PERCEIVED EFFECT OF POST COVID-19 ON SME'S IN OVIA NORTH-EAST L.G.A OF EDO STATE

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A PROJECT SUBMITTED TO THE DEPARTMENT OF VOCATIONAL AND TECHNICAL EDUCATION, FACULTY OF EDUCATION, UNIVERSITY OF BENIN, BENIN CITY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE IN EDUCATION (B.Ed) DEGREE HONOUR IN BUSINESS EDUCATION (ACCOUNTING OPTION)

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APPROVAL PAGE

I certify that this work was carried out by Esther Oghene ODIRI with Matriculation number EDU1703766 in the Department of Vocational and Technical Education, Faculty of Education, University of Benin, Benin City.

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DEDICATION

This project work is dedicated to Almighty God.

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ABSTRACT

This study determined the perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State. Four research questions were raised to guide the study and one hypothesis was formulated and tested at 0.05 level of significance. The study employed a descriptive survey research design. The population of the study comprised of 2250 registered SMEs in Ovia North-East Local Government Area of Edo State. The sample size was 79 confidential secretaries in University of Benin, Benin City, Edo State. The sample size of the study comprised of 50 registered SME owners and managers in Ovia North-East Local Government Area of Edo State. Purposive sampling technique was used to sample the selected 50 registered SMEs. The instrument used for data collection for this study was a structured questionnaire titled "Perceived Effect of COVID-19 on small and Medium Scale Questionnaire (PECOVIDSMEQ)". It was however subjected to face validity by the researcher's supervisor and one other expert in the Department of Vocational and Technical Education. The internal consistency method was employed by using the Cronbach alpha formula and a coefficient of 0.98 was obtained. The study revealed that covid-19 affect Small and Medium Scale businesses, thus impacting their income, demand of products, payment of salaries of workers as well as repayment of loan and rents. The study concluded that covid-19 principally affect Small and Medium Scale businesses. It was recommended among others that government at all levels should provide adequately targeted stimulus to all affected SMEs. This can be done through the disbursement of cash stipend to the most vulnerable SMEs.

CHAPTER ONE

INTRODUCTION

Background to the Study

With a view on the history and effect of covid-19, Small and Medium Enterprises (SME's) have had a feel of the heat from it. Corona-virus pandemic also known as Covid-19 which has affected activities in different countries worldwide, have been active well for some time until when its pathogenic potential exploded full force in Wuhan in what latter became a global pandemic. The outbreaks that had occurred through 2019 and the epidemic explosion of December-January happened due to the world's inability to manage and contain it from the small outbreaks. At the beginning of the outbreak, China was reporting thousands of new cases per day, which had reduced to dozens by March. In Europe, on the other hand, cases were rising rapidly day by day. This in process was affecting the flow and activities of SMEs. At this time, SMEs were facing continuous financing challenges as well as challenges due to covid-19 policy restrictions.

SMEs are those businesses whose personnel numbers fall below certain limits. It is known that the overall importance of SMEs is different relative to large multinationals in terms of their impact on economic growth, exports and innovation. SMEs play a very important role in addressing the challenges of poverty, inequality and job creation in rural areas. SMEs are important source of employment, particularly for, low and mid skill among women and the youth. However, previous studies such as Garba (2020) and International Labour Organization (ILO)

(2017) have established that SMEs in developing countries face numerous impediments in the area of income, demand of products of SMEs, payment of salary, and the repayment of loan and rents. How these mentioned challenges are been handled by SMEs during and after COVID-19 remains much to be desired by relevant stakeholders such as small business owners, employees of SMEs, policy makers, and the general public.

Income is a key factor in maintaining the operation of any business. SMEs have always had income challenge which prevents the smooth run of their businesses for things like power supply, telecommunication, and access to other things. Without income many SMEs had to close up, some struggled, while some that probably borrowed could not meet up with the expected target. The COVID-19 pandemic and related containment measures have had an extremely heavy toll on SMEs across the world. SMEs incomes have been hit hard, causing severe liquidity shortages. In post COVID-19, access to finance once again has become a major concern for enterprises around the world. In the short term, many SMEs faced acute income shortages as revenues plummeted. Hence, SMEs have been more affected and more vulnerable than large firms. This is due to the fact that many SMEs are typically more financially fragile and have smaller cash buffers than their larger counterparts. Thus, when the COVID-19 crisis hit, there was widespread concern that many viable but illiquid SMEs would go under in the absence of an appropriate policy response. It has however been reported that Governments across nations are taking decisive action to address SMEs' income shortages in this post covid-19 era.

Economically, SMEs faced some challenges related to the demand for products due to COVID-19. Products which were made readily available for consumers could not get to its final destinations during the COVID-19 crisis. While there is reason to be optimistic in post COVID-19 for a robust recovery in product demands due to pent-up demand, understanding what that means for SMEs is a critical factor for the economic recovery of Nigeria. The business sector has been extremely hard hit by the COVID-19 crisis. Government-enforced lockdowns, disruptions to supply chains, and a slump in demand are expected to lead to sharp rises in SMEs failures and bankruptcies, albeit with large variations across sectors and countries (Ozili & Arun, 2020). In many sectors, from air travel to durable goods, sharp drops in demand, excess capacity, and heightened price sensitivity are converging to drive down prices and destroy value. Many customers are asking for discounts and contract renegotiations, while some competitors are making aggressive pricing decisions to garner demands for their products. In other sectors, from shipping and groceries to medical supplies, demand has risen to levels no one could have anticipated in early 2020, putting upward pressure on prices. For SMEs in this kind of marketplace, Fernandes (2020) believed that they should focus on maintaining cash reserves and preserve key assets and talent to survive the post COVID-19 crisis.

Covid-19 pandemic crisis has reshaped the Nigerian labour market more than any single event in the past and has affected the payment of salaries. Workers lost their jobs at a record pace, particularly in lower-paid sectors such as retail and food service, and many employers are thinking of getting replacements with changes in salary payments and bonuses. In general, the

estimated salary losses for workers are very unequally spread between SMEs across different sectors and particularly strong for the most vulnerable sub-groups of the working population (Mogaji, 2020). Employees able to work from home have maintained jobs and salary payments, accumulating more savings while forced to cut back on spending from lock downs, travel restrictions, and health fears; others lost jobs and income or closed down businesses and have struggled to pay the bills. In post COVID-19, there is still much uncertainty regarding the road towards economic recovery and its pace. Salary payments are expected to play an important role in facilitating an inclusive and fast recovery. Going forward, the effects of the pandemic are impacting decisions about overall salary strategies. SMEs everywhere are weighing the uncertainties of the economy against the need to keep pay levels up to retain top performers. While the impact on jobs has been widely documented, the effects of post COVID-19 on salary payments are less known.

COVID-19 has shocked the global financial market taking its toll on the repayment of loans. In fact, most preliminary data indicate an increase in loan volumes in the first half of COVID-19 outbreak year, following an uptick in SME demand. As profits have taken a strong hit, SMEs around the globe appeared to have obtained more debt to substitute the drop in internally generated revenue. Survey data from National Bureau of Statistics (2020), for instance, revealed that among firms that applied for financing in the prior 12 months, 46% would plan to take additional loan to cover the finance gap left by the COVID-19 crisis. However, due to liquidity challenges occasioned by the COVID-19 crisis, borrowers have struggled to repay loans.

