

ASSESSING THE CHALLENGES CONFRONTING SMALL-SCALE BUILDING FIRMS IN ABUJA NIGERIA

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ABSTRACT

Small building construction firms play a critical role in urban development yet face persistent operational challenges that hinder their growth and sustainability in Nigeria. This study investigates the major challenges and strategies influencing the performance of small construction firms in Abuja. The objectives were to identify key operational constraints, evaluate their impacts on firm performance, and assess effective management strategies for improvement. A survey research design was adopted, and data were collected from 150 respondents drawn from registered firms in the Abuja Business Directory using structured questionnaires. The data were analyzed using descriptive statistics, Mean Item Score (MIS), and Relative Importance Index (RII). Findings revealed that financial difficulties, multiple taxation, and macroeconomic instability are the most critical challenges confronting small firms. Conversely, strategies such as waste minimization, technology adoption, and workforce training were perceived as highly effective in improving productivity. The study concludes that addressing financial barriers, enhancing resource management, and formulating supportive policies are vital for strengthening the competitiveness and sustainability of small construction firms in Nigeria.

KEYWORDS: Building, Challenges, Construction Firms, Small-Scale, Strategies

INTRODUCTION

The construction industry makes a valuable contribution to national economies, serving as a major driver of employment generation and poverty alleviation. Construction activities stimulate other sectors even before physical development begins (Berisha & Pula, 2015). Small building construction firms (SBCFs) are often regarded as the “backbone” of the industry, contributing significantly to innovation, job creation, and entrepreneurship. They account for about 73% of total sectoral value added, 69% of production, employ 71% of the workforce, and generate 75% of the sector’s total pay (Bassam *et al.*, 2019).

In Nigeria, the increasing demand for housing and infrastructure has encouraged the proliferation of small construction firms. However, many of these firms face difficulties in sustaining operations due to limited managerial capacity, weak access to finance, and inadequate technical expertise (Alalou *et al.*, 2016; Tayeh *et al.*, 2018). Nigeria has about 17.2 million small firms, representing roughly 96% of all businesses and contributing over 75% of employment opportunities (Ilori, 2017). Despite this, small construction firms are often excluded from large-scale or high-value projects due to perceived inefficiencies, poor performance

records, and financial instability (Mitrofanova *et al.*, 2015).

Several Nigerian studies have examined the performance and challenges of small-scale construction firms. For instance, Aiyetan and Das (2020) identified managerial inefficiency, inadequate supervision, and low technology adoption as major factors limiting productivity among small firms in Lagos State. Similarly, Odediran *et al.* (2012) and Odediran and Windapo (2019) observed that small and medium construction enterprises in Nigeria struggle with access to finance, shortage of skilled labour, and limited equipment resources, which reduce their project delivery performance. Eze (2012) also noted that poor planning and weak project management practices are dominant causes of project delays among small contractors. Ojo and Gbadebo (2019) further emphasized that unstable government policies, inflation, and lack of financial literacy hinder small construction firms from achieving sustainable growth.

While these studies have offered valuable insights into the operational and financial difficulties faced by small construction firms across Nigeria, very few have focused specifically on the Abuja construction environment, where government projects, urban expansion, and real estate development create unique operational dynamics. Moreover, existing literature seldom integrates the perspectives of firm owners and managers to identify both the specific challenges and adaptive strategies used for survival within the city's construction sector.

This study therefore seeks to fill this gap by empirically assessing the challenges and strategies of small building construction firms in Abuja, Nigeria. It aims to generate context-specific knowledge that can inform policy and enhance the sustainability, competitiveness, and growth of small

construction enterprises in the Federal Capital Territory. To achieve the aim, the following objectives are formulated to:

1. Identify the challenges of small building construction firms in Abuja; and
2. Determine strategies of improving growth of small building construction firms in Abuja

LITERATURE REVIEW

Classification of construction firms

Contracting organisations are generally classified as small, medium and large firms, on account of a number of criteria that influence the type of works they undertake (Mhando *et al.*, 2017). The criteria that have been adopted in the classification include scope of operation (local, regional, national, and multinational); specialization (building and engineering); size and category of contracts (small, medium, and large), and the nationality (foreign and indigenous) of the company's owner(s) (Ihua & iyanbola, 2012, Balogun *et al.*, 2018).

