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# FACTORS AFFECTING THE PERFORMANCE OF SMALL-SCALE CONSTRUCTION FIRMS IN NIGERIA

I. F. Ali<sup>1,\*</sup>, S. H. Awad<sup>2</sup> and D. Abdulsalam<sup>3</sup>

<sup>1,</sup> DEPARTMENT OF BUILDING, NUHU BAMALLI POLYTECHNIC, ZARIA, KADUNA STATE, NIGERIA
 <sup>2,</sup> COLLEGE OF ENGINEERING, SUDAN UNIVERSITY OF SCIENCE AND TECHNOLOGY (SUST), KHARTOUM, SUDAN
 <sup>3,</sup> DEPARTMENT OF BUILDING, AHMADU BELLO UNIVERSITY, ZARIA, KADUNA STATE, NIGERIA
 *Email addresses:* <sup>1</sup> ibrahimfaki58@gmail.com, <sup>2</sup> awadhassan@yahoo.com,
 <sup>3</sup> abdulsamdalhatu@gmail.com

### **ABSTRACT**

Small-Scale Construction Firms (SSCFs) in Nigeria are confronted with several problems that tend to limits their contributions to the country's GDP, employment generation as well as infrastructural development. Although the prospect for improved contribution towards development still exists, there is the need for implementation of good management practices and support measures. Therefore, this study uses focus group to explore factors affecting the performance of small-scale construction firms and possible remedial measures. The study identified 113 factors that negatively affect performance. The interview further helped in grouping the variables into seven (7) groups. The focus group participants helped to identify and classify eighty-two (82) measures into internal and external measures. Internal measures are to be implemented by the construction firms towards solving internal constraints and external measures to be implemented by government and other stakeholders towards minimizing problems that are outside the control of the small-scale construction firms. Results revealed critical factors affecting performance such as financial indiscipline by contractors, lack of experience and track records, poor policy by commercial banks on SMEs, corruption, effects of globalisation, multiple taxation, stringent prequalification criteria, poor design and specifications, lack of entrepreneurship skills and delay in payment for work done. The study recommends the implementation of remedial measures by management of small-scale construction firms and governments with other stakeholders that could improve performance.

Keywords: small-scale constructions firms, focus group, problems, remedial measures and performance.

#### 1. BACKGROUND OF THE STUDY

Small-scale construction firms that are facing several new and evolving challenges that tends to limits their ability towards successful delivery of construction projects dominate the Nigerian construction industry [1 - 3]. While, construction firms can be distinguished from each other, through various means such as, the size of annual turnover, number of employees, plants and equipment holding, capacity and capability standards. However, small-scale construction firms in Nigeria hardly employ

more than 25 workers with virtually no construction plant, equipment. Thus, their productivity and performance remains relatively low due to cost and time overruns coupled with poor workmanship [1, 4]. In a world of scarce resources and economic growth, the welfare of society is associated with long-term improvement in productivity and performance of local contracting firms, which eventually raises the standard of living and allow local firms to compete effectively in the international arena [5]. While, performance as a concept is often confused with

productivity, productivity is a specific concept related to the ratio between output and input of an industry. Whereas performance is a broader concept, which covers both the economic and operational aspect of an industry or organization [6]. Therefore, in this study, performance refers to economic and operational performance of small-scale construction firms in areas of excellence, profitability, productivity and other non-cost factors such as quality, speed delivery and flexibility.

Osotimehin et.al, [5] observed that, there is strong correlation between the degree of poverty, hunger, unemployment, economic well-being of the citizens of countries and the degree of vibrancy of the respective country's small-scale enterprises. He added that, Small and Medium Enterprises (SMEs) in Nigeria have not performed creditably well and hence failed to play the expected vital and vibrant role in the economic growth and development of Nigeria. The contribution of the small-scale construction firms to economic development had been widely recognized by previous researchers such as [7 and 8]. However, small and medium scale enterprises are very vulnerable and their failure rate is so high that no nation can afford to ignore it. Aremu et.al, [7] noted that, 70 percent of small-scale enterprises in Nigeria failed within the first five years of operation.