This increases the risk of triggering events of default in lending agreements. In post COVID-19 era, borrowers and lenders ought to be looking closely at their contractual commitments and getting proactive about renegotiating loan terms where the performance of any obligations or covenants in the agreement will be affected by the pandemic. Economic downturn as a result of the COVID-19 pandemic increases the likelihood of unsustainable losses by the lending industry (Fabeil, Pazim & Langgat, 2020). It is against this background that this study embarks on the perceived effect of post covid-19 on SME's in Ovia North-East L.G.A of Edo State.

Statement of the Problem

Before the outbreak of COVID-19 pandemic, SMEs contribute easily to the livelihood of citizens across nations and essential for rapid and quick growth and development. However, due to the pandemic caused by the effect of covid-19, SMEs experienced many challenges ranging from low revenue or income generation, loss of competent staff resulting from reduction in staff salary, lack of patronage, and lack of sincerity on the part of government to reduce the prevalence of the pandemic. The effect of covid-19 on SMEs became so tough that many were forced to close, struggle and even fold up, as they gasp for survival because funds were not available, resources not made ready when needed, personnel could not reach their various places of duties and thereby had a stall of activities due to policies that stopped people from moving freely about, in a bid to curtail the spread. Thus, the SMEs suffered during the outbreak of COVID-19 and are still likely to be affected in post COVID-19. Therefore, the effect of post

covid-19 on SMEs is still unclear. Hence, the study intends to determine the perceived effect of post covid-19 on SME's in Ovia North-East L.G.A of Edo State.

Purpose of the Study

The main purpose of this study was to examine the perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State. Specifically the study sought to determine:

1. The extent to which effect of post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State.
2. The extent to which effect of post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State.
3. The extent to which effect of post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State.
4. The extent to which effect of post COVID-19 affect the repayment of loans and rents in Ovia North-East L.G.A of Edo State.

Research Questions

The following research questions were raised to guide the study:

1. To what extent does effect of post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State?
2. To what extent does effect of post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State?

3. To what extent does effect of post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State?
4. To what extent does effect of post COVID-19 affect the repayment of loan and rents of SMEs in Ovia North-East L.G.A of Edo State?

Hypothesis

The null hypothesis was formulated and tested at 0.05 level of significance.

1. There is no significant difference between the male and female entrepreneurs perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State.

Significance of the Study

The findings of this study would be of immense benefits after the publication in journals and other media to SME owners and workers, policy makers in the financial sector, business education students and the general public.

The findings of this study would benefit SME owners and workers by providing an opportunity for diversification and would help in coping strategies now and in the near future. The study is also significant for identifying the unmet need for SME owners and workers towards getting a meaningful solution.

Policy makers in the financial sector would benefit from the study as it would provide the basis for effective policies for the sector's survival of the covid-19 challenges and also adopt

strategies to mitigate likely future happenings. This is because SME's are key parts in the development of any nation, which makes them in position to be largely considered.

Students in Business education programmes will benefit from the study as it would be an eye-opener for them to know the effects of post covid-19 on SME's and get to know the mitigation strategies, which will likely benefit them in the future whenever they intend to set up their own businesses.

Furthermore, the general public would benefit from the findings of the study as it reveals the effects that have been faced in the society as it happens to be a situation in every other country. This study helps to develop the consciousness on the society to have the ability to manage crisis and identify the survival and resilience strategies of small businesses during a long-lasting crisis and challenge.

Scope and Delimitation of the Study

The scope of the study was restricted to the perceived effect of COVID-19 on SMEs in Ovia North East Local Government Area of Edo State. The study also covered specific variables such as income, demand of products, payment of salaries of workers as well as repayment of loans and rents of SMEs. The study was delimited to SMEs operating in Ovia North-East Local Government Area and as such the owners and managers of SMEs in Ovia North-East Local Government Area formed the population of the study.

CHAPTER TWO

REVIEW OF LITERATURE

The review of literature related to this study was organized under the following sub-headings:

- Theoretical Framework
- Concept of COVID-19 and Post COVID-19 Pandemic
- Concept of Small and Medium Scale Enterprises (SMEs)
- Activities of SMEs during COVID-19 and Post COVID-19 Pandemic
- Effect of Post COVID-19 on the Income of SMEs
- Effect of Post COVID-19 on the Demand of Products of SMEs
- Effect of Post COVID-19 on the Payment of Salaries of Workers of SMEs
- Effect of Post COVID-19 on the Repayment of Loans and Rents
- Summary of Reviewed Literature

Theoretical Framework

The theoretical framework of this study was hinged on the system theory of Boulding (1956); Bertalanffy (1951) and supported by the social ecological theory of Bookchin (1960).

System Theory

The system theory by (Boulding, 1956; Bertalanffy, 1951) was made on the assumption that "the whole is more than the sum of its parts". This means that individuals perform different

types of roles that result in specialization and segmentation, which eventually result in a common interdependence between units. A unit cannot stand and function without depending on others (Durkheim, 1984). Generally, there are three most known boundaries of social systems are Micro System, Mezzo System, and Macro System. Micro System refers to the small size social system, example include individuals and couples. The Mezzo System refers to intermediate size system, example include groups and extended families. Macro System refers to large systems, examples include communities and organizations. However, each level stands as a unit of a whole with a different property that differentiates it from other systems (Cravenet et al., 2020), which Bertalanffy referred to as the system's boundary.

COVID - 19 is interpreted as an element that breaks the boundaries of well-being, and social systems, which are normatively defined. Many communities or societies give value to shared culture and interaction within families, communities, groups, and organizations, therefore, these societies commonly suffering major weak health structures and low health consequences. Hence, the spread of COVID-19 is inclined. The relevancy of this theory to this study is that SMEs can use many plans (i.e. loosen or tighten) in responding to a challenging situation. Therefore, SMEs need to take appropriate safeguarding measures on huge tremors that may shake the society in the occurrence of tragedies such as COVID-19.

Social Ecological Theory

The Social-Ecological Theory (Bookchin, 1960) offers an understanding of behavioral reactions from a person, interpersonal, organizational, community, and public policy concerning the formation of behavior within the nearby social environment. The theory assists in the recognition of issues affecting behavior and also offers direction for developing successful programs through social environments. The social-ecological theory emphasizes the numerous levels of influence (such as individual, interpersonal, organizational, community, and public policy) and the idea that behavior is shaped and shaped by the social environment. The philosophies of Social-ecological Theory are connected with Social Cognitive Theory perceptions which propose that providing an enabling environment that results to change is significant in making it easier to implement healthy behavior (Hamiza, 2020).

With the emergence of COVID-19 which separates Nigeria from other countries of the world, serious attention should be given to shaping and adopting healthy behavior such as sanitization, social distancing, movement restriction, ban on worship, testing suspects, isolation, quarantining, and business closures. The relationship between the theory and this study is a detailed understanding of the reasons why people behave the way they behave. Therefore, SMEs that can alter the way they do things during and after COVID -19 will survive and prosper.