Firms differ in their levels of capitalisation, sales and employment; hence, definitions that employ measures of size (number of employees, turnover, profitability, net worth, and so on), when applied to one sector, could lead to all firms being classified as small, while the same size definition, when applied to a different sector, could lead to a different result (Owolabi *et al.*, 2014). Kulemeka *et al.* (2015) contend that the definitions of small and medium-scale enterprises vary according to contexts, authors and countries, which are defined by differences in capital requirements and levels of industrial development. In countries such as Japan, Peru and Canada, small-scale business is defined in terms of annual turnover and the number of paid employees (Kulemeka *et al.* 2015).

Ogunde *et al.*, (2017) observe that a small and medium contracting firm is a

typical sole proprietorship firm, or in many cases, a family-owned business with few foremen who are mostly casual labour Eyiah *et al.*, (2018), define small and medium-sized construction firms as companies with metric (usually number of employees or annual turnover) that fall below certain thresholds. Ukessays (2015) observes that, while the number of employees and rate of turnover are good indicators, the number of employees and the total amount of turnover for defining small and medium-scale firms in different countries are certainly not similar.

The Nigerian National Policy on Micro, Small and Medium Enterprises (NPMSMEs) (2007) considered the classification of firms on the basis of size, sector, organisation, technology, location, employment, turnover, assets, and paid-up capital, with the view to understanding the nature, characteristics, performance, problems and challenges of business enterprises and for the purpose of a coherent national policy in Nigeria. In view of this, the NPMSMEs (2007) adopted classifications and definitions based on the criteria of employment and assets (excluding land and buildings), as shown in Table 1.

Table 1: Classification of small and medium-scale firms

S/N	Size category	Employment	Assets (N million) (excluding land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10-49	5 less than 50
3	Medium enterprises	50-199	50 less than 500

Source: SMEDAN, 2009

The NPMSMEs (2007) proposes that, where there is a conflict in classification between the criteria of employment and assets, the employment-based classification will take precedence and the enterprise will be regarded as micro/small. There is no definite agreement in existing literature on the definition of small and medium-scale firms (Mafimidiwo, 2015). In view of this, the Small and Medium Enterprises Development Agency of Nigeria's (SMEDAN) (2009) definition of a small firm as an enterprise whose total assets, including working capital but excluding the cost of land, is between N5 million and N50 million with a workforce of between 10 to 49 full-time staff, and an annual turnover of not more than N10 million, may be considered very worthwhile.

SMEDAN (2009) defines a medium-scale enterprise as a company with a total asset, including working capital but excluding the cost of land and building, of over N50 million, but less than N500 million. Moreover, the medium-sized

firm has a staff strength of between 50 to 199 full-time workers, with an annual turnover of not more than N20 million. In this article, the definitions and classifications of small and medium-sized firms, as set out by SMEDAN (2009), are adopted as the operational definitions.

Challenges of small building construction firms

SMEs development is blocked by several challenges that are related to the regulatory environment, management skills, financial infrastructure, lending capacity and liquidity and the availability of risk sharing instruments. Dil and Shokit, (2014), summarized the main challenges facing small contractors in as follows:

1. Cash flow
2. Construction management skills
3. Contract documentation
4. Working relationships
5. Facilities and equipment
6. Communication
7. Cultural impact
8. Financial management skills

Similarly, (Alaloul *et al.*, 2017) Summarized the most affecting challenges faced by SMEs around the world.

1. Capital cost: This challenge is straight mirrored in the profitability of these businesses through the demand of SMEs to pay a relatively high interest rate paralleled to the interest rate paid by large-sized enterprises. Furthermore, SMEs rely on borrowing from banks, which increases their costs.

2. Inflation: Its influence on the increase in prices of raw materials and labour costs leads to higher operating costs. Here, SMEs face a key problem: competition which restrict their ability to raise prices to avoid the impact of increased wages and materials.

