



# EFFECT OF COVID-19 AND COPING STRATEGIES OF SELECTED SMALL BUSINESS ENTERPRISE IN OSOGBO, OSUN STATE, NIGERIA

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## ABSTRACT

Statistics show that small and medium enterprises (SMEs) have contributed positively to Nigeria's economy, but COVID-19 negatively affected the gains and survival of many SMEs. Many studies have been conducted on the magnitude of the effects. However, only some exist on the coping strategies devised and future business sustainability plans in response to COVID-19 and future business risks. A survey among 142 purposively selected SME owners in Osogbo, Osun State, shows loss of profit, capital, and lack of access to raw materials and customers as effects. Most SMEs could not withstand the risks of the COVID-19 lockdown and resist the vulnerabilities posed by COVID-19 to their operations because they lacked proactive survival strategies for resisting adversity. Only government palliative measures were the most vital responsive reactions to the adversity created by COVID-19. However, owners of small businesses needed help accessing palliatives and other support from the government. Based on findings, The Covid-19 challenges encouraged many SMEs to learn and adapt to digital technology and gave them an impetus for sustainable development. Although some businesses died utterly, it enabled many owners to think of alternatives and diversify their businesses for sustainability. The positive reactive response of owners of SMEs themselves is futuristic, showing that they can proactively resist the adversity of unwanted risks to their businesses if they properly mainstream the business sustainability plans mentioned.

**Keywords: SMEs, entrepreneurship, COVID-19, resistance, survival strategies.**

## INTRODUCTION

Developing countries with characteristics of political and economic fragility and or instability have two standard indices: high inflation and a worsening rate of unemployment. In Nigeria, heavy investment in and encouragement of private sector development has been devised as a working strategy to reduce the burden of unemployment. Millions of Nigerians are engaged in small and medium enterprises (SMEs) as a means of livelihood, contributing to the gross domestic product, wealth creation, and inclusive business ecosystem. The Nigerian Bureau of Statistics and SMEDAN, in their 2017 reports confirmed that 41,543,028 medium and small-scale enterprises were registered in the country as of that year. These are businesses improving the nation's fortunes in areas such as trading, hospitality, food and beverages, education, and manufacturing, providing jobs and survival for millions of youths. These entrepreneurs have been described as busy people who operate in a fast, complicated, and vulnerable system. In an unstable political economy, small-scale businesses face debilitating uncertain situations and can collapse if proper coping strategies are not devised (Sajuyigbe, Eniola, Obi, and Peter, 2021).

Creation of the Presidential Task Force (PTF) on COVID-19 on March 9, 2020, strict protocols and lockdowns were implemented by governments in Nigeria to control the spread of the COVID-19 pandemic in Nigeria. With the delivery of state and national-level outbreak control priorities, serious effects were felt by humans and businesses (Onyekwena & Kekeruche, 2020). Though most multinational and limited liability companies were operating with skeletal services and reduced person-to-person contacts, small businesses were hit with cash traps, and many laid off their workers. From the first week of February 2020 to some months in 2021, various measures introduced by the government to control the spread of the virus forced businesses and humans to change operating strategies, with serious adverse effects on socio-economic, political, religious, educational, and emotional aspects of the nation (Nwokocha, Anyanwu, Madu and Nwankwo, 2021). As a result of the COVID-19 pandemic, many small businesses could not access raw materials. They experienced retardation in cash flow; their members of staff could not effectively perform their duties; and many eventually folded up because they

lost their capital and customers (Onyekwena & Kekeruche, 2020; Nwokocha, Anyanwu, Madu and Nwankwo, 2021).

Because the effects and/or impacts cannot be uniform for all towns, cities, and businesses in the country, there is a need to document the experiences of small businesses from many places in the country to understand the levels and kinds of effects associated with the pandemic. As a result of this understanding, studies have been conducted on the relationship between COVID-19 and small-scale businesses in Nigeria. Sajuyigbe, et al (2021) examined the effect of the COVID-19 pandemic on small-scale businesses in Lagos and findings show a negative outlook and doom for small businesses in the period, with palliative measures such as credit accessibility, tax waiver for sectors, emergency cash advances, and some flexibility of loan repayments. Findings from a joint report prepared by the United Nations Development Programme and National Bureau of Statistics (2021) show a rise in unemployment, recession, business closure, drop in production, reduced sales and revenues, losses, poor access to credit facilities, wastage of raw materials and other operational challenges as blanket effects across the nation.

