

Coronavirus Pandemic and Survival of Small and Medium Scale Enterprises in Nigeria

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Abstract

Covid 19 is a global epidemic that has ravaged the whole world in one way or the other. It has affected the developed and developing economies alike. Nigeria is not an exception. Small and medium scale enterprises have been globally acclaimed as the engine behind the development of world economies and the threat of the pandemic has not spared any sector. In view of the above, this study examines the extent at which the pandemic influences small and medium enterprises in Nigeria with special reference to Kogi State. The study involved respondents who are operators or owners of small and medium scale enterprises in Kogi State. A structured questionnaire which is made up of 19 items was the major instrument used to collect data for the study. The population of the study is all the owners or managers of registered small and medium scale enterprises in Kogi state numbering 600. The study adopts Godden sample size statistical formula which generated a sample size of 234. However, out of the total of 234 questionnaires distributed only 198 were duly completed and returned giving a retrieval rate of 85%. The study was anchored on the prospect theory. The data were analyzed using frequency, simple percentage, mean and a five point's likert scale and the analytical tool is the regression analysis. Results show a high positive correlation coefficient of .73 which shows that the independent variable has a high positive influence on the dependent variable. The study revealed that the corona virus pandemic significantly affected the survival of small and medium scale enterprises in Nigeria. Therefore, the study recommends that owners and managers of small and medium scale enterprises be constantly engaged in training to enable them cope with the new reality of doing business amidst the covid-19 pandemic. Finally, the palliatives measures being adopted by the Federal government of Nigeria to support the SMEs are sustained.

Keywords: Covid-19, Pandemic, Small and Medium Scale Enterprises, Survival

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Introduction

The corona virus (Covid-19) pandemic was first noticed in Wuhan China in 2019, the corona virus has been identified as one of the major pathogens which fundamentally affects human respiratory system (Hussin *et al.*, 2020). The disease as at October, 2020 shows that about 44,353,023 cases has

been recorded across the globe with the total death of 1,173,777 (Worldmeter, 2020). Though, there was a report of previous outbreak of corona virus (COVs) such as the severe acute reparatory syndrome (SARs) – COV and the middle East respiratory syndrome (MERs)- Cov which in recent time was attributed to be a threat to public health the present specy of corona virus pandemic has recorded more health threat to human race (Bogoch *et al.*, 2020 and Lu *et al.*, 2020). The virus was given imminent attention with the World Health Organization WHO identifying it in February, 2020. Kim (2020) noted that the mode of transmitting the virus is through droplets contact with an infected person. To this end, Saidu and Aifuwa (2020), (WHO) (2020) Makinde *et al.*, (2020) Olafemi and Olafeni (2020) revealed that the common symptoms of corona virus on infected person include high fever, dry cough, shortness of breath, muscle pain, sore throat, headache, loss of taste and persistent shaking with chills. Yosra *et al.*, (2020) revealed that the virus is zoonotic suggesting that it is also transmittable through animals.

The World Health Organization (WHO), African Centre for Disease Control and Nigeria Centre for Disease Control (NCDC) identified proactive measures to avoid or reduce the transmission such as sensitizing the people on the need for frequent hand washing, keeping social distancing, use of hand sanitizer, wearing of face or nose mask, keeping good hygiene and the need to avoid crowd as much as possible. However, these measures do not assuage the economic effects on the citizens especially small and medium scale enterprises (SMEs). Thus, the novel corona virus pandemic according to International Trade Centre (2020) has adversely affected operations of small and medium scale enterprises across the globe particularly in Nigeria considering the fact these SMEs lack the resources to cope with the associated economic burden caused by this pandemic.

The main problem of the study is that many business face global challenges in turbulent times (Agbionu, et al 2020). Though, there was several incentives introduced by the Nigerian government to assuage the adverse effects of Covid-19 on SMEs such as tax incentives, loan rescheduling etc but all these seems not to be adequate to guarantee the survival of SMEs in Nigeria. This study therefore seeks to explore the survival profile of SMES focusing on the coronavirus and post lock-down era in Nigeria and Kogi State in particular.

Objectives of the Study

To determine the influence of Coronavirus Pandemic on the survival of SMEs in Kogi State.

