

Effect of Business Environment on the Performance of Small and Medium Scale Enterprises during Covid-19 Era (A Study of Selected SMES in Lagos State)

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Abstract

The study examined effect of business environment on the performance of small and medium scale enterprises (Smes) during covid-19 Era. Indeed, survey research design was adopted and questionnaire was used as research instrument. The population of study constitutes the small and medium scale entrepreneurs in Ike/a, Surulere, Ikorodu, Oshodi and Lagos Island and the total population of respondents according to SMEDAN (2019) is 11,663. Thus, Krejcie and Morgan sample size determination technique was used to select three hundred and seventy (370) sample size. Indeed, questionnaires were administered to the 370 sample size while three hundred and forty four (344) were fully completed and returned. Simple random sampling technique was adopted and simple percentage was used to analyze the responses of the questionnaire while regression statistics was adopted to test the hypotheses formulated. However, it was found that there is significant relationship between economic environment and performance of Small and Medium Scale Enterprises (SMEs) In Lagos state, Nigeria, there is significant relationship between political environment, social environment and technological environments on the performance of Small and Medium Scale Enterprises (SMEs) In Lagos state, Nigeria. It is therefore recommended that there should be a shift to promote SME development by creating an enabling policy environment, which fosters SME competitiveness and reduces the transaction costs for smaller companies. It is important to pay attention to the fact that the removal of regulatory and administrative barriers is expected to encourage enterprises operating in the informal economy to formalize their structures, which is a pre-condition for expanding their operations.

Keywords: effect of covid-19 on small and medium enterprises