Small-scale construction firms have areas of key strengths, in that relatively low skills and resources are required for start-ups but also several significant areas of weaknesses and problems, many of them are not only very weak and fragile but have little prospect of growth and development [8]. Several authors that includes [4,9, 10,11,12, 13 and 14] surmised that, although globally small-scale construction firms experiences problems that tends to limit their capacity in handling construction businesses resulting in poor workmanship, cost and time overruns. However, the problems are more severe in developing countries including Nigeria. In addition, Bala et. al, [9] noted the following constraints as prominent; unfavourable business environment, weak economy, lack of enabling government policies, corruption, lack of government patronage, patronage of foreign firms. Other problems highlighted includes lack of vision, lack of entrepreneurial skills, limited technical expertise, plant and equipment, managerial expertise, finance, trained manpower and inadequacy of local materials,

over dependence on imports, fluctuating work load and lack of track records.

Kulemeka et.al, [15] noted that, studies carried out in Nigeria revealed the following constraints; poor contract management, financing and payment of completed works, changes in site conditions, shortages of materials, imported materials and plant items. Other problems identified includes design changes, subcontractors, nominated suppliers, contractor's financial difficulties, client's cash flow problem, architect's incomplete drawing, subcontractor's slow mobilization, equipment breakdown and maintenance. In addition, there are issues of suppliers' late delivery of ordered materials, incomplete structural drawings, contractors planning and scheduling problems, price escalation and subcontractor's financial difficulties. Furthermore, there are difficulties in receiving payments from public agencies, inadequate public agencies' budgets, improper payment to contractor for completed work, unrealistic time estimation, frequent changes in material and design, and noncompliance with the contract conditions.

Furthermore, Mafimidiwo and Iyangba [16] in their comparative studies of problems afflicting the performance of small building contractors in Nigeria and South Africa reported the following factors shown in Table 1.

In addition, Ofori [17] highlighted that, the construction industry worldwide face problems and challenges, however in developing countries these difficulties and challenges are present alongside a general situation of socio-economic stress, chronic resource shortages, institutional weaknesses and a general inability to deal with the problems on how to improve the viability and competitiveness' of the local construction enterprises. Small-scale construction firms in Nigeria exhibit low commitment to production resulting from poor performance in both physical and service delivery. However, majority have the potential of developing into a technically better business given the needed support, since they have dedicated leadership with great commitment towards better delivery of product and services, as they have concern for continuous performance improvement in order for them to gain competitive advantage [1, 2, 18].

The problem of poor performance of the SMEs sub sector, including small-scale construction firms have been of great concern to the government, management of construction firms, construction clients and users. The governments at federal, state and local levels through budgetary allocations, policies and pronouncements have signified interest and acknowledgement of the crucial role of the SME sub-sector of the economy and hence made policies for energizing the same.

In addition, fiscal incentives, grants, bilateral and multilateral agencies support and aids as well as specialized institutions all geared towards making the SMEs sub-sector vibrant have been granted.

Table 1: Factors Affecting Performance of Small Contractors [15]

S/N	Factor(s)
1	High interest rate from banks
2	Lack of capital equipment
3	Lack of incentive from government
4	Lack of access to funding from commercial banks
5	Inability to compete big contractors
6	Lack of employees motivation
7	Inability to develop long term strategy
8	Poor cash flow
9	Lack of reliable information about the contract
10	High labour turnover
11	Bad debt
12	Increased competition
13	Delay in payments
14	Lack of access to bonds from banks
15	Lack of confidence to small contractors by clients
16	Increased use of competitive bidding process
17	Projects abandonment's
18	Lack of safe working environment to workers
19	Focus on lowest bid
20	Lack of management skills
21	High start-up cost
22	Lack of experience in book keeping
23	Low productivity
24	Pricing of construction works
25	Non co-operation from suppliers
26	Dissatisfied construction clients
27	Lack of patronage
28	Poor attitudes towards competition
29	Poor satisfaction of users
30	High level of defects in construction works
31	Poor labour relation
32	High workers absenteeism
33	Poor employees performance
34	Injuries on duty
35	Limited market size
36	Lack of professional advisers and consultants
37	Poor business location
38	High number of unskilled employees
39	Gender issues
40	Tribal/racial issues