3. Financing: SMEs face financing troubles because of lack of guarantees lack of credit score.

4. Government policies: This is a mounting challenge in developing countries, particularly in the rules that concern the organization of the work of SMEs.

5. Taxation: The tax system is on the top of the list of the most important challenges facing SMEs around the world.

6. Competition: Competition and marketing are essential challenges facing SMEs. Competition main sources are large-sized firms and imports.

7. Lack of raw materials: Which leads to import and exchange rate fluctuations. Adisa *et al.* (2014), in their rank of the problems affecting the growth of construction firms, the top six factors are related to government in one way or the other and could be classified as problems created either directly or indirectly by government. These are problems that could be said to be external to the firms or outside their control and they included: Unfavorable business environment, Weakeconomy, Lack of enabling government policies, Corruption, Lack of government

patronage and Patronage of foreign firms.

Shweiki (2013) sorted the constraints of the construction contracting sector into: constraints that can be traced back to the Israeli occupation and constraints that referred to the construction field itself in Palestine, which the Palestinian people hold the possibility of solution and can be overcome. Shweiki also paid particular attention to the dilemmas of transport of material and individuals. Adisa *et al.* (2014), in their study of challenges facing small contractors in Nigerian, four factors were found to be the major challenges confronting small business in Nigeria. These include lack of adequate funding, Poor record keeping and information management, Inability to distinguish business capital from personal money, Lack of crucial infrastructural facilities and Lack of proper business and management skills/knowledge.

Agwu and Emeti (2014) summarized the key challenges and issues facing small sized construction firms as follows:

1. Financial problems
2. Management problems
3. Inadequate basic infrastructure
4. Socio-culture problems
5. Strategic planning problems
6. Location/ Economic problems
7. Poor accounting system
8. Multiple taxation
9. Unstable policy environment

Aigbavboa and Thwala (2014) found that the most critical current challenges facing construction SMEs are: Lack of managerial skills and planning, Lack of access to work opportunities, Prolonged economic recession, Lack of financial skills, Competition, Business skills, Lack of sound technical skills and Pricing skills.

Bouazza *et al.* (2015) stated that Empirical studies on factors affecting the growth of SMEs can be roughly divided into two groups: internal factors of the

firm and external factors that are beyond the SMEs' control.

External factors in their research can be summarized as follows: Legal and regulatory framework, Access to finance and Human resources capacities. Internal factors and many more key strategic factors can be summarized as follows: Characteristics of entrepreneurs, Managerial capacities, Marketing skills and Technological capacities.

Raghavan and Kumar (2015) carried out a survey among small scale construction companies in India and based on the result, Delayed payments by clients, Fluctuation in material cost, Owners

involvement in construction phase, Cash flow management and Increased competition in the construction field were perceived.

Small Building Construction Firms (SBCFs) are essential players in Nigeria's built environment, contributing significantly to employment generation and infrastructure delivery. However, they operate under numerous constraints that affect their productivity, sustainability, and competitiveness. The review below synthesizes findings from global and local studies, identifying key challenges and strategies as documented in the literature.

Table 2: Summary of challenges and strategies of small building construction firms

