

ABSTRACT

A critical review of the most recent literatures on labour turnover and productivity was done. It was revealed that there is a significant relationship between labour turnover rates and labour performance. And that labour turnover affects company productivity level. But, welfare services in another way affect labour turnover rate. Also, the finding shows that productivity measurement has significant relationship with the company performance and growth.

But despite the inherent disadvantages associated with labour turnover, it is also been used to maintain profitability during slimmer period. This study examines its implication on Nigeria organizations, using Evans medical plc as a case – study.

Four hypotheses were formulated to test the relationship between labour turnover and productivity, performance and welfare service, and how measurement of productivity affects the growth and company performance. Questionnaires were formulated based on the hypothesis and data were also collected from the company. The data were analyzed using simple percentage technique, chi- square and trend graph.

It was recommended that labour turnover should be minimized as it affects the growth of the company and other additional cost associated with it.

It was recommended that labour turnover should be minimized to the barest minimum as it affects the growth of the company and other additional cost associated with it.

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CHAPTER ONE

1.0 BACKGROUND TO THE STUDY

1.1 INTRODUCTION

For both developing and developed countries small-scale firms play important roles in the

process of industrialization and economic growth. Apart from increasing per capital income and output, small scale industry create employment opportunities, enhance regional economic balance, and promote effective resource utilization. However the seminal role played by small scale industries notwithstanding its development in every where constrained by inadequate funding and poor management. The unfavourable macro economic environment has also been identified as one of the major constraints which most times encourage financial institutions to be risk-averse in funding small-scale industries. The reluctance on the part financial institution to fund small-scale industries can be explained by the insufficient capital base of banks and information that often exists between small-scale enterprises and lending institutions.

However, it is fundamental that the bedrock of any business organization, and sources of financial available to them. In this research study, we are going to deviate from the general aspect of small-scale industries and the problems and prospects of financing small-scale industries in Nigeria or they have been recognized as the veritable engine to economic growth and development. Umar (1997:15) in his own words, stated that "In Nigeria, as in many other developing countries financing and encouraging the establishment of small-scale enterprises have been crucially recognized as a viable approach for stimulating employment development, particularly, in a situation of rapid growing labour force and inadequate economic growth.

However, for small-scale industries to effectively contribute to the economic growth and development of any country, it should be well financed or funded for their business operators and expansions. In Nigeria, the government has established institutions to provide financial and non financial sources to small-scale industries. Among the institutions established by the federal government to provide loans to small-scale industries are the National Directorate of Employment (NDE), the People's Banks of Nigeria (PBN), the National Economic Reconstruction Fund (NERFUND), and Nigeria Development Bank (NIBK).

Despite all these efforts of government at promoting small-scale enterprises in Nigeria, they (SSE) are still faced with problems of inadequate financing or funding poor management, limited markets etc. It is very known fact in business circle or environment that small-scale business enterprises find it difficult to source due to the irritability to meet up the collateral requirements to enable them secure financial services from financial institutions (Banks). Also, the cost of handling small-scale loans and risk of default, are factors militating against the granting of banks loans/facilitated to small borrowers.

Generally, any business enterprise, whether small or large, requires or needs fund to operate and these funds are obtained from diverse or different sources. The sources of fund/finance available to small-scale enterprises in (Nig) includes personal savings, loans from friend and relatives, commercial and Merchant banks, and government assisted/specialized credit schemes/funds, such as national economic reconstruction Fund (NERFUND), world bank loan scheme, etc. It can be widely stated that small-scale enterprises sources of finance are limited compared to the large-scale enterprises. Due to their (small-scale enterprises)

ignorance or inability to meet the requirement of financing institutions responsible for lending of fund, and partly due to small-scale enterprises or refusal to pay back loans or funds lent to them at the appropriate time. In most cases small-scale enterprises inability to pay back loans borrowed as a result of improper financial management. Finance, as it is widely stated is “the key factor or bed rock of business enterprise (s) and in one way or the other becomes the key problem due to mismanagement of the available fund. Some of these small-scale industries do not even know the means or procedures to be adopted to obtain funds needed for their operations because of ignorance and illiteracy.

This study is carried out by the researcher to see in details “how the available sources or means of financing small-scale industries in Nigeria have performed, and the problems associated with the financing of small-scale enterprises, and how the problems can be redressed or solved.

1.2 AIMS/OBJECTIVES OF THE STUDY

The aim of this study is to examine the impact of financing by commercial banks on the small scale industries in Nigeria. While specific objectives are:

- ✓ To identify and examine the various small-scale industries in Nigeria.
- ✓ To identify and evaluate the problems militating against the financing of small-scale industries in Nigeria.
- ✓ To examine or assess the effectiveness and efficiency in the management of available funds by the small-scale industry.
- ✓ To make some recommendations based on the result of the finding.