Statement of Hypothesis

Consequent upon the research objective the formulated research hypothesis is given to guide the research:

H₀: Coronavirus Pandemic has no significant influence on the survival of SMEs in Kogi State

Scope of the Study

The research which examines Coronavirus Pandemic and the survival of SMEs in Nigeria uses Kogi State as its study and it covers the owner managers of Small and Medium scale enterprises in Kogi state. Specifically, the study covers the period between January to October, 2020.

Review of Related Literature

Corona Virus Pandemic

Coronavirus (Covid-19) pandemic is known as 2019-n Cov genomics revealed that it was a recombinant of severe acute reparatory syndrome, SARS-COV and HIV. Peter (2020) revealed that the 2019-nCov could not be described as a product of nature rather it is more of human genetic

engineering. The Covid-19 pandemic was seen as one of the events which threatened modern history which its geometric spread across continents of the world with the first case of coronavirus recorded in Nigeria on the 27th February 2020. Ohia et al (2020) revealed that the virological characteristics of covid-19 shows weaker surviving chances of these pathogens in tropical Africa. Though, Suliman *et al* (2020) argued that the novel corona virus is the third highly pathogenic transmittable virus, after the (SARS-COV) and (MERS-COV) in human, the novel corona virus seems to have spread faster and caused more adverse respiratory challenges to human society especially considering its mode of transmission (Rabiu *et al.*, 2020, Maijama *et al.*, 2020 & WHO, 2020). This is because the pandemic is evidently transmittable not only through human direct contact but also through aerosol droplets, fecal-oral route as well as through intermediate formatives resulting from both symptomatic and asymptomatic patients during the incubation period of 14 days. Small scale business has several conceptual views which ranges from authors, geographical locations as well as institutions. However, the researchers explore working definition to suit this study hence Barringer and Ireland (2016) and Bala *et al* (2012) conceptualized small scale business as the kind of business which have a total capital employed of over 1.5 million including the working capital but excluding cost of land and or labour size between one hundred.

In addition, medium scale enterprise is seen as a business with a total capital employed above fifty million naira but not more than two hundred million including working capital but excluding land and employee size of between one hundred and one and three hundred (Bala et al 2012). Bala *et al* (2012) and Otache (2016) revealed that there are several criteria's for describing small scale businesses such as number of employees, the relative size of the business, the initial capital outlay, ownership structure, area of operation, market share, sales volume and technology adopted. Olufemi (2020) and Suliman *et al* (2020) revealed that small scale business is characterized with centralized decision making, relatively few numbers of employees, limited capital for business operations, unstructured authority relationship and high mortality rate.

However, small scale businesses play significant roles to the nation's economy which according to Otache (2016) and Olufemi (2020) creates employment opportunities, improved standard of living, improved economy in terms of output of goods and services, reduced income disparity, development of entrepreneurial skills, improved forward and backward linkages, mitigate rural-urban migration, promotion of self-reliance and propel the utilization of local raw materials. Therefore, the significance of small and medium scale enterprises to the Nigerian economy cannot be over emphasized.

Geographical Trend of Covid-19 and its Impact on Small and Medium Scale Enterprises

The corona virus (Covid-19) pandemic as at the 26th October, 2020 has recorded total confirmed cases of 43,140,173 with the total deaths of 11,552,335 while the cases recorded in the last 14 days shows a figure of 5,536,615. The need to add the records in the last 14 days is because 14 days is the incubation period (WHO, 2020 & Bouey, 2020).

The figure clearly demonstrates the adverse socio-economic influence of covid-19 across the globe which characterizes several preventive measures such as restriction of movements, closure of economic activities, loss of family members and customers, declining disposable income of customers as well as the general adverse effects on the business architecture across the globe as well as in Nigeria. Olufemi (2020) and Bartik *et al.*, (2020) noted that small scale businesses were affected by Covid-19 leading to the temporary closure of business operations adjusted or missed loan

repayment schedule, decline customer patronage, reduced profitability as well threatening the survival profile of SMEs. Table 1 portrays the global trend of Covid 19 with number of confirmed cases, deaths reported and cases confirmed in the last 14 days.