S/N	Challenges Faced by SBCFs	Supporting Sources	Corresponding Strategies / Solutions	Supporting Sources
1	Limited access to finance, inadequate capital for project execution	Odediran & Windapo (2019); Bassam et al. (2019); Oyelaran (2010)	Strengthening financial management; partnership with financial institutions; improved credit accessibility	Ojo & Gbadebo (2019); Gbandi & Amissah (2014)
2	Managerial inefficiency and lack of project planning skills	Aiyetan & Das (2020); Eze (2012)	Capacity building, training in project management, adoption of management software	Abosede et al. (2019); Alalou et al. (2016)
3	Multiple taxation and unfavorable government policies	Ojo & Gbadebo (2019); Ilori (2017)	Advocacy for policy reforms; participation in professional associations to influence regulation	Mitrofanova et al. (2015); Odediran et al. (2012)
4	Poor technological adoption and low productivity	Tayeh et al. (2018); Bassam et al. (2019)	Investment in construction technology and digital tools; adoption of Building Information Modelling (BIM)	Aiyetan & Das (2020); Alalou et al. (2016)
5	Shortage of skilled labour and high labour turnover	Eze (2012); Odediran & Windapo (2019)	On-the-job training, apprenticeship programs, incentives to retain skilled workers	Ojo & Gbadebo (2019); Abosede et al. (2019)
6	Fluctuations in material prices and supply chain disruptions	Bassam et al. (2019); Evbuomwan et al. (2013)	Bulk material procurement, supplier relationship management, and price hedging	Odediran et al. (2012); Gbandi & Amissah (2014)
7	Weak internal control and poor record keeping	Abosede et al. (2019); Eze (2012)	Implementation of accounting software, periodic audits, and transparent reporting systems	Ojo & Gbadebo (2019)
8	Low competitiveness and exclusion from major projects	Mitrofanova et al. (2015); Ilori (2017)	Strategic collaborations and joint ventures with larger firms; diversification of project portfolio	Odediran & Windapo (2019); Aiyetan & Das (2020)
9	Unstable macroeconomic environment and inflation	Bassam et al. (2019); Ojo & Gbadebo (2019)	Effective risk management, flexible contracts, and contingency planning	Gbandi & Amissah (2014); Evbuomwan et al. (2013)
10	Poor innovation culture and limited research capacity	Tayeh et al. (2018); Alalou et al. (2016)	Encouraging R&D investment, knowledge sharing, and collaboration with academic institutions	Aiyetan & Das (2020); Abosede et al. (2019)

METHODOLOGY

Research Design

The study adopted a survey research design, which was considered appropriate for examining the challenges and strategies of small building construction firms in Abuja, Nigeria. This design allows for the collection of standardized information from a large number of respondents, enabling quantitative analysis and the generalization of findings (Creswell, 2014). The research process was conducted in two stages: first, an extensive review of relevant literature from journals, conference papers, seminar papers, textbooks, and credible online sources to identify key variables and guide questionnaire development; and second, the administration of a structured questionnaire to respondents selected from registered small construction firms in Abuja, Nigeria's Federal Capital Territory. Abuja was chosen due to its strategic importance as a hub for administrative and construction activities, providing a representative context for the study.

The research population consisted of small construction firms registered with the Corporate Affairs Commission (CAC) and listed in the Abuja Business Directory (2021), which identified 255 firms actively engaged in small-scale building and allied construction services. This directory served as the sampling frame, providing verified contact details used to reach respondents. The sample size was determined using the Taro Yamane formula for finite populations at a 5% margin of error and a 95% confidence level, yielding a total of 159 firms. However, only 150 valid responses were used for analysis after excluding incomplete submissions. A simple random sampling technique was adopted to ensure equal selection probability, thus avoiding bias and securing balanced representation from different professional categories,

including contractors, builders, engineers, and project managers.

Primary data were collected using a structured questionnaire designed in four sections: Section A covered demographic and firm information; Section B addressed challenges faced by small construction firms; Section C explored strategies employed to overcome these challenges; and Section D assessed the perceived effectiveness of these strategies. The questionnaire items were developed from findings in relevant studies (Odediran & Windapo, 2019; Bassam et al., 2019; Aiyetan & Das, 2020) and refined through consultations with construction experts to ensure content validity. Responses were measured on a 5-point Likert scale ranging from 1 (Strongly Disagree/Very Low Importance) to 5 (Strongly Agree/Very High Importance). This scaling approach facilitated the quantification of subjective opinions and allowed for the computation of Mean Item Scores (MIS) and Relative Importance Index (RII), which were later used to rank the significance of identified factors.

The data analysis employed both descriptive and inferential statistical methods using SPSS version 28. Descriptive statistics such as frequencies, percentages, and means were applied to summarize demographic data and general response trends. The Mean Item Score (MIS) was calculated to determine the average importance of each factor using the formula $MIS = \Sigma fx/N$, where f represents frequency, x the scale value, and N the total number of respondents. The interpretation of MIS values followed a five-point scale: 1.00–1.80 (Very Low Significance), 1.81–2.60 (Low Significance), 2.61–3.40 (Moderate Significance), 3.41–4.20 (High Significance), and 4.21–5.00 (Very High Significance). The Relative Importance Index (RII) was used to establish the relative ranking of

variables, calculated as $RII = \Sigma W / (A \times N)$, where W represents the weight assigned to each response, A the highest possible weight (5), and N the total number of respondents. Higher RII values indicated greater perceived importance of a factor.