In the study conducted by Adam and Alarifi (2021) on innovative practices devised by small and medium enterprises for survival during COVID-19, the researchers highlighted the contribution of external support to the survival and sustainability of small businesses in Saudi Arabia, with implications for countries in the same region with Saudi Arabia. Through structural equation modelling, their study reported innovative practices' significant positive impact on business performance and the likelihood of survival during the pandemic. The same study showed that operations were paralyzed in many other countries, financial positions were weakened, and risk increased. Furthermore, there were shortages of workers, reduced production inputs, inability to pay workers, high cost of business capital, decreased consumer spending, and other researchers from different countries have reported low administrative and technical capacities. Most previous studies have documented the impact or effect of COVID-19 on small businesses at national and subnational levels. However, only some have added an examination and evaluation of various coping strategies, such as small and medium enterprises devised to weather the storm created by COVID-19 and survive beyond the pandemic. Therefore, this study evaluates the impact of COVID-19 on SMEs in Osogbo, Osun State, Nigeria, and the coping strategies some selected small business enterprises in the city devised to overcome the challenges that affected SMEs in Osogbo during the pandemic. This gap in research extends empirical conversations on the sustainability of SMEs in Nigeria and mapping of specific local effects of COVID-19 on SMEs, with implications for business development and sustainable management of the effects of the pandemic on businesses in the country.

## LITERATURE REVIEW

### Entrepreneurship and Small Businesses in Nigeria

*Entrepreneurship* is an independent activity that does not necessarily occur automatically in the presence of innovations or technological change. It invariably means pinpointing and following opportunities, which is crucial for quick and sustainable growth and development. Durowoju (2014) opined that entrepreneurship is crucial and necessary for rapid, sustainable economic development. Similarly, entrepreneurship could be seen as the process of establishing and applying unique business opportunities which span the creative capacities of private and public establishments. As cited in Durowoju (2014), Sue & Dan (2000) submitted that entrepreneurship is influenced by inherited power, family background, and economic environment. This submission established the fact that the economic environment has the potential to make or mar entrepreneurial practices. It could be confirmed that entrepreneurship is concerned with taking risks, adding value, and creating a difference. It is turning creative businesses into a venture. It is, therefore, the activity that involves discovering, assessing, and considering opportunities to reduce new goods and services. It means arranging markets, processes, and raw materials through organizing efforts that had not existed.

It is not only in Nigeria; developed economies agree that wealth creation, employment generation, and increased gross domestic product (GDP) for national development in the last two decades have been tied to entrepreneurship (Zubair, 2014). Why is this statement valid? This private sector development is responsible for enhanced economic productivity and over 50% GDP growth in most developing economies. These are countries battling high inflation, ripples of economic recession, high unemployment rate, and fragility in some other sectors. They require their small and medium enterprises (SMEs) to spearhead increased economic growth and creativity needed for transformation. As explained by Zubair (2014), citing the Central Bank of Nigeria (CBN), SMEs are "businesses with less than 50 employees (medium scale businesses less than 100). Essentially, SMEs are business entities that are

independently owned and operated, and meets employment or sales standard, whose investment in machinery and equipment does not exceed six hundred thousand naira.”

Increased growth of SMEs is one of the economic diversification efforts of governments in Nigeria, where economic empowerment supports are provided to entrepreneurs, and friendly business environments are created to encourage young graduates and other unemployed groups of people to embrace self-realization (Joshua, 2008; Fatai, 2011). Durowoju (2014) says that apart from rapid and sustained economic growth, SMEs bridge the gap existing between science and the marketplace. Where there are entrepreneurs in the country, there are new products and services. Those who can creatively manage their destinies through their bosses and employ many others increase where entrepreneurship thrives. This means that the quality of life is improving for many people, and thousands of women, young people, and the poor are lifted from poverty (Durowoju, 2014).