Table 1. Geographic Distribution of Covid – 19 Cases as at 26th October, 2020

Region	Countries	Confirmed Cases	Deaths reported	Confirmed cases in the last 14 days
Africa	Algeria	56143	1914	3071
	Angola	9026	267	2780
	Cote-devoire	20470	122	316
	Egypt	106540	6199	2153
	Nigeria	61992	1130	1726
America	Argentina	1090576	28896	196383
	Bolivia	140853	8645	2279
	Brazil	5394128	157134	299146
	Maxico	891160	88924	58417
	USA	8636165	225230	873621
Asia	Bangladesh	398815	5803	20549
	China	91151	4739	339
	India	7909959	119014	789421
	Israel	310148	2397	18320
	Turkey	361801	9799	26268
Europe	Belgium	320937	10810	146653
	Czechia	258097	2201	140987
	France	1138507	34761	403533
	Italy	525782	37338	170832
	United kingdom	873800	44896	270084
Oceania	Australia	27520	905	256
	Guam	4216	72	1138
	New Zealand	1584	25	69
	Papua new Guinea	588	7	34
	Solomon Island	4	0	4

Source: Covid-19 Public Health Threat Surveillance, 2020

The SMEs were adversely affected in Nigeria and Kogi State in particular resulting from the Covid-19 pandemic. This is widely characterized by business uncertainties and low return profile of the businesses. More so, making the situation worse is lack of adequate financial and managerial capabilities which characterizes SMEs thereby leading to disruption of businesses, complete closure and massive layoffs of staff (Bartik et al 2020). The Federal Government of Nigeria initiated several palliatives through the Central Bank of Nigeria such as reduction of interest rate on loan from 9% to 5% per annum, extension of 100 billion naira credit support to pharmaceutical firms to expand or commence drug manufacturing, the considering of immediate measure in rescheduling loan terms, extension of moratorium period on all principal repayment on Central Bank of Nigeria facilities by a year with effect from 1st March 2020, approval \$129.5m (N50bn) credit facility through Nigeria incentive-based risk sharing for small and medium scale enterprises and the extension of filling of

accounts by 60 days by the Nigeria stock exchange among other palliative measures (Olufemi, 2020, Torda et al 2020, Alexandra et al 2020).

Despite these palliative measures taken by the federal government of Nigeria the survival strategies required by SMEs which require digitalization, diversification and adoption of innovative marketing strategies seems not to be adequate as a result of their low capacity. To this end, the SMEs have not been able to strive effectively in the phase of this new global business challenge.

Table 2. Covid-19 Timeline and its Spread in Nigeria

Date	Confirmed cases	New cases	Total deaths	New deaths	Total recovery	Active cases
25/10/2020	61,992	62	1130	1	57465	3397
24/10/2020	61930	48	1129	-	57285	3516
23/10/2020	61882	77	1129	2	57190	3356
22/10/2020	61805	138	1127	2	56985	3693
21/10/2020	61667	37	1125	-	56880	3662
20/10/2020	61630	72	1125	-	56797	3708
19/10/2020	61558	108	1125	-	56697	3736
18/10/2020	61440	133	1125	2	56611	3704
17/10/2020	61307	113	1123	4	56568	3616
16/10/2020	61194	212	1119	3	52304	7771
15/10/2020	60982	148	1116	-	52194	7672
14/10/2020	60834	179	1116	-	52143	7575
13/10/2020	60655	225	1116	1	52006	7533
12/10/2020	60430	164	1115	-	51943	7372
11/10/2020	60266	163	1115	-	51735	7416
10/10/2020	60103	111	1115	2	51711	7277
9/10/2020	59992	151	1113	-	51614	7265
8/10/2020	59841	103	1113	-	51551	7177
7/10/2020	59738	155	1113	-	51403	7222
6/10/2020	59583	118	1113	-	51308	7162
5/10/2020	59465	120	1113	-	50951	7401

Source: Nigerian Centre for Disease Control, October, 2020.

The covid-19 came into Nigeria through an Italian citizen who traveled into the country and subsequently spread the virus through transit in Lagos and other parts of the country. The spread has continued since then thereby affecting economic activities across the nation particularly SMEs. Table 2 describes the timeline of the spread of covid-19 in Nigeria between 5th to 25th October, 2020 showing the total confirmed cases, new cases, total deaths and active cases. The table revealed that as at 25th October, 2020 the total confirmed cases was 59,465 and active cases 7,401 but as at the 25th October, 2020 there was an increase in total cases to 61,992 with active cases declining to 3,397.