1.3 RESEARCH QUESTIONS

1. Of what relevance is the finance of small scale industries to Nigeria?
2. What are the effects of problems militating against the financing of small scale industries in Nigeria?

1.4 RESEARCH HYPOTHESES

Ho: There is no problem(s) militating against the finance of small-scale enterprise on Nigeria economy.

Hi: There is problem(s) militating against the finance of small-scale enterprise on Nigeria economy.

1.5 RESEARCH METHODOLOGY

In appraising the financing questions of small industries in Nigeria. The researcher intends to employ questionnaire, informal discussion and information derived through observation.

The source of data that will be used in this study shall be primary source of data.

The procedure for processing data that is, testing the hypothesis shall be through the use of chi-square which is defined thus:

$$\chi^2 = \frac{(O_i - E_i)^2}{E_i}$$

Where, χ^2 = Chi-square

O_i = Observed frequency

E_i = Expected frequency

1.6 SOURCES OF DATA

The researcher intends to use primary data in process of carrying out this research work. The questionnaire will simply be constructed in such a way that the respondents will easily understand the questions. Oral interviews and informal discussion will also be adopted in order to get more information relevant to the research study.

1.7 SIGNIFICANCE OF THE STUDY

Small-scale industries as bedrock of economic growth and development have an important role to play towards achieving the objectives or rapid industrialization of any economy. This study is expected to show how small-scale industries contribute to the growth and development of the economy when adequately funded or financed, and carefully managed. The discoveries of findings from this research study can help small-scale industries in Nigeria to find solution(s) to their financial problems and management of funds available to them, for an effective and efficient performance.

1.8 DEFINITION OF TERMS

Small and Medium Scale Enterprises (SMEs): These usually small owner or family managers this business with its goods and services being basic, it tends to lack the organizational and management structures which characterized large-scale enterprise.

Finance:- This is the management of money (i.e the management of the flows of money through an organization and claims against money).

Objectives:- This state precisely what is to be achieved and when the results are to be accomplished.

Resources:- Input or element utilized in management process.

Policy:- This is a set of rules guidelines guiding the corporate strategy.

Firm:- Is an entity or a body that engage in activities of performs the functions of finance.

Financial Managers:- This is a key manager who is responsible for the day to day financial services and record keeping of the organization

Trade Policy: This is government regulatory pronouncement aimed at managing trade relations between one country and another with the goal of achieving merger micro-economy objectives.

Productivity: This has been defined as the measure of how well resources are brought together in an organization and utilize for accomplishment a set of results productivity is reaching the highest level of the performance with the least expenditure of resources.

An employee: An employee as used in this study refers to any worker in the organization under study.

Motivation: Is a general term applying to the entire of desire, driven needs wishes and similar forces in other words motivation refers to the drive and effort to satisfy a want goal motivation implies a drive towards an outcome satisfaction.

Resources: It refers to the collective means of supplying and satisfying needs and wants in an organization e.g. man, material, machine and money, which are known as SMS.

Administrative: It refers to the organization and direction of persons and material in order to accomplish a specific end.

Liberation: This refers to the significant of giving or given freely quality of being broad-minded freedom from pre-judice.

Trade: This is the process of buying and selling planned industrial area rented to manufactures that can exchange barter.

Policy: This can be written statement of the terms of a contract of insurance. It can also refer as the plan of action, statement of aims and ideals especially one made by a government political party and business company future researchers could depend on this research work as sources of relevant data, given the above-mentioned reasons coupled with the potential research experiences that the researcher of this study will acquire; this research project is adequately justified.

Satisfaction: Refers to the contentment experienced when a want is satisfied from a management point of view this means that a person might have high job or reversed might be traced.

Co-ordination: Is the process whereby the effort of a group is synchronized so that the desired goal is obtained.

Direction: Is the process of ensuring employee to do the jobs allotted to them.

Management: It refers to the process of harnessing and motivating resources to achieve the desired goals of an organization.

Human: Are those employee or workers in an organization.

1.9 ORGANISATION OF STUDY

Chapter One: This will contain the introduction to the study, objectives of the study, statement of the problem, significance, methodology of the study and limitations of the study.

Chapter Two: This will comprise of the literature review of works done on this study by various researchers.

Chapter Three: This chapter will contain the methodology and process of data collection.

Chapter Four: Here is where analysis and presentation of data collected are done.

Chapter Five: This contains the conclusions and summary of study and also recommendations on policy actions.

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