The same Durowoju (2014) said entrepreneurship in Nigeria towers above economic development because it “involves more than just increasing per capital output and income; it involves initiating and constituting a change in the structure of business and society. This change is accompanied by growth and increased output, which allows more wealth to be divided by the various participants.” In Nigeria, more than 70% of entrepreneurship businesses are small-scale businesses (Odeyemi, 2003, cited by Durowoju, 2014). These businesses are mostly in their infancy in the country, and they are affected by the global economic recession and national corruption, lack of support from the government, inability to obtain credit facilities, and other socio-cultural and political challenges that predispose businesses to failure. The poor infrastructural deficit, insecurity, poor training, and unstable policy landscape also combine to affect the growth and sustenance of SMEs in the country (Joshua, 2008; Fatai, 2011). As observed by Duru (2011), these problems must be tackled by the government and other stakeholders if the conditions that negatively affect the growth and development of SMEs will be controlled and economic growth achieved. Unfortunately, the COVID-19 pandemic also greatly reduced the positive growth recorded in the sector in the last few years.

### **Effect of COVID-19 on Small Businesses in Nigeria and Coping Strategies**

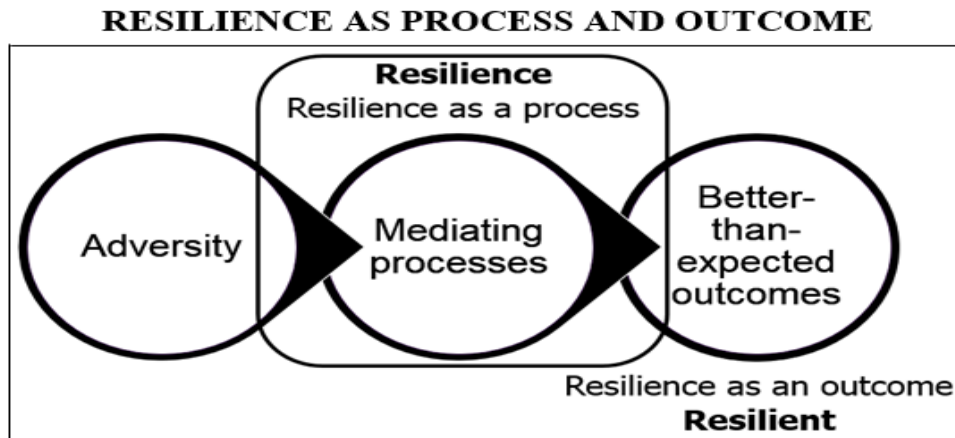
When COVID-19 was first discovered in Nigeria around January 2020, nobody envisaged the debilitating impact it had on businesses and human life. Lawrence and Lawrence (2021), citing Chukwuka and Ekeruche (2020), reported that the 2.5 increase in the GDP recorded in 2020 was eroded by the COVID-19 pandemic, which raised the national debt to 60%. The debt servicing capacity of Nigeria was affected by COVID-19 and the nation was forced to reduce its crude oil benchmark to 30 dollars per barrel, which reduced the national budget drastically. The economic instability created by the forced implementation of COVID-19 protocols worsened the economic performance of Nigeria and badly affected SMEs which were just being built after years of neglect. From low sales to the gross

reduction in income for SMEs, many small businesses collapsed and their workers were laid off during the period. Customer patronage was greatly reduced generally for all businesses, but SMEs were the worst hit because of their specific, local characteristics and operations (Lawrence and Lawrence, 2021; Chukwuka, & Ekeruche, 2020; Amuda, & University, 2020; Alves, Lok, Ch., Luo, & Hao, 2020).

Writing on the management of small businesses in Nigeria during the pandemic, Aladejebi (2020) observed that small businesses that could not ordinarily survive beyond a month summarily died during the pandemic. The disruptions associated with the pandemic made it difficult for small businesses to operate and a high level of business uncertainty reigned. There were reduced opportunities for small businesses to beat deadlines and even pay their loans; cuts in supply chains and foreign exchange devaluation weakened the financial capacity of SMEs to stay afloat. To cushion the effects of COVID-19 ON SMEs, governments in Nigeria reduced the interest rate, extended the moratorium period on all loans provided by the Central Bank of Nigeria, provided a credit facility to businesses, restructured terms of loans, and provided credit support for small businesses (Aladejebi, 2020; Chukwuka, & Ekeruche, 2020; Amuda, & University, 2020; Alves, Lok, Ch., Luo, & Hao, 2020). To survive, most small businesses shifted their operations largely to digital platforms. Most of them cut costs and allowed their reduced number of staff to work from home or rotate. Some businesses diversified into other lines of products and most were encouraged to take loans for survival. Fubah and Moos (2022) also reported slowed entrepreneurial activity, closure of ventures, inability to visit stores, cut in consumer demand, and reduced income. The same authors opined that the palliative measures instituted by the government at all levels were not different from the coping strategies businesses predominantly devised to survive the COVID-19 period.