Preventing the Spread of Covid – 19

The corona virus (Covid – 19) pandemic has been established to be transmittable (Saidu & Aifuwa, 2020, Ozili, 2020, Imanche et al, 2020, Hussin, 2020 & Yosra, 2020). Thus, the World Health

Organization (2020) and Nigeria Centre for Disease Control (2020) identified and recommended the following preventive measures to avoid the further spread of the pandemic.

1. Stay at home if you don't have the need to go out.
2. Regularly wash your hands with soap and running water or apply an alcoholic based sanitizer.
3. Any individual with chronic cough or persistent sneezing should stay at home until he/she fully recovers.
4. Maintain respiratory hygiene by covering your nose with tissue or sneeze on your elbow if there is no tissue.
5. Maintain minimum of one and half metres distance between yourself and anyone who is either sneezing or coughing.
6. Properly dispose used tissue immediately.
7. Avoid non-essential travels within and outside the country.
8. Avoid being in a crowd areas as much as possible.
9. Always take natural vitamin C as much as possible and eat fruits in order to boost your immune system.
10. Constantly keep yourself informed by listening to latest instructions and guidelines from health authorities and the National Centre for Disease Control NCDC.
11. Do not engage in self medication, always contact your doctors' for advice if you are sick or notice any of the symptoms.
12. If you are in doubt of your doctor advice or in case of any emergency contact the NCDC toll free line for guidance on 0800-970000-10.

Theoretical Framework

Theoretically, this study adopted the Prospect theory as noted by Tversky and Kahneman (1986), Craighead et al (2020) and Olufemi (2020). The theory describes how business managers operate and make vital decisions during the situation of uncertainties. Therefore, this theoretical postulation fits the current business scenario where the economic climate is widely characterized by great uncertainties resulting from the corona virus pandemic. The theory postulates that during situation of uncertainty it is more viable to describe and apply strategies constructively rather than negatively as through this, improved strategic steps will be explored towards achieving a better outcome. This theory is applied and anchored to the research owing to its practical application to the study.

Research Methodology

This study adopts the descriptive research survey technique. This technique is generally adopted as a survey research in which a group of persons or items are collected by collecting and analyzing data from few persons or items which represents the entire population. Again, this study which examines Coronavirus Pandemic and the survival of SMEs in Nigeria involved collecting data through primary sources. The primary data obtained is through a structured questionnaire. The population of this study comprised the entire owner managers of small scale business enterprises in Kogi state. The total population according to National Bureau of Statistics is 600. However, considering the fact that the population for this study is relatively large, it becomes obviously impossible to cover the entire population. Therefore, obtaining sample from the entire population becomes necessary. Thus, research adopts the Godden (2004) sample size determination statistical formula which is in line with Adefila (2014) and Agu (2016) who noted that such statistical technique is appropriate for determination of sample size with a finite population less than 50,000.

The Godden (2004) formula denoted as.:

$$SS = \frac{Z^2 (P) (1 - P)}{e^2} \quad \text{-- equ (1)}$$

$$C^2$$

$$\text{New SS} = \frac{\text{SS}}{1 + (\text{SS} - 1)} \quad \text{equ (2)}$$

Population

Where SS = Sample size

Z = Confidence level 95 %

P = Percentage of population (50%)

C = Confidence interval = 5 % (0.05)

$$\text{SS} = \frac{1.96^2 (0.5) (1 - 0.5)}{0.05^2} \quad \text{equ (1)}$$

$$\text{SS} = \frac{3.8416 (0.5) (1 - 0.5)}{0.0025}$$

$$\text{SS} = \frac{0.9604}{0.0025}$$

$$\text{SS} = 384$$

$$\text{Population} = 600$$

$$\text{New SS} = \frac{384}{1 + (384 - 1)}$$

$$\frac{384}{600}$$

$$\frac{384}{384}$$

$$\frac{384}{1 + 0.64}$$

$$\text{SS} = \frac{384}{1.64}$$

$$\text{New SS} = 234$$

However, out of the total of 234 questionnaires distributed only 198 were duly completed and retrieved giving a response rate of 85%. The research adopts the systematic sampling technique so that every respondent was given equal chances of representation.