Concept of COVID-19 and Post COVID-19 Pandemic

Pandemic is a kind of epidemic that spreads across a wider geographical area than epidemic and affects significant number of the population (Lu, Peng, Wu & Lu, 2021). Since the beginning of this century, there have been a number of pandemic outbreaks like Spanish flue of 1918, flue pandemic of 1957, H1N1 2009, and COVID-19 of 2019/2020 (Abideen, 2020). The most recent pandemic that has sent shock waves through societies and economies around the world is the coronavirus 2019 pandemic otherwise termed as COVID-19 pandemic. The concept 'Coronavirus' is an infectious disease that is popularly referred to as COVID-19 (Fidow, 2020; Ohia, Bakarey, & Ahmad, 2020).

Covid-19 is a severe acute respiratory syndrome that has the capability to transmit between the animals and humans (Fabeil, Pazim & Langgat, 2020). The virus was first discovered in Wuhan, China which was spread globally. The virus can infect human beings and animals which causes different types of respiratory sickness. The sign of the infection are running nose, sneezing, cough, fever, sore throat, breathing disorder, etc (Korankye, 2020; Ohia, Bakarey & Ahmad, 2020; Mogaji, 2020).

COVID-19 disease is highly infectious (Aderemi et al., 2020). Many people that were infected with the coronavirus experience respiratory disorder do not require any treatment to recover (Fabeil, Pazim & Langgat, 2020). Mostly, the elderly and those with medical problems such as cardiovascular disease, diabetes, chronic respiratory disease, and cancer are the ones at risk of developing severe sickness (Jugu & Obaka, 2020). The major avenues through which

individuals are contacted with the virus are from the droplets of saliva/discharge from the nose when an infected person coughs or sneezes (Korankye, 2020). Therefore, it becomes necessary for people to adopt measures such as lockdown, social distancing, quarantine, and also, observation of simple hygiene which include; washing hands regularly, wearing facemasks, coughing into the flexed elbow, etc (Abideen, 2020).

While the emergence of COVID-19 pandemic has sent shockwaves to everyone, a new phase of the pandemic is currently been witnessed and it is called post COVID-19. Post COVID-19 is the era after the novel coronavirus epidemic has passed. This evolutionary phase concerns the period emerging after the COVID-19 crisis, which leads the global socio-economic system and the various actors at all levels (macro-micro) respectively, to irreversible transformations, laying the ground for the appearance of an entirely new form of globalization (Lutfi et al., 2020). Thus in simple terms, post COVID-19 is a transitional period when the global and national economy will return to normal and full-scale business operations after the devastating disruption of workplace and businesses by the COVID-19 pandemic.

Thinking beyond this current coronavirus is necessary to develop systems that can provide effective response for the full spectrum of future pandemic threats. We are living through a period that can only be described as the greatest act of solidarity in history, as people give up civic freedoms to save lives. And while we all agree that managing the health crisis is the overwhelming priority, the social and economic consequences are and will be dramatic in an already troubled world. However, it is difficult to imagine that the bad experiences of the

pandemic will be forgotten quickly or disappear entirely over time. The human losses alone will remain strong reminders of the implications of change at the level of society and individuals. The new start after the removal of lockdowns will certainly offer opportunities and carry risks for all including SMEs.

Concept of Small and Medium Scale Enterprises (SMEs)

Small and Medium scale enterprises (SMEs) are the most common form of business enterprise found throughout the world (Rathore & Khanna, 2020). In general, there are a number of common characteristics of SMEs, which include the following; they are independent entities, and not part of a larger corporation; are typically founded and managed by the owners, who also bear most (or all) of the risk involved in the venture; they have a comparatively small number of employees (if any); usually only produce or sell a limited range of goods and services; have limited market shares and a small customer base; and have limited access to support resources such as finance, external advisers, government assistance and the like (Harapan et al., 2020).

Although, according to World Bank, SMEs are businesses with a maximum of 300 employees. In Nigeria, SMEs are regarded as businesses with less than 50 employees and capital which includes; the cost of machinery and equipment less or equal to ₦600,000 which is owned independently with the hope of generating profit and meeting sales standard (CBN, 2018). Statistics from the National Bureau of Statistics indicated that the number of SMEs in Nigeria was estimated to be 41.1 million (ILO, 2017). The distinctive nature of SMEs was a result of the

use of local raw-materials, employment generation, promotion of rural development, nurture entrepreneurial activities, mobilization of savings locally, and opportunity for self-employment (Aderemi et al, 2020).

SMEs are undeniably critical to the growth and development of the global economy. The SMEs subsector becomes a good source of job creation, aid in the development of local technology and source of development to indigenous entrepreneurs (Ozili, 2020; Mogaji, 2020), and enormously contributed to nation-building (Aderemi et al, 2020). The SMEs sector contributed more than 90% of all economic activities and more than 50% of all employment opportunities globally and also, accounted for more than 40% of GDP in developing nations like Nigeria (Garba, 2020). SMEs sub-sector in Nigeria, as obtains in other parts of the globe, performs a key role in the economic development of the country. They accounted for 90% of all businesses in Nigeria (Cravenet et al., 2020).

Activities of SMEs during COVID-19 and Post COVID-19 Pandemic

With the outbreak of COVID-19 pandemic, national governments began implementing strict measures to save lives, such as prohibiting live events, asking citizens to stay indoors, and shutting down businesses, all of which slowed the Covid-19 spread and prevented the overload of national healthcare systems. However, these measures also threatened the survival of many SMEs in all sectors on a global scale, which in turn could have potentially devastating individual, societal, and economic outcomes. Although these strict measures have largely curbed the spread

of the pandemic, many SMEs may have been affected (Abideen, 2020). The ultimate impact of COVID-19 on the SME subsector is not totally ascertainable as post pandemic continues, with constant changes in circumstances, including the rate of infection and patient recovery, and of policy responses. The International Labour Organization (ILO, 2021) predicts that about 5 million to 25 million jobs will be eradicated, and about $860 billion to $3.4 trillion will be lost in labour income due to COVID-19 pandemic.

The global economy is predicted to record economic losses through three outlets: supply chain, demand, and the financial market (Fernandes, 2020). These outlets hurt businesses, household consumption, and international trade. However, many analysts have predicted a decrease in aggregate demand and supply as well as a declining in exports (Harapan et al., 2020; Rathore & Khanna, 2020). Around the world, many SMEs have already ceased doing business, and many more are either on the point of closure or remain highly vulnerable (Lutfi et al., 2020). Surviving SMEs will also have to deal with a changed business landscape in future, with many old patterns of sales, distribution and consumption having been substantially and permanently altered. These changes pose challenges for the owner-managers of SMEs and these problems are particularly acute in less-developed countries like Nigeria. The overall impact of COVID-19 on the SME sector is somewhat difficult to assess, as it fluctuates based on the rate of infection and patient recovery, the current movement restrictions put in place in various regions, and of policy responses in different countries.