### **Resilience Theory and its Relevance to Businesses Coping with COVID-19 Pandemic**

Adversity, its harmful effects on people, and the coping strategies to overcome adversity are the three most important variables in the definitions of resilience, and they are at the foundation of resilience theory. The theory shares some affinity with the constructs of illness, breakdown in wellbeing, risk, and vulnerability (Breda, 2018). Resilience is defined by Masten (2015) as “the potential or manifested capacity of a dynamic system to adapt successfully to disturbances that threaten the function, survival, or development of the system.” At the heart of resilience, the theory is the understanding that disaster, risk, or disturbances are inevitable, forcing a system to either proactively or reactively produce a buffer or adaptation capacity to contain the potential threats against the normal functioning and survival of the system. There are three components of the resilience theory: adversity, outcomes, and mediating factors.



Source: Breda, A.D. (2018). A critical review of resilience theory and its relevance for social work. *Social Work*, 54(1). 54-1-611

In the process—outcome model of the resilience theory, the focus is on the outcome, since resilience is described as a process that produces an outcome through the mediating processes. Whenever adversity rears its head, the mediating processes are activated to reduce or prevent negative outcomes. For example, in the case of challenges posed by COVID-19 to small businesses as adversity, the mediating processes can come in the form of activities by business owners to overcome the challenges and ensure that their businesses can withstand the challenges. The processes can also come from the government which gives palliatives and other support systems to assist businesses from collapsing. The adversity could either be chronic or acute (Bonanno and Diminich, 2013). It is chronic when it covers a longer period and its impact is widespread, disrupting the system, especially the mediating process. On the other hand, acute adversity has a short period of operation, and a set starting point and the impact is limited. Whether it is acute or chronic, the mediating system needs to be stronger to withstand adversity and produce better-than-expected outcomes.

Preparedness, mitigation, response, and recovery are constructs that must be built into the resilience structure for the system to withstand adversity. A small business owner should anticipate risks and plan to either reduce or prevent them from affecting his or her business. In the case of COVID-19 lockdown which impacted businesses, the survival and growth indices of SMEs in Osogbo during and after the lockdown should be a factor in the risk mitigation and adaptation strategies of the SMEs and external support from other stakeholders. This study, therefore, probes whether this position will be evident in the opinions of small business owners in Osogbo, whose businesses were impacted by the COVID-19 lockdown.

## **METHOD(S) AND MATERIALS**

The survey was conducted among owners of small and medium enterprises in Osogbo city, the capital of Osun State. One hundred and forty-two (142) owners of SMEs participated in the study.

The study was conducted in Osogbo because as the state capital, the presence of SMEs is very high. Most young residents who moved from other locations in the state and other cities and states in the country have found Osogbo useful for locating their businesses. This business strategy is borne out of the fact that business activities, huge investments, better infrastructures, and readily available customers (a pool of government workers and other residents who reside in and visit the capital for various reasons). Data collection was conducted at the two local governments in the area with an equal number of respondents selected from the two local governments. The purposive, quota, available, and snowball sampling techniques were adopted. It was purposive because the focus was on owners of SMEs and it was available because only owners of SMEs who were available, reachable, and willing to participate in the study when the researcher and his assistants visited the areas for data collection were involved. The quota sample involved allocating an equal number of respondents to each local government area in Osogbo city for data collection. The snowball sample was employed when some owners of SMEs referred the research team to other known owners for data collection. The questionnaire copies were distributed among the respondents, and the research team assisted in reading and interpreting questions and options in the Yoruba language for respondents who were not literate in their mother tongue. Copies of the questionnaire were retrieved immediately from the respondents, and they were subjected to simple percentage and frequency analysis.