The questionnaire was the major source of primary data therefore; the study designed a well-structured questionnaire numbering nineteen (19) items. The questionnaire was in two sections while the first section contained the demographic information of respondents the second section contained

research questions bordering on both independent and dependent variables. The first section of the questionnaire was close ended questionnaire while a five- point Likert-scale responses of strongly agree (5), Agree (4), Undecided (3), Disagree (2) and strongly disagree (1) were used in the second section. The study employed the services of two trained research assistants who helped in the administration of the research questionnaire.

More so, the research questions were analyzed using the five - point's Likert-scale with the decision rule to accept any mean value with 3.00 and above.

The inferential statistics used in testing the hypothesis is linear regression analysis which according to Agbionu, (2017) is an inferential technique of examining the strength of relationship between the independent and dependent variables. This process was aided with the statistical package for social sciences (SPSS).

Reliability of the Instrument

Reliability of this study was conducted to determine the internal consistency of the instrument. Bello etal (2014) concluded that an instrument is said to be reliable if it produces same results under consistent situations. Bello etal (2014) further noted that any coefficient of reliability that is 0.70 and above should be considered reliable. To test the reliability of the instrument, the researchers conducted a pilot study by distributing questionnaires numbering twenty (20) to the target respondents through the help of two trained research assistants; the Cronbach Alpha coefficient measure of internal consistency was adopted. The reliability of the instrument using Cronbach alpha reliability test with the Statistical Package for Social Sciences (SPSS) yielded the result of 0.88 for items on independent variable, 0.79 for items on dependent variable thus giving the average reliability result of 0.84. The reliability result is showed in table 3.

Table 3. Reliability Statistics

Proxies/ Independent Variable	Number of items	Cronbach Alpha
Independent variable	5	0.88
Dependent Variable	5	0.79

Source: SPSS statistical analysis

The table revealed that all the variables have Alpha Values above 0.70. Therefore, in line with the recommendation by Bello et al (2014) the instrument is deemed reliable.

Data Presentation and Analysis

Table 4. Demographic Information of Respondents

S/N	Demography	Option	Frequency	Percentage
1	Age (in years)	18-25	29	15
		26-35	55	28
		36-45	76	38
		46 and above	38	19
		Total	198	100
2	Gender	Male	111	56
		Female	87	44
		Total	198	100
3	Number of years in business	1-10	30	15
		11-20	32	16
		21-30	86	43
		31 and above	50	26
		Total	198	100
4	Highest academic qualification	No formal edu.	34	17
		Primary	23	12
		Secondary	26	13
		Tertiary	88	44
		Others	27	14
		Total	198	100
5	Religion	Christian	109	55
		Muslim	82	41
		Traditional	07	4
		Total	198	100
6	Monthly income (N)	1000-100,000	33	17
		101,000-200,000	91	46
		201,000 above	74	37
		Total	198	100
7	Marital status	Single	66	33
		Married	97	49
		Divorced	15	8
		Separated	08	4
		Widowed	12	6
		Total	198	100
8	Number of employees	1-50	94	48
		51-100	56	28
		Above 100	48	24
		Total	198	100

Source: Research Survey, 2020

Table 4 shows the demographic information of respondents. The age revealed that (29) respondents representing 15% fall between the ages of 18 – 25 years, (55) respondents representing 28 % fall

between 26 – 35 years, (76) respondents representing 38% are between the ages of 36 – 45 years while (38) respondents representing 19% are of age 46 years and above. Therefore, it can be concluded that most of the respondents are of ages 36-45 years old.

