Moving against the tide of Untimely Demise: Determining Constraints to Sustainability of Small-Scale Wood Workshops in Enugu State, Nigeria

Mohammed Adamu Auta
Department of Industrial Technology Education
Nnamdi Azikiwe University, Awka-Nigeria
ma.auta@unizik.edu.ng
&
Stella Chinyere Amobi
Department of Business Education
Nnamdi Azikiwe University, Awka-Nigeria
sc.amobi@unizik.edu.ng
&
Solomon Chijioke Nneji
Department of Industrial Technology Education
Nnamdi Azikiwe University, Awka-Nigeria
&
Ngozi Loretta Nwosu
Department of Business Education
Nnamdi Azikiwe University, Awka-Nigeria
Ngoziloretta6@gmail.com

Abstract
In recent times, several small-scale wood workshops in Enugu State, Nigeria, that have existed for decades have been going underground. What may likely be the cause? This study, therefore, determined constraints to the sustainability of small-scale wood workshops in Enugu State. A descriptive survey design was adopted. The population comprised of 133 Small Scale Wood Workshops engaged in commercial and production in Enugu State. Four research questions guided the study. The instrument for data collection was a structured questionnaire. The data collected were analyzed using mean rating. The findings of the study revealed high-level agreement among small-scale wood workshop owners in Enugu State on the four major constraints to the sustainability of the success of their business; they include funding, technical know-how, resource management and environmental constraints. The implication is that the sustainability of Small-Scale Wood enterprises, especially in Enugu State, can be enhanced through improved funding, effective technical know-how, efficient resource management and a conducive business environment.

Keywords: *Constraints, Wood, workshop, Small-scale, Sustainability*

Introduction

A Wood workshop is said to be an establishment where wooden material resources and other fittings are utilized for the production of tangible wooden articles for man use. The ownership and operations of a typical wood workshop can be by individuals, group of people or association, and government with the aim of maximizing profits. The magnitude of these workshops ranges from small scale through medium to large scale firms. In Nigeria, small scale wood workshop is one of the most common forms of businesses (Calistus, 2016) and has played a great role in the development of the economy (Gideon, 2016). They are defined by the National

Council of Industries as those small business whose total costs excluding land, is not more than two hundred million naira (200,000,000) only (Wood Magazine, 2020).

Sarah (2017) defined small scale wood workshop as one with relatively small store of its market, its owners or part owners manage it on a personalized way. It is independent in that; it does not form part of a large enterprise nor its members subject to outside control when taking major decision. Iheme (2014) stated that setting up is the process of creating a new thing, idea, business. The researcher views setting up as the act, way, process of creating, innovating, establishing a new business, idea, a new thing that can be of benefit to an entrepreneur, general public, and the nation at large. There are many factors to consider before setting up a business; location, usefulness, finance etc.

The benefit of small-scale wood workshop transcends its ability to generate jobs, increase income or its owners, minimize rural-urban drift to improve standard of living among the populace. Unfortunately, the performance and effectiveness of small-scale wood workshop as an instrument of economic growth and development in Nigeria has long been under scrutiny. This scrutiny has been against the backdrop of the low performance and inefficiency that characterized these businesses particularly is assessing its roles in income generation to achieve national growth and development (Iheme, 2014). In government institutional policies and support to enhancing the performance of small scale. This has generated serious concern and skeptics on whether small scale wood workshop can bring about economic growth and national development in Nigeria. The concern is even more disturbing when comparing small scale wood workshop in Nigeria with other countries particularly developing ones where small-scale business has harbinger of economic reconstruction and transformation (Iheme, 2014).

Small scale wood workshop operators rely primarily on “own equity”, bank financing, trade credit and lease financing to finance their workshop. However, according to Oma (2015) small scale wood workshops are being given increasing policy attention and financial incentives. But before groping source of finance, it is important that potential level of fund needed for the particular type of business. He needs to count how much of his own “equity” he is prepared to put into the business.

However, small scale wood workshop in Nigeria appears to have performed in a very abysmal level. This low performance might have contributed to the escalated level of poverty, hunger, unemployment and low standard of living of people (Ikeije, & Onuba, 2015). The challenges of setting up small-scale wood workshop are tied to some variables such as inadequate environment or location for siting the business, inadequate management skills and then challenges that generally characterized the nation’s economy.

However, a lot of concerted efforts is being put in place by both government and non-governmental agencies towards finding lasting solutions to the concerns on the sustainability of small-scale business, however, such efforts appear to have not been yielding the desired result; instead, as time goes on, more constraints arise and the known ones becoming more serious. These often lead to “premature deaths” of small-scale businesses in the country. In Enugu state for instance, the researcher observed that several small-scale wood workshops that have been in existence for decades have been going underground. What may likely be the cause?