Just like the era of COVID-19 pandemic, the post COVID-19 pandemic is also likely going to impact SMEs and the generality of the society in ways that cannot be envisaged. Post COVID-19 has created immediate and significant changes to how SMEs do business. Since the start of post COVID-19 pandemic, SMEs around the world have been abruptly confronted with changed consumption patterns, demand, product distribution and consumer behaviour (Ozili, 2020). Many SMEs have lost access both to front-line customers, and their ability to source raw materials and inputs, as well as to export (Fabeil, Pazim & Langgat, 2020). Job losses elsewhere in the economy have also resulted in a drastic fall in the demand for products and services of SMEs. Many other businesses in supply chains have ceased operating (Mogaji, 2020). Uncertainty about the future course of the pandemic has led many individuals and SMEs to spend more cautiously, dampening further the demand for many of the goods and services produced or supplied by SMEs (Korankye, 2020).

While SMEs in the ICT sector in post COVID-19 are benefiting from skyrocketing demand; SMEs in other sectors of the economy are cash strapped and are thus seeking bailouts due to the impact of COVID-19. For instance, SMEs in the services sector involving face-to-face contact have been dealt a severe blow by the widespread fear of infection from these types of interactions. Also, SMEs in the medical and health sectors have been put under intense pressure caused by health care demands of the pandemic (Ohia, Bakarey & Ahmad, 2020). Therefore, as different areas of SMEs have been affected differently by the COVID-19 pandemic, it is necessary to explore how severely each of these areas vix-a-vix income of SMEs, demand of

products of SMEs, payment of salaries of workers of SMEs as well as the repayment of loans and rents have been affected by the global Covid-19 pandemic.

Effect of Post COVID-19 on the Income of SMEs

The term "income" generally refers to the amount of money, property, and other transfers of value received over a set period of time in exchange for services or products (Hamiza, 2020). Hence, according to Fernandes (2020) the income of SMEs refers to the monetary payment received by SMEs for goods or services or from other sources such as rents and investments. For most people, income means their total earnings in the form of wages and salaries, the return on their investments, pension distributions, and other receipts. For SMEs, income means the revenues from selling services, products, and any interest and dividends received with respect to their cash accounts and reserves related to the business.

During the COVID-19 pandemic, large companies generally find it easier to tap into different sources of income, including from the market. In contrast, SMEs are often very reliant on retained income and traditional bank debt. SMEs have less bargaining power to enforce attractive payment conditions, and generally have weaker supply chain income capabilities than their larger counterparts. A large scale survey among European SMEs by Cravenet et al. (2020) revealed that 51% of respondents reported that late payments squeezed their liquidity during the COVID-19 crisis, compared to 39% in 2019. The study further added that there was a noticeable increase in the percentage of SMEs that had to accept longer payment terms than they are

comfortable with (Hamiza, 2020). Lu, Peng, Wu and Lu (2021) study examined the impacts of COVID-19 on 3,194 SMEs from primary, manufacturing, wholesale and retail trade, hospitality (accommodation and catering), and new economy industries in Sichuan, China using an online survey and follow-up interviews. The study found that short-term revenue decline and an inability to resume work and production were common problems faced by all surveyed SMEs.

Established SMEs often struggle to adapt their business operations to the current post COVID-19 situation, compared to large corporations. For example, SMEs may lack the financial skills and vision to improve their cash flow situation as required by the COVID-19 crisis. Likewise, SMEs lag behind in terms of teleworking capabilities and the uptake of digital tools and technologies (Korankye, 2020). According to the study by Wheat, and Farrell (2017), 50% of SMEs have enough cash on hand to survive only 27 days, and if there is no cash flow income within that period, the business will close shop. SMEs such as; bar shops, restaurants, and hospitality industry are particularly vulnerable because they have to maintain high overhead costs like rent, fixtures, debt, taxes, service contracts, payrolls, and many more that add up to a budget, which is very tough to accumulate during and after the difficulty COVID-19 period (Harapan et al., 2020). When the government due to COVID-19, indefinitely shuts down a business, which has liquid cash to survive only 27 days, there is little chance that such a business will reopen again. Large and multinational companies have resources and reserves to cover those expenses during crises because they can take advantage from economies of scale to outperform SMEs, and earn resources to survive in a recession periods, due to the fact that they have access

to superior lending options both from local and outside of the country. This will enable them access to easier and cheaper cash to pay bills during quarantine and curfew times.

Effect of Post COVID-19 on the Demand of Products of SMEs

Demand is a principle of economics that captures a consumer's desire and willingness to purchase a particular goods or services at a given price. Hence, according to Ozili (2020) the demand of products of SMEs describes how much the customers of SMEs desire to purchase their products and services in a given period. Demand is determined by a number of factors, including the number of people seeking the product or service, how much they're willing to pay for it, and how much of the product is available to consumers, both from businesses and their competitors (Rathore & Khanna, 2020).

In the lead up to COVID-19 lockdown, reports showed that the demand for essential items rose exponentially (Korankye, 2020). Toilet paper, pasta, flour and milk, are just a few of the essential products that had a lower supply than what was in demand. So, as the supply decreased, the demand increased and SMEs that are into essential commodities were able to make a higher profit. This low supply ultimately creates a higher demand and the value of the products increases. This type of demand became all-too apparent during the Covid-19 outbreak. Consumers were unsure of when the lockdown restrictions would ease, and wanted to be prepared for any scenario. Garba (2020) and Fernandes (2020) reported that panick-buying of essential commodities were rampant at the start of imposition of COVID-19 lockdown.

SMEs that are into non-essential commodities were however not as fortunate as their counterparts that are into essential items (Lutfi et al., 2020). From the perspective of many consumers, non-essential items were now considered a luxury with a high value due to a change of income such as redundancy, temporary salary reduction, or unemployment. So, in conjunction with not knowing how long the outbreak will last, the principle shifted and both the supply and demand were decreased. Thus, SMEs that are into non-essential items were unable to make profit during the COVID-19 crisis, with many unable to stay afloat, causing a significant number of SMEs to fall into administration or permanent closure. For SMEs engaging in production activities, operations during COVID-19 lockdown became a problem because factory floors are not designed for social distancing (Lutfi et al., 2020). Hence, the movement of people to other places for the safety of life has resulted in the disappearance of workers of SMEs in the area of production and filling the gap created may be difficult for SMEs.

In post COVID-19, after the removal of COVID-19 restrictions by national governments, majority of SMEs started to show signs of liquidity problem due to the problem of cash reserves of SMEs. Thus, majority of SMEs were not able to meet the increased demand for their goods and services due to cash problems. SMEs are particularly vulnerable because of the shortage of US dollars for their transactions (Korankye, 2020). The liquidity problem from the SME subsector of the economy often results in liquidation in many other large businesses (Rathore & Khanna, 2020). Hence, the future of SMEs in the Nigerian economy is unclear but with the ease

of restrictions, SMEs may soon be able to begin reparations and build their enterprises back up to what it once was.

Effect of Post COVID-19 on the Payment of Salaries of Workers of SMEs

Salaries cover all compensation made to a worker for performing a job. According to ILO (2017) salaries includes not only base salary but any bonuses, commission payments, overtime pay, or other financial benefits that a worker receives from an employer. These are generally detailed in an employment contract. The amount of salary payment to a worker may depend on many factors, including: the employee's value to the firm, the job type, the firm's business model and the general state of the economy and as well as many others (Mogaji, 2020).