## DATA ANALYSIS AND DISCUSSION OF FINDINGS

**TABLE 1: AGE OF THE RESPONDENTS**

	Frequency	Percent	Valid Percent	Cumulative Percent
20-29	97	68.3	68.3	68.3
30-39	34	23.9	23.9	92.3
40-49	6	4.2	4.2	96.5
Valid 50-59	3	2.1	2.1	98.6
60	2	1.4	1.4	100.0
Above				
Total	142	100.0	100.0	

Most of the respondents were young people in the age range 20—29. These should be young people who have established SMEs because white collar jobs were not available. The federal and state governments in Nigeria have provided some loans and other support for young people to start SMEs and become wealth creators. This group was followed by the age range 30—39 who can also be described as young people close to the first group. The remaining age groups could be residents who combine their other jobs with SMEs and those who did not attain any formal education but started their



small businesses to make a living. If the data here are anything to rely on, there is a great possibility that the SMEs in the state capital were predominantly owned by young people who have seen business opportunities and are exploiting such for survival and growth.

**TABLE 2: YEARS RESPONDENTS HAVE BEEN IN BUSINESS**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less 5 Years	92	64.8	65.2
	5-10 Years	19	13.4	78.7
	11-15 Years	18	12.7	91.5
	Greater than 15 year	12	8.5	100.0
	Total	141	99.3	100.0
Missing System	1	.7		
Total	142	100.0		

There is an agreement between Table 1 and Table 2. Most of those who participated in the study had spent less than five years in their businesses. This is highly true because of the interpretations established in Table 1. Most young people involved in SMEs are people who probably graduated, participated in the mandatory national youth service for a year, and gathered whatever they have to start small businesses for themselves after realizing that governments and private agencies are hardly employing people. Various skills acquisition programs, empowerment schemes, training, talks, seminars, and campaigns in the last ten years have centered on encouraging young graduates to see opportunities in SMEs and become their employers. The remaining groups in Table 2 could be interpreted as people described in Table 2. The overall summary of Table 2 is that most of

the SMEs in Osogbo has been in operation for less than five years and such businesses are in infancy, owners might still be struggling with some level of instability.

The tables below focus on COVID-19, its effects on SMEs in Osogbo, and the coping mechanisms deployed by the owners to survive. Table 3 is on the impact of COVID-19 on the businesses of the respondents.

**TABLE 3: IMPACT OF COVID-19 ON BUSINESSES**

**SA (Strongly Agree); A (Agree); SD (Strongly Disagree) D (Disagree)**

<b>STATEMENTS</b>	<b>SA</b>	<b>A</b>	<b>SD</b>	<b>D</b>
My business did not suffer last year during COVID-19 lockdown	41 (27.3%)	58 (38.7%)	24 (16.0%)	27 (18.0%)
I could not make maximum profit from my business because of COVID-19	65 (43.3%)	61 (40.7%)	11 (7.3%)	13 (8.7%)
I lost some of my capital to the COVID-19 lock down last year	41 (27.3%)	59 (39.3%)	33 (22.0%)	17 (11.3%)
There were customers who could not buy goods from me during COVID-19	48 (32.0%)	50 (33.3%)	35 (23.3%)	17 (11.3%)
The COVID-19 lock-down did not allow me to travel to buy some goods last year	48 (32.0%)	70 (46.7%)	21 (14.0%)	11 (7.3%)
My family was consuming most of what I wanted to sell during COVID-19	36 (24.0%)	66 (44.0%)	32 (21.3%)	16 (10.7%)
Market for some of my products was low because of COVID-19	57 (38.0%)	48 (32.0%)	25 (16.7%)	20 (13.3%)
I made a lot of money from my business during the COVID-19 lock-down	38 (25.3%)	54 (36.0%)	35 (23.3%)	20 (13.3%)
Because I sell pharmaceutical products, people were rushing to buy during COVID-19	25 (16.7%)	61 (40.7%)	36 (24.0%)	28 (18.7%)

During COVID-19 lock-down, I lost the capital I borrowed as a loan from a cooperative society.	32 (21.3%)	66 (44.0%)	31 (20.7%)	21 (14.0%)
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Table 3 presents the impacts that COVID-19 had on the businesses of the respondents. Among the respondents, 66% opined that their businesses suffered during the COVID-19 lockdown. On the kinds of negative impacts their businesses experienced, 84% agreed that they could not make enough profit because of the pandemic, while 66.6% lost their business capital when the COVID-19 lockdown was enforced. This loss might be tied to the inability to have face-to-face meetings with customers and continue their businesses. As a result of this, it is possible that the owners had no choice but to start spending from their capital bases because there was no profit and no opportunity to even continue their businesses. About 65.3% of the respondents also explained that they lost their customers who could not buy from them because of the lockdown. This meant that goods and services could not be exchanged for most of the businesses that relied on face-to-face meetings for transactions to take place.