Though, many studies were done to unravel the reasons for the high failure rate of SSEs. Garwe (2010) indicated that an increase in crime, poor customer satisfaction, poor employee empowerment, failure to add value, inappropriate use of technology, limited finances, poor customer relations, underdeveloped infrastructure and lack of attentiveness in business are the primary reasons for small business failure. Bowen, Morara and Mureithi (2009) on the other hand discover that poor education and lack of infrastructure are critical issues that may lead to SSE failure. The common issues that may likely result into business failures according to Wiese (2014) includes poor budgeting, poor stock control, poor personal relations and a lack of staff training. According to Petrus, (2009) the factors that limits the success of SMEs includes poor planning, poor marketing strategies, poor business management, regulations, poor financial management, inability to manage access to markets and information. However, none of these studies focus on wood workshop ecosystem. That is the gap the current study attempted to bridge. To achieve that, the following research questions were formulated to guide the study:

RQ1*:* What are the funding constraints to sustainability of small-scale wood workshops in Enugu State?

RQ2*:* What are the technical know-how constraints to sustainability of small-scale wood workshops in Enugu State?

RQ3*:* What are the resources management constraints to sustainability of small-scale wood workshops in Enugu State?

RQ4*:* What are the business environment constraints to sustainability of small-scale wood workshops in Enugu State?

Methods

Research Design

The research design adopted for this study was a descriptive survey. A descriptive survey is a method of obtaining information from various groups or persons mainly through questionnaire or personal interviews in order to provide a relative complete understanding of what is happening at a given period and time (Sekaran & Bougie, 2010). This design was considered appropriate for this study since the researcher used questionnaire to collect data from a specified sample of owners of small-scale businesses on the level of challenges hindering the success of their business.

Study Participants

The research was carried out in Enugu State of Nigeria. Enugu State is one of the thirty-six states in the Nigerian Federation located in the South-Eastern geopolitical zone of Nigeria and was created in August 27, 1991 from the Eastern two-thirds of Anambra. The state is chosen for the study because the enterprising nature of its occupants resulting to the many small-scale business and wood workshops established in the areas. A total of 133 owners of small-scale wood workshops in Enugu State who registered with the Enugu State Ministry of Commerce, Industry and Technology Participated in the study.

Data Collection and Analysis

Instrument for data collection for the study was a structured questionnaire titled 'Questionnaire on Determination of Constraints to the sustainability of Small-Scale Wood Workshops Questionnaire' developed by the researchers. Experts' opinion was used to determine the face validity of the instrument. The reliability of the instruments used in this research was established using Cronbach's Alpha. A reliability coefficient of 0.70 which was considered sufficient (Corbin & Strauss, 2008; Rapley, 2007)) was obtained; thus the questionnaire was adjudged to be sufficiently reliable. Mean was used to analyze the data to answer the research questions.

RESULTS

The results obtained from the data collected to determine the constraints to the sustainability of small-scale Wood Workshops in Enugu State are presented in this section. The findings from the data are also discussed and presented under this section.

Funding constraints to the sustainability of small-scale wood workshops

The data relating to accesses to funding constraints to sustainability of wood workshops in Enugu State is presented in Table 1.

Table 1 *Access to Fund Constraints to the Sustainability of their Wood Workshop*

S/N	Funding Constraints	Mean	Remark
1	High interest charges on loan	3.61	Strongly Agree
2	Lack of capital to improve and bring innovation in the quality of products	3.32	Agree
3	Inability to borrow from traditional financial sources	3.04	Agree
4.	Limited access to investment credits	3.82	Strongly Agree
5.	Unwillingness of financial banks to issue loans	3.51	Strongly Agree
6.	Lack of fund to employ skilled workers	3.03	Agree
7.	Lack of fund to increase the size of workshop and production	3.72	Strongly Agree
	Grand Mean	**3.44**	**Agree**

Data contained in table 1 revealed that the respondents agreed that funding constraints to the sustainability of small-scale wood workshops. The grand mean of 3.4 indicated that owners of small-scale wood workshops in Enugu State face funding related constraints to the sustainability of their business.

Technical know-how constraints to the sustainability of small-scale wood workshops

The data relating to technical know-how constraints to the sustainability of small-scale wood workshop in Enugu State is presented in Table 2.