However, there is no improvement in the performance of construction SMEs. [1, 9, 19]. Various authors such as [9, 14, 20, 21] had stressed the importance of implementation of remedial measures that could help construction firms to overcome various challenges affecting their performance and development. Similarly, studies have identified different determinants of the success of firms involved in the international construction market, such as strong financial capability and support [23-25]. International networks [24], reputation and record of accomplishment [23-26], well-trained human resources [23–27] knowledge of the systems and policies of foreign countries [26, 28].

Abu-Bakr et.al, [29] in their studies of Malaysian construction companies identified factors that are important to companies' growth that includes joint venture, market specialization, diversify expertise, skilled workers, maintaining high quality of products and good company management. Other factors of importance includes, use of new technology and automation, technical expertise, availability of internal efficiency, good cash flow capital, management, effective organization structure, sufficient knowledge and experience good team members. In addition good site management, innovation, research and development, upgrading educating members, safety, and security, commitment to customers' satisfaction, good relations with customers and competitive prices of products/services are important. Furthermore, technological edge, availability of bank loans and other credit, open economic policy of the government, political stability, peaceful environment and government assistance/tax incentives further help construction firms to grow.

Although several studies in the past has been conducted on factors affecting the performance of small and medium scale enterprises (SMEs) in developing countries, most of the research studies were not specific to construction businesses while those relating to constructions are more geared towards determining solutions to specific challenges. Furthermore, because of global changes within the economic environment, the constraints being faced by small-scale construction firms are new and evolving and in order to solve the challenges, the usual practice is to apply measures that have worked in other environments. While at times such habits

High HIV and aids amongst youths

have worked, in most cases the result leads to total failure [15].

Thus, it should be noted that construction businesses are now being impacted by new uncertainties in technology, financial shocks, budgets, insurgency, pandemic, international protocols and development processes, which necessitate the continuous need to understand the root causes of performance challenges with a view towards implementing measures suitable to specific environment and period. Therefore, this study was aimed at examining evolving challenges, which undermines the performance of SSCFs in Nigeria and the measures that could be implemented towards solving them.

#### 2. METHODOLOGY

The study adopted an exploratory approach using Focus group to explore aspects of the operation and practice of the small-scale construction firms including problems, constraints and possible remedies. Ten (10) contractors were selected for the focus group discussion. The focus group interviews was based on several questions, which were formulated, based on the review of past literature that was available in the domain of interest. The questions were framed in an open-ended way and the responses were recorded using field notes and tape recording for later transcription and analysis. A frequency scale of 1-10 was used to rate the respondents answer. A score of 1-4 was considered as having a minimal effect and a score of 5-6 was taken as moderate effect on performance while a score of 7-10 was considered as high effect on the performance of small-scale construction firms in Nigeria.

The interview data was reviewed in order to abstract the important concepts. Results and discussion was based upon the views expressed by participants. Thematic content analysis was used in the analysis of the focus group data. It is a type of content analysis used in order to obtain important underlying meaning out of the text content. This type of analysis permits the emergence of ideas from identifiable themes based on transcribed responses. The method involves identifying the vital points in the discussion and putting them into categories [30]. The steps used in the analysis are listed below:

- i. Conversion of audio data into text
- i. Thorough reading of the text
- ii. Identification of the main themes of the text

- iii. Classification of statements into the main themes
- iv. Identification of variables under each theme
- v. Discussion of the identified themes and variables

The data from the focus group interview was captured using digital audio recorder. In order to ease the analysis, the audio record was converted manually into full text. Even though this method (full transcript) is slow and time consuming, it has the advantage of being more rigorous and productive [30]. After the conversion of the audio into full text, the next step involves reading the transcript repeatedly in order to collate the themes as recommended by [31]. Thus, the transcript was read meticulously in order to grasped the idea and thoughts expressed by the focus group participants.