Furthermore, business owners (78.7%) could not travel to buy some goods and meet the needs of their customers and for those who still had stock available at home and in their shops, 66% said their family members consumed such goods/products. This self-consumption meant that the businesses ended or were badly affected because the capital had been eaten. Seventy percent observed that the market for their products and services was very low during the period, meaning that they could not sell as before. However, 61.3% also surprisingly highlighted that they made a lot of money from their businesses during the lockdown. This could be businesses that were transacted online. Also, for those who could find means of getting their goods to the customers without breaking the COVID-19 protocols and lockdown rules, it must have been a big opportunity to make money where others could not go out to sell. For example, 57.4% said they made a lot of money from selling pharmaceuticals that people were rushing to buy. Finally, 65.3% eventually lost their capital as a result of the lockdown. Data in this table summarize that most of the businesses suffered greatly during the COVID-19 lockdown, though a few of them exploited the lockdown rules to make sales and profits. Having established that small businesses in Osogbo were negatively impacted, although a few of them made some profits during the lockdown, the study moved forward to determine the strategies those businesses devised to survive.

**TABLE 4: STRATEGIES FOR SURVIVAL AND GOVERNMENT SUPPORT**

**SA (Strongly Agree); A (Agree); SD (Strongly Disagree) D (Disagree)**

STATEMENTS	SA	A	SD	D
I changed into another business to survive during COVID-19 lock-down	60 (43.2%)	31 (22.3%)	30 (21.6%)	16 (11.5%)
I started selling hand-sanitizers and face mask to survive during COVID-19	18 (12.9%)	54 (38.8%)	44 (31.7%)	21 (15.1%)
I saved my capital in a bank during the lock-down so as not to waste it	30 (21.6%)	55 (39.6%)	25 (18.0%)	22 (15.8%)

I took loans during the COVID-19 lock-down for my business to survive	24 (17.3%)	40 (28.8%)	42 (30.2%)	27 (19.4%)
I reduced the size of my business during the lock-down	31 (22.3%)	48 (34.5%)	40 (28.8%)	17 (12.2%)
I received government support as a grant for businesses affected by COVID-19	22 (15.8%)	47 (33.8%)	38 (27.3%)	28 (20.1%)
I know some business people who got money from government during the lock-down	30 (21.6%)	44 (31.7%)	33 (23.7%)	31 (22.3%)
Government organized entrepreneurial seminar to strengthen businesses during the COVID-19 lock-down	20 (14.4%)	41 (29.5%)	48 (34.5%)	29 (20.9%)
Money from government was not enough to prevent loss of my business during COVID-19	27 (19.4%)	61 (43.9%)	34 (24.5%)	17 (12.2%)
Only party members got COVID-19 business support grants from government	30 (21.6%)	58 (41.7%)	28 (20.1%)	21 (15.1%)
Government did not collect tax from us during COVID-19	26 (18.7%)	50 (36.0%)	30 (21.6%)	33 (23.7%)

**TABLE 5: PRESENT AND FUTURE PLANS FOR BUSINESS SUSTAINABILITY**  
SA (Strongly Agree); A (Agree); SD (Strongly Disagree) D (Disagree)