Table 2 *Mean Rating of Technical know-how Constraints to the Sustainability of their Businesses*

S/N	Technical know-how Constraints	Mean	Remark
8	Inability to use communication skills to gain insights on the wood workshop/business	3.80	Strongly Agree
9	Inability to get professional assistance which helps the small scale wood workshop to achieve their aim by giving them necessary advice and information needed for running their workshop/business	3.33	Agree
10	Inability to identify opportunities and generate ideas suitable for such opportunities	3.14	Agree
11	Inability to take advantage of favourable situations	3.20	Agree
12	Lack of proficiency and knowledge in the business	3.41	Agree
	Grand Mean	**3.38**	**Agree**

Data contained in table 2 revealed that the respondents agreed that technical know-how constraints to the sustainability of small-scale wood workshops. The Grand mean of 3.4 indicated that owners of small-scale wood workshops in Enugu State face technical know-how constraints to the sustainability of their business.

Resource management constraints to the sustainability of small-scale wood workshops

The data relating to resource management constraints to the sustainability of small-scale wood workshops in wood workshop in Enugu State is presented in Table 3.

Table 3 *Mean Rating of Resource Management Constraints to the Sustainability of their Businesses*

S/N	Resource Management Constraints	Mean	Remark
13	Inability to set appropriate goals to be achieved	3.63	Strongly Agree
14	Failure to delegate responsibilities and assign duties in business	3.41	Agree
15	Inability to plan effective for goal attainment	3.74	Strongly Agree
16	Inability to organize resources for goal attainment	3.33	Agree
17	Inability to implement plans for goal attainment	3.72	Strongly Agree
18	Inability to evaluate all business operation and make appropriate use of feedback	3.31	Agree
19	Inability to collect bad debts and control irrevocable credit policies	3.63	Strongly Agree
20	Inability to solve customer related problems	3.34	Agree
	Grand Mean	**3.51**	**Strongly Agree**

Data contained in table 3 revealed that the respondents strongly agree that resource management constraints to the sustainability of small scale wood workshops. The Grand mean of 3.5 indicated that owners of small scale wood workshops in Enugu State face resource management constraints to the sustainability of their business.

Business Environment constraints to the sustainability of small-scale wood workshops

Data on business environment constraints to the sustainability of small-scale wood workshop in Enugu State is presented in Table 4.

Table 4 *Mean Rating of Business Environment Constraints to the Sustainability of their Businesses*

S/N	Business Environment Constraints	Mean	Remark
21	Inability to access location convenient for customer	3.40	Agree
22	Inadequate knowledge of risks and crimes in the location the workshop/business is sited	3.41	Agree
23	Inability to assess location in an appealing area that is accessible for most transportation and mass transit	3.33	Agree
24	Inability to assess location where tax benefits are enjoyed	3.52	Strongly Agree
25	Inappropriate location	3.01	Agree
	Grand Mean	**3.33**	**Agree**

Data contained in table 4 revealed that the respondents agree that business environment constraints to the sustainability of small-scale wood workshops. The Grand mean of 3.3 indicated that owners of small-scale wood workshop in Enugu State face business environment constraints that hinder the sustainability of their business.

Discussion of Findings

The discussion of the findings was based on the four research questions that guided the conduct of the study. The study discovered that funding constraints hinder the sustainability of small-scale wood workshops. These include: high interest charges on loan, lack of capital to improve and being innovation. In the quality of products, inability to borrow from traditional financial sources, limited access to investment credits, unwillingness of financial bank to issue loans, lack of fund to employ skilled workers and also lack a fund to increase the size of business and production. All these fund related constraints stated above affect the inability of the wood workshop owners to employ workers to help in daily operation and management of the workshop. This agrees with the statement of Omolayo (2016) who noted that small scale workshop/business face funding challenges to increase the size of business and production. Findings based on the research question two revealed such technical related constraints as inability to use communication skills to gain insights on the business; inability to get professional assistance which helps the small scale wood workshops to achieve their aim, by giving them necessary advice and information needed for running their business; inability to identify opportunities and generate ideas suitable for such opportunities, inability to take advantage of favourable situations, lack of proficiency and knowledge about the workshop/business is hindering the sustainability of small scale wood workshops. This is in line with Obeleagu (2016) who stated that inability to take advantage of favourable situations and lack of technical skills hinders the success of small-scale business in Nigeria. This was also tied to poor finance that hamper the ability of the small scale business owners from using information and communication technology equipment for proper gaining of insight on their business.

Findings based on research question three revealed that such management related constraints as inability to set appropriate goals to be achieved; failure to delegate responsibilities and assign duties in business; inability to plan effective for goal attainment; inability to implement plans for goal attainment; inability to evaluate all wood workshop operation and make appropriate use of feedback by managers for proper management of their business. This is in line with Ugwu (2016) who stated that small scale enterprises face challenge of solving customer related problems in running their business.