SMEs together with their employees are an integral part of social and economic systems of day-to-day life globally. This important role played by SMEs now is facing threats from unmatched effects of COVID-19 outbreak. In just a few months of the COVID-19 outbreak, the pandemic has changed the ways almost all businesses operate in unprecedented approach. The outbreak has delivered an indiscriminate blow to all SMEs from Airlines to retail outlets, and SMEs have been forced to change how they work amid a series of closures ordered by the government to contain the tide of the coronavirus. The managers and owners of SMEs are under the threat of business bankruptcy as a result of the recession experienced globally brought about by the outbreak of COVID-19 (Hamiza, 2020). As the government embarked on strict measures to comprehend and contain the spread of the COVID-19 pandemic, the economists had warned

that the ever-important SME subsector of the economy will collapse in large numbers (Cravenet et al., 2020). Cravenet et al. (2020) further revealed that the economic stagnation of SMEs brought about by COVID-19 will not only lead to their failures in paying the salaries of workers, but will also destroy the down-stream jobs that depend on them.

Currently, some business owners have already begun closing, while others are reaching out their personal pockets and burning their savings in order to survive. Many SMEs in Lagos and major cities in Nigeria started reporting the process of mass lay-offs, and closing of businesses is ongoing. Majority of sampled SMEs in Aderemi et al. (2020) study are currently operating at half capacity. The study by Aderemi et al. (2020) further revealed that the overhead cost like rent and payroll are fixed, which leave very little liquid cash to SME owners. Aladejebi (2020) examined the impact and survival strategies for SMEs in Nigeria during the ongoing COVID-19 crises. The study found that one of the effects of COVID-19 pandemic was a decline in SMEs' revenues which has led to the reduction in the payment of workers' salaries. Yet, the government so far has not done enough for the affected SMEs so that they can bounce back to pre-pandemic operational levels.

In pandemic and post pandemic conditions, maintaining payment of workers' salaries and cost of preventing business collapse are vital, which the government should be doing. Supporting businesses to maintain their employees is critical. Therefore, assistance in form of grants for the payment of workers' salaries and wages can help to cushion the effect of COVID-19 on the payment of salaries of workers of SMEs as well as organization downsizing. If the government

doesn't take major steps to rescue SMEs, the economy should expect a wave of permanent business closures and loss of jobs, thus causing insecurity and economic downturn (Lu, Peng, Wu & Lu, 2021). Visualize a bar or restaurant with salaries and wages to pay as well as overhead of rent and matured debt, yet the government without any support to the SMEs reduced (or closed) its operation time due to COVID-19 restrictions. The business will live day by day for some time before finally closing down completely because of its inability to meet its financial obligations to staff and other stakeholders.

Effect of Post COVID-19 on the Repayment of Loans and Rents

A loan is the sum of money that SMEs borrow from banks or other financial institutions so as to financially manage planned or unplanned business events (Abideen, 2020). In doing so, SMEs incurs a debt, which has to be paid back with interest and within a given period of time. In some cases, the lender (the banks or other financial institutions) requires SMEs (the borrower) to offer an asset up for collateral, which will be outlined in the loan document (ILO, 2017). On the other hand, rents are stated returns or series of payments for the temporary possession or use of a house, land, or other property, made usually at fixed intervals by SMEs (the tenant or user) to the owner of such properties. Thus, SMEs pay money to the owners of their properties in the form of rents for the use of such properties in their business operations.

In the wake of COVID-19 outbreak, economists had projected that there will be huge inevitable economic cost with a sharp increase in the default of loan and rent repayments. As

national governments introduced lockdown measures, SMEs suffered a crisis with serious capital needs which was accompanied with high levels of public and private debt (Mogaji, 2020). Fernandes (2020) study found that few weeks into the COVID-19 crises, more than 70% of SMEs planned to seek funding from Coronavirus Aid, Relief, and Economic Security (CARES) so as to repay their matured loans and fees due to rents. Antonescu (2020) study found that six out of every ten SMEs are in the red zone of failing to repay their loans and rents, with more expenditure than income from the operations of their businesses.

On their part, Turner and Akinremi (2020) studied the impact of COVID-19 on Chinese SMEs. The result of the study revealed that 30% of the sampled SMEs reported cash shortage due to the pandemic outbreak and would not be able to repay their incurred debts. Aladejebi (2020) examined the impact and survival strategies for SMEs in Nigeria during the ongoing COVID-19 crises. The study found that the one of effects of COVID-19 pandemic was a decline in revenue which has led to the inability of SMEs to repay loans and rent. The study further recommended that the government should lower interest rates, relax loan, and tax repayments. Meanwhile a study carried out by Lakuma et al. (2020) who studied how COVID-19 impacted SMEs in Uganda revealed that about 65% of the SMEs stated that the pandemic affected their loan repayment ability.

Fidow (2020) study investigate empirically the effect of pandemic outbreaks on loan repayment of small enterprises in Eastleigh business community, with particular focus for those who used borrowed fund in starting and operating their businesses. The results of the study

indicated statistically significant negative relationship between pandemic outbreak and loan repayment ability of SMEs in Easteigh, r(-0.54), with p value of 0.008. Jugu and Obaka (2020) study examined the effect of the COVID-19 pandemic lockdown on retail businesses in Nigeria with focus on SMEs. The results of the study revealed that majority (74%) of SMEs borrowed from friends and families as well as obtained loans from banks and creditors in order to continue in their line of business despite the pandemic. Supporting SMEs to maintain their business activities is therefore critical. Thus for a microeconomic unit such as the SMEs, micro-credit incentives are required through micro-financial institutions with the determining goals of loan and rent repayments.

Summary of Reviewed Literature

This chapter reviewed a theoretical framework that was hinged on the system theory and the social ecological theory. The system theory was made on the assumption that "the whole is more than the sum of its parts". The relevancy of this theory to this study is that SMEs can use many plans (i.e. loosen or tighten) in responding to the COVID-19 crisis. The supporting theory of social-ecological theory offers an understanding of behavioral reactions from a person, interpersonal, organizational, community, and public policy, concerning the formation of behavior within the nearby social environment. The theory assists in the recognition of issues affecting SMEs' behavior and also offers direction for SMEs in developing successful programs through social environments.

The concept ‘COVID-19’ was seen as an infectious disease caused by coronavirus which originated from Wuhan district of China. Whereas the concept of SME was seen as businesses with less than 50 employees and capital base of equal to or less than one million naira. SMEs are undeniably critical to the growth and development of the global economy. But with the outbreak of COVID-19 pandemic, national governments implemented strict measures to save lives. However, these measures also threatened the survival of many SMEs in all sectors on a global scale. This chapter of the study reviewed how different areas of SMEs have been affected by the COVID-19 pandemic such as the income of SMEs, demand of products of SMEs, payment of salaries of workers of SMEs as well as the repayment of loans and rents.

CHAPTER THREE

METHODOLOGY

This chapter described the research method used in this study, and was discussed under the following sub-headings:

- Research Design
- Population of the Study
- Sample and Sampling Technique
- Instrumentation
- Validity of the Instrument
- Reliability of the Instrument
- Method of Data Collection
- Method of Data Analysis

Research Design

The descriptive survey research design was used as design for the study. Descriptive survey research uses surveys to gather data about varying subjects. This kind of design aims to know the extent to which different conditions can be obtained among specific subjects. Hence, the reason for choosing this design was that this study centers on the opinions and perceptions of SME owners and managers as regards the effect of post COVID-19 on their income, demand of products, payment of salaries of workers as well as the repayment of loans and rents.

