

# Factors affecting the economic performance of small and medium enterprise in the north of Haiti

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## Problem

Several studies have indicated that small and medium enterprises play a major role in the economic development and growth of a nation (Edmiston, 2007; Gebremariam Jackson, 2004). They are considered as veritable tools of economic growth (Taiwo, Bako, Ayodeji, 2012). They influence the economic development in the following areas: (a) increase employment opportunities, (b) reduce poverty and (c) accelerate economic growth, (Al-Haddad et al., 2019). However, there are factors that impact the economic performance of small and medium enterprises. Therefore, the underlying assumptions of this study is that infrastructure, managerial competencies, and political stability are factors that affect the economic performance of small and medium enterprises in the north of Haiti.

## Methodology

This was a quantitative, explanatory, crosssectional, descriptive, and field research. The population consisted of 210 participants from various types of small and medium enterprises in the north of Haiti, there were 128 participants that fulfilled the surveys in a very good way. A 76 items questionnaire was used to collect the data for this study. The instrument was delivered and administered in person to the participants. Descriptive statistics, Cronbach alpha estimates for reliability, factor analysis, correlation analysis and multiple

regression techniques were utilized to examine and analyse the effect of the three variables infrastructure, managerial competencies, and political stability on the economic performance. The substantive statistical process was based on regression analysis, performed in SPSS 22.0.

## Results

The model was validated with the sample of economic performance of the small and medium enterprises in the north of Haiti. Managerial competencies and infrastructure resulted good predictors of economic performance, according to the perception of the participants of the small and medium enterprises in the north of Haiti. When analyzing the influence of independent constructs through the standardized beta coefficients, it was found that the best predictor was managerial competencies, followed by infrastructure.

## Conclusion

The confirmatory analysis is supported by the empirical evidence that managerial competencies and infrastructure are good predictors of the economic performance of small and medium enterprises in the north of Haiti, while political stability was not significant. Therefore, it is suggested that businesses, administrators, managers and politicians alike take into consideration these factors as they lead, plan and strategize for their businesses and the country as a whole.