STATEMENTS	SA	A	SD	D
I have decided to arrange insurance for my business to avoid such bad experience I had during the lock-down	52 (37.7%)	60 (43.5%)	8 (5.8%)	16 (11.6%)
I have opened a separate bank account for my business to attract loans	35 (25.4%)	77 (55.8%)	10 (7.2%)	14 (10.1%)
Now I have to register my business for it to be able to attract government's support	40 (29.0%)	59 (42.8%)	21 (15.2%)	18 (13.0%)
I have decided to attend entrepreneurial trainings to grow my business	34 (24.6%)	60 (43.5%)	21 (15.2%)	22 (15.9%)
I am planning to add some other lines of product to my business to make more money	55 (39.9%)	55 (39.9%)	18 (13.0%)	9 (6.5%)
I think I need to consult professional business managers to prevent the bad occurrence during COVID-19 lock-down from happening again	43 (31.2%)	52 (37.7%)	27 (19.6%)	15 (10.9%)
I have identified trainings and seminars I will attend to develop my business	38 (27.5%)	66 (47.8%)	17 (12.3%)	15 (10.9%)

I am considering computer application in my business for efficiency	25 (18.1%)	64 (46.4%)	25 (18.1%)	21 (15.2%)
I have learnt a lot from the COVID-19 experience on how to prevent a business from dying	58 (42.0)	39 (28.3%)	29 (21.0%)	11 (8.0%)

Now that COVID-19 is relatively over or businesses are not fully operating as before, the SME owners have plans for now and for the future to sustain their businesses. The lessons from the COVID-19 onslaught have been internalized. This is because, as shown in Table 5, most of the respondents now know about strategies to prevent businesses from dying, are now considering computer applications in business to overcome the barriers of physical lockdown, and have identified training and seminars that will help them to develop and build sustainability. Furthermore, most respondents agreed to get business consultants and professional managers to learn effective strategies for preventing future losses if another lockdown happens. They are also planning for market segmentation and starting other lines of products and businesses that may not be restricted during a lockdown. They are ready to attend training to grow their businesses. Those who did not get the government's support during COVID-19 because their businesses need to be registered are ready to register their businesses. In summary, although the COVID-19 experience negatively affected SMEs, it was a blessing in disguise for SME owners who have learned from the experience and are instituting future buffers for survival and sustainability.

## DISCUSSION OF FINDINGS

Findings from the study have shown that the COVID-19 lockdown negatively impacted small businesses in Osogbo, Osun State. From the loss of profit, capital, and lack of access to raw materials and customers to other adverse developments, most SMEs could not withstand the shocks or risks associated with the COVID-19 lockdown. The SMEs could not operate optimally because of the chronic nature of the COVID-19 adversity. Many SMEs could not muster any resistance to the vulnerabilities posed by COVID-19 to their operations because they lacked proactive survival strategies for mitigation and adaptation to adversity. They were forced to close businesses, change to other products, and reduce business sizes. These effects were not different from what Lawrence and Lawrence (2021), Chukwuka & Ekeruche (2020), Amuda & University (2020), and Alves, Lok, Ch., Luo, & Hao (2020) reported in their studies. These were reactive responses to adversity, as contained in the propositions of the resistance theory. Only government palliative measures were the most vital responsive reactions to the adversity created by COVID-19.

The positive response from the government to prevent the total collapse of many SMEs agrees with the position of Aladejebi (2020) and Chukwuka and Ekeruche (2020). Various entrepreneurship seminars, grants, and loans from the government prevented most SMEs from dying. Unfortunately, most of the owners of small businesses that participated in this study could not access palliatives and other government support. These businesses' inability to provide coping strategies against COVID-19 was against the positive response of business owners in the study conducted by Fubah and Moss (2022). The response of SME owners in Osogbo stands against the propositions of the resilience theory, which Masten (2015) and Breda (2018) explained.

## CONCLUSION AND RECOMMENDATION

Based on the above findings, Covid-19 has a significant effect on the SMEs in Osogbo, Osun State, Nigeria, but the Government interventions through various palliatives prevented many businesses from shutting down. The Covid-19 challenges encouraged many SMEs to learn and adapt to digital technology and gave them an impetus for sustainable development. Although some businesses died ultimately, it enabled many owners to think of alternatives and diversify their businesses for sustainability.

The positive reactive response of owners of SMEs themselves is futuristic, showing that they can proactively resist the adversity of unwanted risks to their businesses if they properly mainstream the business sustainability plans mentioned. Among these are training, business insurance, computer application, and working with business managers as professionals who will provide the necessary advice. More so, opening a bank account to have enough savings and formal business registrations to attract grants and other government and non-governmental organizations' support.

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