The gender of respondents revealed that (111) respondents representing 56% are male while (87) respondents representing 44% are female. Thus, it can be concluded that most of the respondents are male. More so, the table revealed that (30) respondents representing 15% have been in business for the period between 1– 10 years, (3) respondents representing 16 % between 11 –20 years, (86) respondents representing 43% between 21 – 30 years while (50) respondents representing 26% have spent 31 years and above. Therefore, it can be concluded that most of the respondents have spent between 21-30 years in the business. For the highest academic qualification of respondents and it revealed that (34) respondents representing 17% have no formal education, (23) respondents representing 12% have primary education, (26) respondents representing 13% have O’level, (88) respondents representing 44% have other higher qualifications from tertiary institutions respectively while (27) respondents representing 14% have other types of academic qualifications. Therefore, it can be concluded that most of the respondents have attended tertiary

The religious distribution of respondents revealed that (109) respondents representing 55% are Christians; (82) respondents representing 41% are of the Muslim religion while (7) respondents representing 4% are of other religions. Thus, it can be concluded that most of the respondents are of the Christian religion. The monthly income revealed that (33) respondents representing 17% earn between ₦1000 – ₦100, 000, (91) respondents representing 46% earn between ₦101,000 – ₦200,000, while (74) respondents representing 37% earn from ₦201,000 and above. Hence, it can be concluded that most respondents earn between ₦101,000 – ₦200, 000.

The marital status of the respondents revealed that (66) respondents representing 33% are single, (97) respondents representing 49% are married, (15) respondents representing 8% are divorced, (8) respondents representing 4% are separated while eight (12) respondents representing 6% are widowed. Therefore it can be concluded that most of the respondents are married.

The table also revealed that (94) respondents representing 48% have between 1 – 50 employees, (56) respondents representing 28% have between 51 – 100 employees while (48) respondents representing 24% have spent above 100 employees. Therefore, it can be concluded that most of the respondents have between 1 - 50 years employees.

Table 5. Distribution of SMEs

Industry	Frequency	Percentage
Manufacturing	5	3
Accommodation and food services	20	10
Agriculture	33	17
Construction	4	2
Finance	8	4
Transportation	14	7
Information and communication technology	9	5
Education	8	4
Arts, entertainment and recreation	6	3
Beauty/ Fashion	17	9
Oil and gas	6	3
Bookshop/ stationary and photocopy	12	6
Dry cleaning	9	4

Pharmaceutical	14	7
Photography	8	4
Provisions	16	8
Others	9	4
Total	198	100

Source: Research survey, 2020

Table 5 shows the distribution of respondents according to the kinds of SMEs. It revealed that (5) respondents representing 3% involve in manufacturing, (20) respondents representing 10% accommodation and food services, (33) respondents representing 17% agriculture, (4) respondents representing 2% construction, (8) respondents representing 4% finance, (14) respondents representing 7% transportation, (9) respondents representing 5% Information and Communication Technology, (8) respondents representing 4% education, (6) respondents representing 3% Arts, entertainment and recreation, (17) respondents representing 9% beauty and fashion, (6) respondents representing 3% oil and gas, (12) respondents representing 6% bookshops, stationeries and photocopy, (9) respondents representing 4% dry cleaning, (14) respondents representing 7% Pharmaceutical, (8) respondents representing 4% photography, (16) respondents representing 8% provisions while (9) respondents representing 4% other kinds of SMEs. Therefore, it can be concluded that most of the respondents are involved in agricultural related kinds of businesses.

Table 6. Descriptive statistics on Independent Variable

Independent variable	SA	A	U	D	SD	Mean
	5	4	3	2	1	
1. There is restriction in Movement.	88 (44%)	52 (26%)	23 (12%)	19 (10%)	116 (8%)	3.89
2. There is closure of Economic activities.	72 (36%)	67 (34%)	31 (16%)	8 (4%)	10 (5%)	3.77
3. Most of my customers lost their jobs.	22 (11%)	45 (23%)	33 (16%)	61 (31%)	37 (19%)	2.77
4. There is general decline in Disposable income of my customers.	69 (35%)	73 (37%)	28 (14%)	17 (9%)	11 (5%)	3.87
5. The environmental climate Of my business has been adversely affected.	51 (26%)	64 (39%)	26 (13%)	29 (15%)	28 (14%)	3.41

Source: Research Survey, 2020

Table 6 shows the responses on the likert scale questions and mean. For the question on whether there is restriction in movement, 88 respondents representing (44%) strongly agreed, 52 respondents (26%) agreed, 23 respondents (12%) were undecided, 17 respondents (10%) disagreed while 16 of the respondents (8%) strongly disagreed. Therefore, with the mean value of 3.89 and it can be concluded that most of the respondents agreed since >3.00. For the question on whether there is closure of economic activities, 72 respondents (36%) strongly agreed, 67 respondents (34%) agreed, 31 respondents (16%) were undecided, 8 respondents (4%) disagreed while 10 respondents (5%) strongly disagreed. The mean value is 3.77 showing > 3.00 which means that most of the respondents agreed.