Population of the Study

The population of the study comprised of 2250 registered SMEs in Ovia North-East Local Government Area of Edo State. This is made up of owners and managers of SMEs that operates within Ovia North-East Local Government Area of Edo State (Edo Digest, 2021).

Sample and Sampling Technique

The sample size of the study comprised of 50 registered SME owners and managers in Ovia North-East Local Government Area of Edo State. Purposive sampling technique was used to sample the selected 50 registered SMEs. Based on criteria, the sampled SMEs must have started business operation at least three years before the outbreak of COVID-19 pandemic and are still operational as at the time of the study.

Instrumentation

The instrument that was used for data collection was a questionnaire titled "Perceived Effect of COVID-19 on small and Medium Scale Questionnaire (PECOVIDSMEQ). The instrument was segmented in two sections; section A and B. Section A was used to collect demographic data on the SMEs in terms of Business sector, Business existence (in years), business residence, capital base of business, staff strength and gender. Section B of the data instrument comprised of questions that relates to the effect of COVID-19 on the SMEs' income, demand of products, payment of salaries of workers as well as the repayment of loans and rents. There are a total of 24 items in the research instrument. The research instrument was structured

into multiple-choice questions in the section A part of the instrument while section B was structured using the four-point rating scale of Very High Extent (VHE) = 4; High Extent (HE) = 3; Low Extent (LE) = 2; and Very Low Extent (VLE) = 1.

Validity of the Instrument

The data instrument was subjected to face validity by the researcher's supervisor and one other expert in the Department of Vocational and Technical Education, University of Benin, Benin City. Necessary corrections were made by the researcher in the final copy of the instrument.

Reliability of the Instrument

To establish the reliability of the instrument that was used for the study. The internal consistency method was employed by using the Cronbach alpha formula. The instrument was administered to 23 SME owners and managers who were not part of the study population. The responses of the responses were analysed and a coefficient of 0.98 was obtained which showed that the instrument was reliable.

Methods of Data Collection

Primary data was relied upon to source for data in the study and as such SME owners and managers was consented and given the questionnaires to complete. This was done through face to face method of administering questionnaire and ended once the required sample size was

achieved. Two (2) research assistants briefed on the ethics of questionnaire administration assisted the researcher in the data gathering process. The respondents were not forced to participate in the study and their views and interest were handled with utmost confidentiality. The distribution of the research instruments to respondents took place in two weeks and filled questionnaires were retrieved immediately. The filled questionnaires were later coded into the spread sheet of SPSS data analytical software.

Method of Data Analysis

The data collected were analysed using mean, standard deviation and two sample independent t-test statistics. The mean and standard deviation were used to answer the research questions while two sample independent t-test statistics was used to test the hypotheses at 0.05 level of significance. The decision rule for the research questions was based on any calculated mean equal or greater than 2.50 and was regarded high extent while any calculated mean less than 2.5 was regarded as low extent. On the basis of the hypotheses, the probability value (P) was used. Where p-value is less than or equal to 0.05, the null hypotheses were not retained but where p-value is greater than 0.05, the null hypotheses were retained.

CHAPTER FOUR

PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

This chapter deals with presentation of results and discussion of findings. The results of the analysis are presented in the order of the research questions and hypothesis that guided the study. The research questions and hypotheses were answered under the following sub-headings:

- Answers to the Research Questions
- Data Analysis for Testing the Hypothesis
- Discussion of Findings

Answers to the Research Questions

Data collected to answer the research question was answered using mean and standard deviation. The result was shown in Table 1-4.

Research Question 1

To what extent does effect of post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State?

Table 1: Mean and standard deviation showing the effect of post COVID-19 on the income of SMEs

S/N	Item	N	Mean	SD	Remarks
1	My business income was affected by COVID-19 outbreak	50	3.68	.683	High Extent
2	Even after ease of COVID-19 lockdown, the income of my business is yet to fully pick up	50	3.52	.735	High Extent
3	Since the outbreak of COVID-19, sales revenue of my business has dropped	50	3.50	.789	High Extent
4	Customers of my business are no longer patronizing my business as they used to before the outbreak of COVID-19	50	3.42	.950	High Extent
5	SMEs operating in post COVID-19 are cash-strapped due to shortage of flow of income	50	3.42	.906	Low Extent
	Cluster		**3.51**	**0.81**	**High Extent**

Note: SD (Standard Deviation), N (Sample Size)

In response to research question one, Table 1 showed that the respondents rated item one to five as high extent with a mean rating ranging from 3.42 to 3.68 while the standard deviation also ranges from .683 to .950. The aggregate mean showed a mean of 3.51. With these results, the above mean score shows that post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State to a high extent.

Research Question 2

To what extent does effect of post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State?

Table 2: Mean and standard deviation showing the effect of post COVID-19 on the demand of products of SMEs

S/N	Item	N	Mean	SD	Remarks
1	The demand for the products and services of my business has dropped due to COVID-19 outbreak	50	3.44	.837	High Extent
2	Many of my customers have stopped to patronize my business since the outbreak of COIVID-19	50	3.46	.862	High Extent
3	Customers' expectations towards goods and services have suddenly changed due to COVID-19	50	3.36	.964	High Extent
4	The demand level of our products and services before COVID-19 outbreak is quite higher than that in post COVID-19	50	3.46	.838	Low Extent
5	The demand for the products and services of my business have been affected by COVID-19	50	3.56	.733	High Extent
	Cluster		**3.46**	**0.08**	**High Extent**

Note: SD (Standard Deviation), N (Sample Size)

The data analysis presented in Table 2 depicted that the respondents' rated item one to five as high extent with a mean rating ranging from 3.36 to 3.56 while the standard deviation also ranges from .733 to .964. The cluster mean depicted a mean of 3.46. With these results, the above mean score shows that post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State to a high extent.

Research Question 3

To what extent does effect of post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State?

Table 3: Mean and standard deviation showing the effect of post COVID-19 on the payment of salaries of workers of SMEs

S/N	Item	N	Mean	SD	Remarks
1	The salary of workers has been owed since the outbreak of COVID-19	50	3.51	.739	High Extent
2	Workers of my business do not get their salaries as usual before the outbreak of COVID-19	50	3.46	.838	High Extent
3	Since the outbreak of COVID-19, my business is having difficulties in paying their workers' salaries	50	3.38	.830	High Extent
4	Workers of my business do no longer receive their full salary due to COVID-19	50	3.24	.916	High Extent
5	Workers of my business are currently lamenting their inability to get paid as at when due	50	3.46	.862	High Extent
	Cluster		**3.41**	**0.06**	**High Extent**

Note: SD (Standard Deviation), N (Sample Size)

Research question three depicted that the respondents rated item one to five as high extent with a mean rating ranging from 3.23 to 3.51. The standard deviation also ranges from .739 to .916. The aggregate mean indicated a mean of 3.41. With these results, the above mean score shows that post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State to a high extent.