#### 3. RESULTS AND DISCUSSION

Careful reading of the interview transcripts revealed seven main sectors or categories into which the factors affecting the performance of small-scale construction firms can be grouped. These are; Company Related Factors, Government Related Factors, Industry Related Factors, Environment Related Factors, Financial Related Factors, Client Related Factors and Resource Related Factors. These sectors emerged from statements made by participants in response to questions or issues raised during the focus group discussions. The categories needed to be exhaustive in that all substantive statements fall under a category and as exclusive as possible so that one statement fit one rather than many categories [32]. The categories and variables identified are presented in Tables 2A and 2B.

The focus group discussions helped to identify and confirmed 113 factors having a negative effect on the performance of small-scale construction firms and 82 measures that could be implemented towards improving performance. It further helped in grouping the 113 variables into categories comprising Company, Financial, Environment, Government, Industry, Resources and Client related constraints. While the 82 measures were classified into Internal measures to be implemented by small-scale construction firms towards solving constraints internal to the firms and External measures to be implemented by government and other stakeholders as a means of supporting the small-scale construction firms to improve their performance.

It is evident that, small-scale construction firm's performance is affected by factors that are mostly internal to the firms (29 variables). However, 17 factors such as financial indiscipline, lack of experience and records of accomplishment from the internal constraints have the highest effect on performance. The next most important factors affecting performance are government related factors with 20 variables and 8 factors such as, multiple taxation and stringent pre-qualifying criteria having the highest impact on productivity.

Industry related variables are the third with 17 factors, with nine (9) having the highest effects on performance, for example fluctuating workloads, poor designs and specifications. In addition, 15 variables were identified under the environment related factors and 6 variables which includes corruption and effects of globalization having the highest influence on the performance of small-scale construction firms.

Furthermore, 11 variables were identified under the financial related factors with 5 variables such as lack of capital and inability to get bank loans having the highest effects on performance. While, 11 factors were identified under resource related factors with 4 variables such as lack of entrepreneurship skills and high workers turnover having the highest impact on performance. Lastly, 10 variables were identified under client related variables with 6 factors such as delay in payments and focus on lowest bids having the highest negative influence on the performance of small-scale construction firms. Similarly this study seek the opinions of the participants in the focus group interviews on the various measures identified from literature, that could be implemented by smallscale construction firms and other stake holders towards improving performance. Eighty-two (82) measures that can be implemented were identified and the result was presented in Table 3.

Table 2A: Summary of extracted participants' statement by category

Factor Category	S/N	Factors	Frequency	High Effect	Total Identified	Total High Effect
A. Company	1	Financial indiscipline by contractors	8	Χ		
Related	2	Lack of experience & track records	9	Χ		
Factors	3	Lack of planning & programming of works	6			
	4	Lack of appropriate safety policy	8	Χ		
	5	Tenders/estimates poorly done	8	Χ		
	6	Lack of innovation	7	Χ		
	7	Poor supply chain management	5			
	8	Inappropriate production technology selection	7	Χ		
	9	Lack of vision	7	Χ	29	17
	10	Lack of competitive spirits	8	Χ		
	11	Inability to develop long term strategy	8	Х		
	12	High workers absenteeism	3			
	13	Lack of employee motivation schemes	7	Χ		
	14	Lack of supervision & quality control	8	Х		
	15	Lack of safety measures on sites	8	Х		
	16	Poor estimation practices	6			
	17	Poor workmanship	9	Χ		
	18	Project abandonment	7	Х		
	19	Lack of use of bench marking tools	4			
	20	Non-use of construction IT	7	Х		
	21	Non-use of prefabricated & standardized parts	3			
	22	Materials pilfering on sites	5			
	23	Non-use of new technology (3D printing)	3			
	24	Non-use of sustainable construction materials	6			
	25	Non-use of automated construction	6			
		equipment's				
	26	Excessive rework	5			
	27	Compromising quality over time & cost	7	Х		
	28	Contractors perception/attitude &culture	8	X		
	29	Lack of good & honest relationship with clients	6			
	30	Lack of own funds (capital)	8	Х		