For the questions on whether most of the customers lost their jobs, 22 respondents (11%) strongly agreed, 45 respondents (23%) agreed, 33 respondents (16%) were undecided, 61 respondents (31%)

disagreed while 37 respondents (19%) strongly disagreed. Thus, with the mean value of 2.77 less than 3.00, it can be concluded that most of the respondents disagreed.

For the question on whether there is general decline in disposable income of customers, 69 respondents (35%) strongly agreed, 73 respondents (37%) agreed, 28 respondents (14%) were undecided, 17 respondents (9%) disagreed while 11 respondents (5%) strongly disagreed. The mean value is 3.87 and > 3.00 which means that most of the respondents agreed.

In addition, to the question on whether the environmental climate businesses has been adversely affected, 51 respondents (26%) strongly agreed, 64 respondents (32%) agreed, 26 respondents (13%) were undecided, 29 respondents (15%) disagreed while 28 respondents (14%) strongly disagreed. The mean value of 3.41 and > 3.00 which means that most of the respondents agreed.

Table 7. Descriptive Statistics on Dependent Variable

Dependent variable	SA	A	U	D	SD	Mean
	5	4	3	2	1	
1. Temporary closure of Business operations.	76 (38%)	49 (25%)	20 (10%)	14 (7%)	39 (20%)	3.15
2. Adjusted or missed loan repayment schedule.	82 (41%)	48 (24%)	41 (21%)	16 (8%)	11 (6%)	3.88
3. Decline in customers' patronage.	79 (40%)	38 (19%)	35 (18%)	24 (12%)	22 (11%)	3.65
4. Reduced profitability.	91 (46%)	32 (16%)	37 (19%)	15 (8%)	23 (11%)	3.77
5. Threatening survival chance Chances of my business.	78 (39%)	51 (26%)	43 (22%)	18 (9%)	8 (4%)	3.87

Source: Research Survey, 2020

Table 7 shows the responses on the likert scale questions and mean. For the question on whether there is temporary closure of business operations, 76 respondents (38%) strongly agreed, 49 respondents (25%) agreed, 20 respondents (10%) were undecided, 14 respondents (7%) disagreed while 39 respondents (20%) strongly disagreed. The mean value of 3.15 and > 3.00 which means that most of the respondents agreed.

For the questions on whether business operators are faced with adjusted or missed loan repayment schedule, 82 respondents (41%) strongly agreed, 48 respondents (24%) agreed, 41 respondents (21%) were undecided, 16 respondents (8%) disagreed while 11 respondents (6%) strongly disagreed. The mean value is 3.88 and > 3.00 showing that most of the respondents agreed.

For the questions on whether there is decline in customers' patronage, 79 respondents (40%) strongly agreed, 38 respondents (19%) agreed, 35 respondents (18%) were undecided, 24 respondents (12%) disagreed while 22 respondents (11%) strongly disagreed. The mean value of 3.65 > 3.00 indicating that most of the respondents agreed. In addition, for the question on whether they experiences reduced profitability, 91 respondents (46%) strongly agreed, 32 respondents (16%) agreed, 37 respondents (19%) were undecided, 15 respondents (8%) disagreed while 23 respondents (11%) strongly disagreed. Therefore with the mean value of 3.77 which is > 3.00 it means that most of the respondents agreed.

For the question on whether survival chances of the business is being threatened, 78 respondents (39%) strongly agreed, 51 respondents (26%) agreed, 43 respondents (22%) were undecided, 18 respondents (9%) disagreed while 8 respondents (4%) strongly disagreed. The mean value of 3.87 > 3.00 indicating that most of the respondents agreed.