The use of descriptive statistics, MIS, and RII was justified because these techniques are widely applied in construction management research to rank, compare, and prioritize key factors influencing firm performance (Odediran & Windapo, 2019; Aiyetan & Das, 2020). They provide an objective means

to assess and interpret perceptions within survey-based studies. SPSS was chosen for its reliability in handling large datasets, performing accurate computations, and generating easily interpretable tables and charts.

RESULTS AND DISCUSSION

The demographic information of the respondents

This section delineates and examines the findings of the demographic analysis of the respondents from the field survey conducted in this research.

Table 3 : Demographic information of the respondents

General Information	Variables	Frequency	Percent
Educational Qualification	OND/NCE	31	20.8%
	HND/BSc	50	33.3%
	MSc	62	41.6%
	PhD	7	4.3%
	Total	150	100%
Profession	Architect	24	16.0%
	Quantity Surveyor	63	42.0%
	Builder	27	18.0%
	Engineer	36	24.0%
	Total	150	100%
Years of Experience	1–5 years	36	24.0%
	6–10 years	45	30.0%
	11–15 years	27	18.0%
	16–20 years	21	14.0%
	Above 20 years	21	14.0%
	Total	150	100%
Number of Employees	Less than 10	100	66.6%
	10–49	25	16.6%
	50–199	25	16.6%
	Total	150	100%

Five [5] demographic factors were analysed. Table 3 displays the demographic information of the participants. In terms of educational qualifications, the majority of respondents (62; 41.6%) possessed a Master's degree, followed by those with HND/BSc qualifications (50; 33.3%). A smaller proportion had OND/NCE (31; 20.8%), while only 7 respondents (4.3%) held a PhD. This suggests a relatively

high educational attainment level among participants, which may contribute positively to technical expertise and professional decision-making in the sector. Regarding professional background, quantity surveyors formed the largest group (63; 42.0%), followed by engineers (36; 24.0%), builders (27; 18.0%), and architects (24; 16.0%). This distribution reflects the multidisciplinary nature of construction projects and the

significant role of cost management professionals in small construction firms. The analysis of years of experience reveals that most respondents (45; 30.0%) had 6–10 years of experience, followed by those with 1–5 years (36; 24.0%). A considerable proportion had 11–15 years of experience (27; 18.0%), while 21 respondents (14.0%) each had 16–20 years and above 20 years of experience. This indicates that the sample comprises both early-career and seasoned professionals, providing a balanced perspective in the survey. Finally, the number of employees in the firms shows that the majority (100; 66.6%) had fewer than 10 employees, reflecting the small-

scale nature of the firms under study. Firms with 10–49 employees and those with 50–199 employees each accounted for 25 respondents (16.6%). This reinforces the focus of the study on small construction firms as defined by their workforce size.

Challenges of Small Building Construction Firms

A total of fifteen (15) challenges facing small building construction firms were identified from literature, and respondents were asked to rank these factors as challenges facing small building construction firms and the result is presented in Table 4.

Table 4: Challenges of small building construction firms

S/No	Challenges	MIS	Rank	Decision
1.	Financial problems	4.70	1 st	Very significant
2.	Multiple taxation	4.69	2 nd	Very significant
3.	Weak economy	4.67	3 rd	Very significant
4.	Lack of managerial skills and planning	4.46	4 th	Significant
5.	Lack of access to work opportunities	4.38	5 th	Significant
6.	Unstable policy environment	4.29	6 th	Significant
7.	Poor record keeping and information management	4.24	7 th	Significant
8.	Lack of proper business and management skills/knowledge.	4.18	8 th	Significant
9.	Lack of enabling government policies	4.00	9 th	Significant
10.	Competition	3.98	10 th	Significant
11.	Lack of access to work opportunities	3.93	11 th	Significant
12.	Inadequate basic infrastructure	3.90	12 th	Significant
13.	Inability to distinguish business capital from personal money	3.86	13 th	Significant
14.	Lack of government patronage and Patronage of foreign firms	3.82	14 th	Significant
15.	Corruption	3.60	15 th	Significant
	Mean Average	4.18		Significant