Factor Category	S/N	Factors	Frequency	High Effect	Total Identified	Total High Effect
B. Financial	31	Inability to get bank loans due to lack of	7	Х		
Related		collateral				
Factors	32	High interest rates by banks	8	Χ	11	5
	33	Stringent conditions for obtaining guarantees	3			
	34	High cost of obtaining bonds/guarantees	4			
	35	High cost of doing business	3			
	36	Poor banks policy towards SMEs	9	Χ		
	37	Currency fluctuation	6			
	38	Poor cash flow	5			
	39	Lack of advance payment	3			
	40	High inflation rates	8	Х		
C.	41	Frauds	5			
Environment	42	Corruption	8	Х		
Related	43	Effects of globalization	7	Х		
factors	44	Poor infrastructure (electricity, roads etc.)	4			
	45	Lack of access to markets	3			
	46	High cost of transportation	7	Х		
	47	Problems of importing spare parts	1			
	48	Inclement weather	3			
	49	Limited market size	7	Х	15	6
	50	Attitude/ culture towards foreign goods &	9	X		
		services	-			
	51	Gender issues	1			
	52	Tribal and racial issues	1			
	53	High rates of HIV and aids amongst youths	2			
	54	Poor image of SMEs	5			
	55	High rate of SMEs mortality	7	Х		

Table 2B: Summary of extracted participants' statement by category

Factor Category	S/N	Factors	Frequency	High Effect	Total Identified	Total High Effect
D. Government	56	Changes in government policy	6			
Related	57	Lack of research and development	8	Χ		
Constraints	58	Poor economic and fiscal policy	6			
	59	Multiple taxation of SMEs	9	Χ		
	60	Lack of co-ordination b/w govt. Agencies	6			
	61	Lack of understanding of the nature of constr. Ind.	3			
	62	Multiple regulatory agencies	5			
	63	Poorly managed registration system	5			
	64	Political influence on government policies	7	Χ		
	65	Inflexible government attitudes	8	Χ	20	8
	66	Dependence on foreign aids	5			
	67	Lack of focused industry support measures	8	Χ		
	68	Institutional weaknesses and inefficient systems	6			
	69	Lack of political stability and peace	7	Χ		
	70	Stringent prequalification criteria	8	Χ		
	71	Inequitable contracting practices	7	Χ		
	72	Bureaucratic contract administration	5			
	73	Budgetary problems	2			
	74	Non-introduction of national building codes	2			
	75	Political patronage	6			
E. Industry	76	Fragmentation of the construction industry	4			
related	77	Contract conditions biased against contractors	4			
problems	78	Contractors apportioned more risks	5			
	79	Poor designs and specifications	8	Х		
	80	Extensive use of competitive bidding system	7	Х		

Factor Category	S/N	Factors	Frequency	High Effect	Total Identified	Total High Effect
Calegory	81	Poor communication b/w project teams	8	X	identilled	LIIGOL
	82	Lack of partnering and joints venture	8	X		
		agreements	_			
	83	Lack of performance measurement in the	7	Х	17	9
		industry				
	84	Once up nature of construction projects	5			
	85	Lack of efficient trade/ professional associations	7	Х		
	86	High risk nature of construction projects	6			
	87	Low profit margins in the industry	7	Х		
	88	Over dependence on imports	5			
	89	Fluctuating work loads	9	Χ		
	90	Lack of cross industry collaboration	6			
	91	Disputes , conflicts and litigation	7	Х		
	92	Lack of access to credit supplies	6			
F. Resource	93	Shortage of manpower	1			
Related	94	Lack of materials	4			
Constraints	95	Inadequacy of local materials	7	Х		
	96	High workers turnover	8	Х		
	97	Lack of professional advisers and consultants	7	Х	11	4
	98	Poor materials standardization	3			
	99	Lack of training and education	4			
	100	Lack of technical skills	3			
	101	Lack of management skills	5			
	102	Lack of entrepreneurship skills	8	Х		
	103	Lack of mentoring system	3			
G. Client	104	Delay in payments	8	Χ		
Related	105	Bad debts	5			
Problems	106	Undervaluing of work done	8	Х		
	107	Too much focus on lowest bids	8	Χ		
	108	Over complex contract conditions	7	Χ	10	6
	109	Client involvement in construction phase	8	Х		
	110	Preference given to foreign construction firms	9	Х		
	111	Variation and change orders	5			
	112	Inflexible aid agencies procedures	8	Х		
	113	Lack of information on contract	6			