Research Question 4

To what extent does effect of post COVID-19 affect the repayment of loan and rents of SMEs in Ovia North-East L.G.A of Edo State?

Table 4: Mean and standard deviation showing the effect of post COVID-19 on the repayment of loan and rents of SMEs

S/N	Item	N	Mean	SD	Remarks
1	Businesses are having tough times repaying their loans after the COVID-19	50	3.50	.647	High Extent
2	COVID-19 outbreak has made businesses to find it difficult to pay their rents	50	3.56	.760	High Extent
3	COVID-19 outbreak has affected the repayment of loan and rents	50	3.52	.646	High Extent
4	Businesses have been servicing huge debts that they accrued during the period of lockdown	50	3.44	.760	High Extent
5	Since the outbreak of COVID-19, businesses can no longer meet their financial obligations	50	3.60	.639	High Extent
	Cluster		**3.52**	**0.06**	**High Extent**

Note: SD (Standard Deviation), N (Sample Size)

In response to research four, Table 4 showed that the respondents rated item one to five as high extent with a mean rating ranging from 3.44 to 3.60 while the standard deviation also ranges from .639 to .760. The cluster mean showed a mean of 3.52. With these results, the above mean score shows that post COVID-19 affect the repayment of loan and rents of SMEs in Ovia North-East L.G.A of Edo State to a high extent.

Data Analysis for Testing the Hypothesis

The data analysis for testing the hypothesis was carried out using two sample independent t-test. The result of the hypothesis is presented in Table 6.

Hypothesis 1

There is no significant difference between the male and female entrepreneurs perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State.

Table 5: The t-test analysis showing difference between the male and female entrepreneurs perceived effect of covid-19 on SME

Respondents	N	Mean	SD	Df	t-value	p-value	Decision
Male	33	3.70	.433				
				48	4.105	.000	Significant
Female	17	3.03	.718				

P-Value Significant at 0.05 level (2-tailed) (Reject Hypothesis) SD: Standard deviation DF: Degree of freedom

The test of the hypothesis, as presented in Table 5 reveals mean responses of the significant difference between the male and female entrepreneurs perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State. Male had a mean of 3.70 and female 3.03 while their corresponding standard deviations are .433 and .718. The t-value of 4.105, at degree of freedom of 48, which shows it was significant at p-value of .000. Testing at an alpha value of .05, the null hypothesis was rejected since the p-value is less than alpha value. Thus, there is a significant difference between the male and female entrepreneurs perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State.

Discussion of Findings

The findings of research question one revealed that post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State to a high extent. This finding corroborate with that of Lu, Peng, Wu and Lu (2021) study which found that short-term revenue decline and an inability to resume work and production were common problems faced by all surveyed SMEs during the post COVID-19 pandemic. The reason for SMEs' income decline during the post COVID-19 pandemic was stated by Wheat and Farrell (2021) study which found that majority of SMEs have enough cash on hand to survive only 27 days, and if there is no cash flow income within that period, the business will close shop. Hence, with the liquidity squeeze during the COVID-19 lockdown, it is expected that there will be noticeable effect on the income of SMEs during post COVID-19 pandemic.

Research question two findings indicated that post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State to a high extent. This finding is in line with that of Garba (2020) and Fernandes (2020) study whose study reported that panic-buying of essential commodities was rampant at the start of imposition of COVID-19 lockdown. However, Lutfi et al. (2020) study reported that SMEs that are into non-essential commodities were however not as fortunate as their counterparts that are into essential items, with such SMEs not able to make profit during the COVID-19 crisis, thereby causing a significant number of SMEs to fall into administration or permanent closure.

The data output of research question three showed that post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State to a high extent. This finding support that of Aladejebi (2020) study which found that one of the effects of COVID-19 pandemic is the reduction in the payment of workers' salaries. The reason for this is attributed to SMEs operating at half capacity as posited by Aderemi et al. (2020) study. Similarly, Cravenet et al. (2020) study revealed that the economic stagnation of SMEs brought about by COVID-19 has led to their failures in paying the salaries of workers, and may likely destroy the down-stream jobs that depend on them.

The findings of research questions four depicted that post COVID-19 affect the repayment of loan and rents of SMEs in Ovia North-East L.G.A of Edo State to a high extent. This finding is in agreement with that Turner and Akinremi (2020) study which revealed that majority of SMEs reported cash shortage due to the pandemic outbreak and would not be able to repay their incurred debts. Similarly, Antonescu (2020) study found that six out of every ten SMEs are in the red zone of failing to repay their loans and rents, with more expenditure than income from the operations of their businesses.

The findings of hypothesis one revealed that there is a significant difference between the male and female entrepreneurs perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State. This finding is in consonance with that of Fidow (2020) study which reported a significant difference of perceived effect of covid-19 on SMEs among male and female managers/owners of SMEs.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter focuses on summary, conclusion and recommendations

Summary

This study investigated the perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State. Four research questions were raised to guide the study and one hypothesis was formulated and tested at 0.05 level of significance. The study employed a descriptive survey research design. The population of the study comprised of 2250 registered SMEs in Ovia North-East Local Government Area of Edo State. The sample size of the study comprised of 50 registered SME owners and managers in Ovia North-East Local Government Area of Edo State. Purposive sampling technique was used to sample the selected 50 registered SMEs.

The instrument that was used for data collection was a questionnaire titled "Perceived Effect of COVID-19 on small and Medium Scale Questionnaire (PECOVIDSMEQ)". The data instrument was subjected to face validity by the researcher's supervisor and one other expert in the Department of Vocational and Technical Education, University of Benin, Benin City. To establish the reliability of the instrument that was used for the study. The internal consistency method was employed by using the Cronbach alpha formula. The instrument was administered to 23 SME owners and managers who were not part of the study population. The responses of the responses were analysed and a coefficient of 0.98 was obtained. The data collected were analyzed using mean (x), standard deviation (SD), and two sample independent t-test using

Statistical Packages for the Social Science (SPSS). The findings generally showed that covid-19 essentially affect SME in Ovia North-East LGA of Edo State. The major findings of the study were as follows:

1. Post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State to a high extent.
2. Post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State to a high extent.
3. Post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State to a high extent.
4. Post COVID-19 affect the repayment of loan and rents of SMEs in Ovia North-East L.G.A of Edo State to a high extent.
5. There is a significant difference between the male and female entrepreneurs perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State.

Conclusion

Based on the findings of the study, it was concluded that covid-19 principally affect Small and Medium Scale businesses. Hence, the income of SMEs, the demand of products of SMEs, the payment of salaries of workers of SMEs as well as the repayment of loan and rents of SMEs were all affected by Covid-19 pandemic. The results of this study thus reflect the impact of the pandemic on SMEs mainly in Ovia North-East LGA of Edo State.