Findings based on research questions four revealed environmental constraints hindering the sustainability of small scale wood workshops as inability to assess location convenient for customer; inadequate knowledge of risks and crimes in the location of the workshop is sited; inability to assess location in an appealing area that is accessible for most transportation and mass transit; inability to assess location where tax benefits are enjoyed, and inappropriate location. This finding aligned with the suggestions made by Auta (2022) and Auta (2023) who stated that in developing or reforming curriculum for technical education, which is geared towards acquisition of skills for self-reliance, the knowledge of business environment should be incorporated and be given a priority. This is to ensure that the trainees acquaint themselves with the basic ingredients needed to navigate a volatile business environment. It is therefore noted that owners of small-scale wood workshops should be aware of locations that are accessible for most transportation and mass transit for running their business and to site their workshops in an appropriate location to be able to tackle the environmental constraints hindering the sustainability of their works.

Conclusions and Suggestions For Further Studies

This study contributes to the existing body of knowledge on sustainability of SSE's in general and the wood workshop ecosystem in particular. The implication of the study as derived from the findings that emerged through the quantitative analyzed data is that the sustainability of Small-Scale Wood enterprises can be enhanced through improved funding, effective technical know-how, efficient resources management and a conducive business environment. The key limitation associated with this study is that, the findings emerged through analysis of quantitative data from Enugu state only, thus, it does not provide the basis for triangulation of the results as well as a pool of larger population for generalization. There is a need for a more robust study to be conducted using a mixed method design as well as to cover more study area.

Acknowledgement

This research is made possible through the cooperation received from Enugu State Ministry of Commerce, Industry and Technology who provide the details of the study participants and ensure that they cooperate with the researchers.

Conflict of Interest

Authors declare that there is no conflict of interests regarding the publication of the paper.

REFERENCES

Auta, M. A. (2022). In search of relevance: Reforming Technical and Vocational Education and Training (TVET) curriculum in Nigeria for global competitiveness. *Asian Journal of Sociological Research.* 5(1), 278-282

Auta, M. A. (2023). Technical education in Nigerian universities: Do students perception of the programme changes overtime? *Evaluation Studies in Social Sciences.* 4(1), 31-40

Bowen, M., Morara, M. & Mureithi, S. (2009). Management of business challenges among small and micro enterprises in Nairobi-Kenya. *KCA Journal of Business Management*, 2(1). https://doi.org/10.4314/kjbm.v2i1.44408

Calistus N.O (2016). *Contemporary Approaches for financing micro, small and medium enterprises*. Conference on SME held at the international conference centre , Abuja

Corbin, J. & Strauss, A. (2008). *Basics of qualitative research: Techniques and procedures for developing grounded theory. (3rd ed.).* Thousand Oaks, CA: Sage.

Fatoki, O. & Garwe, D. (2010). "Obstacles to the Growth of new SMEs in South Africa: A Principal Component Analysis Approach." *African Journal of Business Management:* 729- 738

Gideon, O. (2016). *How to start and manage your own business*. Kaduna; JVC Press.

Iheme, U. (2014). SME, Key failure factor: a comparison between United Kingdom and Nigeria. *Journal of social service* (18) 199-207.

Ikeije, U. U. & Onuba, C.O., (2015). Contributions and Challenges of Entrepreneurship in Nigeria: A Sociological Analysis. *European Journal of Business and Innovation Research*. 3(3).

Obeleagu, F.A. (2015). *Basic small basic entrepreneurship* Agbor: Royal Palace publication.

Okoli, C.I. (2008). The Seriousness of capital and management problems Affecting Agricultural Cooperative Business in Nigeria as perceived by their managers. *Nigerian Journal of Cooperative Economics and Management* 4 (1), 18 -25.

Omolayo, J. (2016). Capacity of SME in Nigeria to access institutional equity finance. Research journal of business management (2), 1-5.

Rapley, T. (2007). *Doing conversation, discourse and document analysis*. London: Sage.

Sarah, C. (2017). *The Management of business and public organizations.* Tokyo: Mc-Graw-Hill.

Sekaran, U. & Bougie, R. (2010) *Research Methods for Business: A Skills Building Approach.* 5th Ed. New York: John Wiley and Sons.

Ugwu, B. I (2016). SMEs key failure factors. A comparison between the United Kingdom and Nigeria. *Jn Sos*, (18), 199-207

Wiese, J.S., (2014). Factors determining the sustainability of selected small and medium-sized enterprises. Mini-dissertation submitted in partial fulfilment of the requirements for the degree Magister in Business Administration at the Potchefstroom Campus of the North-West University.