Table 3: Summary of extracted participants' statement by category

Measure	S/N	Measure	Frequency	High	Total	Total High
Category			10	Effect	Identified	Effect
Internal	1	Long term financing plan	10	X		
Measures	2	Introduce efficient financial management	9	Χ		
	3	Training & education of workers	9	Χ		
	4	Employ more qualified manpower	8	Χ		
	5	Learn entrepreneurship skills	9	Χ		
	6	Introduce policies that retain workers	7	Х		
	7	Good planning & programme of works	8	Х		
	8	Acquire plants & equipment	9	Х		
	9	Introduce use of information technology	8	Х	27	27
	10	Good tender analysis & estimates	7	Х		
	11	Reduce construction time	8	Х		
	12	Improve image & attitudes	8	Х		
	13	Aappropriate production technology	7	Х		
	14	Establish efficient supply chain management	8	X		
	15	Inculcate competitive spirits	8	Х		
	16	Develop long term strategy	10	Х		
	17	Establish employee motivation schemes	10	Χ		

	18	More strict supervision & quality control	9	Х		_
	19	Improve safety measures on sites	7	X		
	20	Improve quality workmanship & products	9	Χ		
	21	Prefabrication production methods	7	X		
	22	Establish good materials management on	9	Х		
	23	sites	0	v		
	23 24	Ggood & honest relationship with clients Establish good marketing strategy	9 10	X X		
	25	Use of automated construction methods	9	X		
	26	Use of sustainable construction materials	8	X		
	27	Use of new technology (3D printing)	8	X		
	28	Reduction of interest rates by banks	9	X		
External	29	Soft conditions for obtaining bonds	8	X		
Measures	30	Reduce costs for obtaining	8	X		
		bonds/guarantees				
	31	Prompt payment for work done	10	x		
	32	Increase patronage by governments	10	X		
	33	Encourage subcontracting by large firms	8	Χ		
	34	Encourage joints ventures/partnering	7	Χ		
	35	Less stringent prequalification requirement	9	Χ		
	36	Reduce cost of doing business	8	Χ		
	37	Increase percentage of advance payment	9	Х		
	38	Implement govt. policies that support	8	Χ		
	00	SMEs	•	V		
	39	Introduce access to materials credit-	8	Χ		
	40	supplies	0	Χ	55	54
	41	policies that minimize currency fluctuation Adequate compensation for work done	9 10	X	55	54
	42	Contract conditions that support SMEs	9	X		
	43	Provide construction mgt. training to	8	X		
	40	SMEs	J	,,		
	44	Introduce contractor mentoring system	7	Χ		
	45	Research and development	10	Χ		
	46	Provide professional advisers and	8	X		
		consultants				
	47	Corporate development of SCCF	8	Χ		
	48	Eliminate multiple taxation	10	Χ		
	49	Better co-ordination btw. government	9	Χ		
		agencies	•			
	50	Awareness by govt. of the nature of const.	8	Х		
	E4	Industry	7	V		
	51 52	Streamline regulatory agencies Introduce efficient registration system	7 9	X X		
	53	Minimize political influence on govt.	8	X		
	55	Policies	U	٨		
	54	Creating favourable business environment	8	Χ		
	55	Proper use of foreign aids	9	X		
	56	Flexible aid agencies procedures &	9	Χ		
		conditions				
	57	Focused industry support measures	10	Χ		
	58	Strong institutions and efficient systems	8	Χ		
	59	Political stability and peace	9	Χ		
	60	Share risks more appropriately	7	Χ		
	61	Reduce bureaucracy in contract	9	Χ		
		administration	•			
	62	Make specifications more precise and	8	Χ		
	62	clear	10	V		
	63 64	Improve design & detailing Use selective method of bidding	10 o	X X		
	65	Avoid much focus on lowest bids price	9 8	X		
	UÜ	Avoid madi locas on lowest bids price	U	^		

