3), 121 - 153.
- National Institute of statistics Rwanda, (2016). *Fifth integrated living conditions survey - Rwanda poverty profile report 2016/17*. Retrieved from: <http://www.statistics.gov.rw/publication/eicv-5-rwanda>
- Ndikubwimana, P. (2016). The role of financial institutions in promoting innovation of SMEs in Rwanda: An empirical review. *British journal of Economics, Management and Trade 14*(2)1-14.
- Njeru, A. W., Namusonge, G. S., & Kihoro, J. M. (2012). Size as a determinant of choice of source of entrepreneurial finance for small and medium sized enterprises in Thika district. *International Journal of Business and Social Science 3*(16)
- Paulo, A. (2017). Abnormal retained earnings around the world. *Journal of Multinational Financial Management* Retrieved from:<https://doi.org/10.1016/j.mulffin>.
- Rwanda Development Board, RDB. (2017). *Rwanda Development Board (RDB) 2017 annual Report* Kigali, Author.



- Saunders, M. N. K., Lewis, P., Thornhill, A. & Bristow, A. (2019). *Research methods for business students* (8<sup>th</sup> ed.). Harlow, England: Financial Times Prentice Hall
- Sharmilee S. S., & Hoque, M. (2016). Factors affecting performance of Small and Medium Enterprises in Kwa Zulu Natal, South Africa. *Problems and Perspectives in Management*, 14 (2 -2), 227 - 288
- Sindani, M. N. L., Namusonge, G. S., & Sakwa, M., (2016). Accounts receivable risk management practices and growth of SMEs in Kakamega county, Kenya. *Expert Journal of Finance*, (4),31-43
- Thirumalaisamy, R. (2013). Firm growth and retained earnings behavior: A study on Indian firms. *European Journal of Business and Management*, 5(27) 40 – 57.
- Thuranira, M. G. (2014). The effect of retained earnings on the returns on the returns of firms listed at the Nairobi Securities Exchange. Semantic Scholar. Retrieved from: <https://www.semanticscholar.org/paper>
- United Nations Industrial Development Organization (2013). Emerging trends in global manufacturing industries. Retrieved from: <http://www.manufacturing-policy.eng.cam.ac.uk/policies-documents-folder/2013-emerging-trends-in-global-manufacturing-industries-unido>.
- Victoria, S. (2018). Evaluating preexisting qualitative research data for secondary analysis. Educational leadership studies faculty publications. *Forum Qualitative Social Research* 19 (2).
- Wang, Y. (2016). What are the biggest obstacles to growth of SMEs in developing countries? - An empirical evidence from an enterprise survey: *Borsa Istanbul Survey review* 78
- World Bank, (2018) Stimulating business angels in the Czech Republic: A report for European Commission Structural Reform Support Service. Washington D.C: Author.