Test of Hypothesis

The researchers in trying to make valid inferences of the results explore the model summary, analysis of variance (ANOVA) and coefficients. The decision rule is to accept P. value if the alpha value is ≥ 0.05 otherwise the null hypothesis be rejected.

H₁: Coronavirus Pandemic do not affect the survival of SMEs in Nigeria.

Table 8.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.783 ^a	.739	.734	.87272	1.226

a. Predictors: (Constant), Covid-19 pandemic challenges

b. Dependent Variable: SMEs survival

The model summary table reports the strength of relationship between the independent and dependent variables. The result of R stood at 0.783 indicating a strong relationship between the dependent variable SMEs survival and the explanatory variable Covid-19 pandemic challenges. The coefficient of multiple determinations R² measures the percentage of the total change in the dependent variable that can be explained by the independent or explanatory variable. The result indicates a R² of .739 showing that 74% of the variances in SMEs survival is explained by the Covid-19 pandemic challenges while the remaining 26% (i.e. 100 – 74) of the variations could be explained by other variables not considered in this model.

The adjusted R-square compensates for the model complexity to provide a fairer comparison of model performance. The result is supported by the value of the adjusted R which is to the tune of 73% showing that if the entire population is used, the result will deviate by 4.4% (i.e. 78.3 – 73.9), with the linear regression model, the error of the estimate is considerably low at 0.872722. The result of Durbin Watson test shows 1.226 therefore it shows that there is no auto correlation.

Table 9.

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	11.216	1	11.216	9.117	.000 ^b
Residual	284.324	197	.944		
Total	295.54	198			

a. Dependent Variable: SMEs survival

b. predictors: (constant), Covid-19 pandemic challenges

The ANOVA table confirms the results of model summary, analysis of the result revealed that F = 9.117 which is significant at (0.000) < 0.05. Hence, since the P-value < 0.05 (critical value), the

null hypothesis that Coronavirus Pandemic do not affect the survival of SMEs in Nigeria is rejected.

Table 10. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.245	.123		9.213	.000
	Covid-19	.161	.049	.196	2.481	.000

a. Dependent Variable: SMEs survival

The coefficient provides information on how the explanatory variable (the estimated coefficient or beta) influences the dependent variable. The result shows that the regression constant is 1.245 giving a predictive value of the dependent variable when all other variables are zero. The coefficient of Covid-19 pandemic challenges is 0.161 with p-value of 0.000 less than (0.05%) critical value. Therefore, it can be concluded that the null hypothesis that Coronavirus Pandemic do not affect the survival of SMEs in Nigeria is rejected.

Conclusion

The study concludes that covid-19 pandemic has posed great social and economic burden to humanity across the globe and specifically small and medium scale enterprises in Nigeria. The research revealed that the reality of the novel coronavirus do not restrict its influence on human health alone but extends to the economic health of small and medium scale enterprises thereby forcing several SMEs to either scale down their operations or completely closeddown. Though, there have been several measures aimed at assuaging these influences by government and other critical stakeholders, the challenges occasioned by the reality of covid-19 pandemic have not been completely addressed. This is as a result of the fact that SMEs do not only possess the technical and managerial skills to thrive in this unusual business climate but they also lack the resilience to adequate strategies to excel effectively.

Recommendations

Based on the findings and conclusions of this study the researchers recommend that owners and managers of SMEs be engaged in periodic training to enable them cope with the new reality of doing business amidst the covid-19 pandemic. More so, the measures adopted by the federal government of Nigeria to support SMEs to thrive during this challenge are sustained. Finally, the citizens of Nigeria either customers, operators of SMEs and other stakeholders be persistently sensitized on the need to adopt the covid-19 protocol as this measure will go a long way towards helping the nation overcome the challenge of covid-19 in the shortest possible time.

Study Limitations

This study is limited by the sociological and demographical hazards attached to the present circumstances in Nigeria where social distancing, adopting of Covid-19 protocol as well as the need to avoid unwarranted travels. Therefore, this posed great challenge to the researchers in conducting this research. Thus, this study is restricted to a single state (Kogi state). More so, the research on coronavirus and its economic impact has only a handful of literature materials since the nation is still

experiencing the challenges hence the researchers were economical in making conclusion and recommendations owing to the fact that more facts could emerge as event unfold itself.

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