66	Tendering preferences to small contractors	10	Χ
67	Improve communications between project teams	9	Х
68	Use performance measurement tools	8	Χ
69	Minimize changes & variations during construction	9	Х
70	Min. client involvement during construction phase	8	Х
71	Eliminates frauds & corruption	10	Χ
72	Improve on infrastructure provision	8	Χ
73	Use of local construction materials	6	
74	Contract splitting & phasing	7	Χ
75	Establish project continuity	8	Χ
76	Improve cross industry collaboration	7	Χ
77	Construction industry development board	8	Χ
78	Implement provision of national building code	7	Х
79	Strict budgetary planning & implementation	9	Χ
80	Strong trade association	10	Χ
81	Introduce e-commerce	7	Χ
82	Reduce conflicts and disputes during construction	8	Х

Table 3 shows that performance improvement measures that can be implemented, which are classified into two groups with the help of the opinion of participants of the focus group interview. Below is brief discussion on the internal and external measures that could be implemented.

## 3.1 Internal Measures

27 internal measures were identified. The prominent amongst them includes the following; long term financing plan, establishing an efficient financial planning system, training and education of their workers, learn entrepreneurship skills, acquire plants and equipment, develop long term strategy, introduce policies that retain workers through establishing workers motivation schemes, improve quality of workmanship and products through more strict supervision and establishment of quality control systems. Others are; establishment of good materials management techniques on site, establish good marketing strategy through maintaining good and honest relationship with clients, use of automated construction methods and sustainable construction materials. This findings confirmed earlier postulations by [19, 21, 22, 33-34].

#### 3.2 External Measures

While 55 measures that are external to the construction firms were identified. They includes; increased patronage through tendering preferences

to small scale construction firms by government and construction clients, less stringent pregualification procedure, use of more appropriate contractor selection method, adequate compensation and prompt payment for certified work. Others are; elimination of multiple taxation for small scale construction firms, established focused construction firms support measures through research and development, implementation of economic policies that support SMEs development such as; implement contract conditions that are favourable to development, implement policies that minimize currency fluctuation and reduction of interest rates by commercial banks. These support earlier recommendations by [9, 21, 22, 34, 35].

The need for introduction of efficient registration and classification system, proper use of foreign aid and negotiation for more flexible aids agencies conditions and procedure, eliminates frauds and corruption, improvement in design and detailing, formation of strong contractor associations, improve communication between project teams by making contract conditions less adversarial was also stressed by the respondents. There is also the need for construction management training to SMEs, minimize changes and variation during construction and introduce access to materials credit supplies. This confirmed earlier findings by [2, 9, 14, 20, 31, 36-38].

#### 4. CONCLUSION

The results of the exploratory study identified or confirmed 113 variables that could affect the performance and development of small-scale construction firms. It also helped to confirmed 82 measures that can be implemented to lessen the effects of the identified constraints. The study further assisted in grouping the identified 113 factors into 7 groups which although were not mutually exclusive. The largest group of factors identified were under the company related with 29 variables, government related factors with 20 variable and industry related with 17 factors. The measures identified were also classified into internal measures (29 numbers) that were expected to be implemented by the construction firm themselves and 55 external measures that were expected to be implemented government by and other stakeholders.

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