Recommendations

The following recommendations were made:

1. Since it was established that the income of SMEs were affected by COVID-19, Government at all levels should provide adequate stimulus to SMEs through cash disbursements to cover for the shortfall in income.
2. Managers of SMEs whose products' demand have been affected by Post COVID-19 should explore better ways of reaching their customers so as to increase the demand of their products. This can be done by using various advertisement channels that are available at their disposal.
3. SME's whose workers' salaries payment have been affected should seek intervention support from the government so as to cover the shortfall in their payroll brought about by post COVID-19. Also the government should as a matter of urgency partially or wholly remove the payroll cost from SMEs for a specified period of time so as to avoid the shedding of SMEs' workforce during this post COVID-19 era.
4. SME owners and managers who cannot repayment their loan and rents should seek financial support from government. Government can also help by compelling lenders to of loans and owners of rents to SMEs to extend the maturation date of loan and rent repayment.
5. The perceived effect of COVID-19 on SMEs among male and female entrepreneurs should be positively enhanced through the use of appropriate enlightenment campaigns

and sensitizations so that entrepreneurs can have positive perception towards the effects of COVID-19 on their business and work hard to alleviate such effects from their businesses.

Suggestions for Further Studies

This study investigated the perceived effect of covid-19 on SME in Ovia North-East LGA of Edo State. The following suggestions for further research were outlined:

1. Factors affecting small and medium scale enterprise in post COVID-19 era in Benin city metropolis.
2. The relationship between motivation of teachers and job satisfaction in junior and senior secondary schools in Edo State and in other states of the federation.
3. The relationship between the job performance and the productivity of teachers in senior secondary school in Edo State.
4. The influence of supervision and job performance of senior secondary school teacher in Oredo Local Government Area of Edo State.

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APPENDIX A

Department of Vocational and
Technical Education,
Faculty of Education,
University of Benin,
Benin City.

Dear Respondent,

LETTER OF INTRODUCTION

I am an undergraduate Student of the above named institution. I am conducting a research on the "Perceived Effect of COVID-19 on small and Medium Scale Questionnaire (PECOVIDSMEQ)". The attached structured questionnaire is designed to elicit the necessary information for the study; you are therefore please, requested to give your candid and honest responses by marking the appropriate box attached to each question below. The information supplied will be treated strictly with highest confidence and anonymity and used only for the purpose of this study.

Thanks for your anticipated co-operation.

Esther Oghene ODIRI
EDU1703766
Researcher

APPENDIX B

QUESTIONNAIRE ON PERCEIVED EFFECT OF POST COVID-19 ON SME'S IN OVIA NORTH-EAST L.G.A OF EDO STATE

DEPARTMENT OF VOCATIONAL AND TECHNICAL EDUCATION,
FACULTY OF EDUCATION,
UNIVERSITY OF BENIN,
BENIN CITY

SECTION A: DEMOGRAPHIC DATA

1. Business Sector: _____
2. Business Existence (in years): _____
3. Business Residence: Urban [ ]; Rural [ ]
4. Capital Base of Business:Less than 100,000 naira [ ]; 100,000-500,000 naira [ ];
   500,000-999,999 naira [ ] 1,000,000 naira & above
5. Staff Strength: 1-2 staff [ ]; 3-5 staff [ ]; 5-10 staff [ ]; Above 10 staff [ ]
6. Gender: Male [ ]; Female [ ]

SECTION B

Please indicate the extent at which each of the following factors affected your business operations during and after the outbreak of COVID-19 pandemic. Please tick [√] appropriately.

KEY: Very High Extent = VHE; High Extent = HE; Low Extent = LE; Very Low Extent = VLE

	ITEMS				
RQ1	**To what extent does effect of post COVID-19 affect the income of SMEs in Ovia North-East L.G.A of Edo State?**	**VHE**	**HE**	**LE**	**VLE**
1	My business income was affected by COVID-19 outbreak				
2	Even after ease of COVID-19 lockdown, the income of my business is yet to fully pick up				
3	Since the outbreak of COVID-19, sales revenue of my business has dropped				

4	Customers of my business are no longer patronizing my business as they used to before the outbreak of COVID-19				
5	SMEs operating in post COVID-19 are cash-strapped due to shortage of flow of income				
RQ2	**To what extent does effect of post COVID-19 affect the demand of products of SMEs in Ovia North-East L.G.A of Edo State?**	**VHE**	**HE**	**LE**	**VLE**
6	The demand for the products and services of my business has dropped due to COVID-19 outbreak				
7	Many of my customers have stopped to patronize my business since the outbreak of COIVID-19				
8	Customers' expectations towards goods and services have suddenly changed due to COVID-19				
9	The demand level of our products and services before COVID-19 outbreak is quite higher than that in post COVID-19				
10	The demand for the products and services of my business have been affected by COVID-19				
RQ3	**To what extent does effect of post COVID-19 affect the payment of salaries of workers of SMEs in Ovia North-East L.G.A of Edo State?**	**VHE**	**HE**	**LE**	**VLE**
11	The salary of workers has been owed since the outbreak of COVID-19				
12	Workers of my business do not get their salaries as usual before the outbreak of COVID-19				
13	Since the outbreak of COVID-19, my business is having difficulties in paying their workers' salaries				
14	Workers of my business do no longer receive their full salary due to COVID-19				
15	Workers of my business are currently lamenting their inability to get paid as at when due				
RQ4	**To what extent does effect of post COVID-19 affect the repayment of loan and rents of SMEs in Ovia North-East L.G.A of Edo State?**	**VHE**	**HE**	**LE**	**VLE**

16	Businesses are having tough times repaying their loans after the COVID-19				
17	COVID-19 outbreak has made businesses to find it difficult to pay their rents				
18	COVID-19 outbreak has affected the repayment of loan and rents				
19	Businesses have been servicing huge debts that they accrued during the period of lockdown				
20	Since the outbreak of COVID-19, businesses can no longer meet their financial obligations				

APPENDIX C

OUTPUT OF RELIABILITY OF THE STUDY

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded[a]	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.981	20

APPENDIX D

OUTPUT OF RESEARCH QUESTIONS

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q1	50	1	4	3.68	.683
Q2	50	1	4	3.52	.735
Q3	50	2	4	3.50	.789
Q4	50	1	4	3.42	.950
Q5	50	1	4	3.42	.906
Valid N (listwise)	50				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q6	50	1	4	3.44	.837
Q7	50	1	4	3.46	.862
Q8	50	1	4	3.36	.964
Q9	50	1	4	3.46	.838
Q10	50	1	4	3.56	.733
Valid N (listwise)	50				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q11	49	2	4	3.51	.739
Q12	50	1	4	3.46	.838
Q13	50	1	4	3.38	.830
Q14	50	1	4	3.24	.916
Q15	50	1	4	3.46	.862
Valid N (listwise)	49				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Q16	50	1	4	3.50	.647
Q17	50	1	4	3.56	.760
Q18	50	2	4	3.52	.646
Q19	50	1	4	3.44	.760
Q20	50	2	4	3.60	.639
Valid N (listwise)	50				

APPENDIX E

OUTPUT OF HYPOTHESIS

Group Statistics

	GENDER	N	Mean	Std. Deviation	Std. Error Mean
Effect of SME	1	33	3.70	.433	.075
	2	17	3.03	.718	.174

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Effect of SME	Equal variances assumed	7.144	.010	4.105	48	.000	.668	.163	.341	.995
	Equal variances not assumed			3.520	22.185	.002	.668	.190	.274	1.061