Table 4 presents the challenges confronting small building construction firms in Abuja, ranked based on their Mean Item Scores (MIS). The results indicate that the most critical challenges are financial problems (MIS = 4.70), multiple taxation (MIS = 4.69), and a weak economy (MIS = 4.67) all rated as very significant. These findings highlight the severe financial and policy-related constraints faced by small firms in the construction sector. Conversely, the least-ranked challenges include lack of government patronage and preference for foreign firms (MIS = 3.82) and corruption (MIS = 3.60), though these still fall within the significant category. The overall mean average score of 4.18 further underscores that the identified challenges are collectively viewed as major constraints to the effective performance and sustainability of small construction firms.

Financial problems (MIS = 4.70) emerged as the most significant challenge, underscoring the persistent difficulty small firms face in accessing funding. Limited capital restricts their capacity to procure construction materials, invest in modern equipment, pay skilled labor, and sustain operations. Most financial institutions classify these firms as high-risk borrowers, demanding stringent collateral or offering loans at high interest rates. As a result, many small firms rely on personal savings or informal borrowing, which limits their operational scale and profitability.

The issue of multiple taxation (MIS = 4.69) ranked second, reflecting the heavy financial burden imposed by overlapping taxes and levies from local, state, and federal authorities. The duplication and inconsistency of these taxes create uncertainty in business planning and erode profit margins. This situation discourages firms from formalizing operations or expanding, as tax obligations often outweigh perceived business benefits. Similar observations

were made by Alaloul et al. (2017), who emphasized that taxation complexity significantly undermines the growth of small construction enterprises in developing economies.

The third-ranked challenge, weak economy (MIS = 4.67), captures the influence of macroeconomic instability on the performance of small construction firms. Fluctuations in exchange rates, inflation, and declining purchasing power increase construction costs and reduce client investment in projects. This finding aligns with Dil and Shokit (2014), who noted that economic downturns directly affect material prices, cash flow, and project financing. In Abuja, firms are particularly vulnerable to these economic shocks due to their dependence on government-funded projects, which are often delayed or cancelled during economic contractions. Lack of managerial skills and planning (MIS = 4.46) and lack of access to work opportunities (MIS = 4.38) also feature prominently among the top challenges. These results suggest that many small firms lack structured management systems and business planning capabilities, affecting project execution and profitability. Poor project scheduling and inadequate supervision often result in delays and cost overruns. Furthermore, limited access to project opportunities especially government contracts reduce their competitiveness in the marketplace.

Other significant challenges include unstable policy environment (MIS = 4.29), poor record keeping and information management (MIS = 4.24), lack of business and management knowledge (MIS = 4.18), and lack of enabling government policies (MIS = 4.00). These mid-ranked challenges reflect institutional and administrative barriers that weaken firm performance and sustainability. Firms operate within a constantly changing policy framework, making long-term business planning

difficult. Poor record management also hinders access to loans and investor partnerships.

At the lower end of the ranking, competition (MIS = 3.98), inadequate basic infrastructure (MIS = 3.90), inability to distinguish business capital from personal funds (MIS = 3.86), lack of government patronage and preference for foreign firms (MIS = 3.82), and corruption (MIS = 3.60), though significant, were perceived as less critical compared to financial and economic issues. These challenges may rank lower because firms view them as external constraints, they have limited power to influence, whereas financial and managerial issues are internal and more immediate.

Overall, the mean average score of 4.18 signifies that all identified challenges are significant and interconnected, requiring integrated solutions. Addressing financial access, reforming taxation systems, improving managerial capacity, and stabilizing the economic environment would substantially improve the operational sustainability of small building construction firms in Abuja. These findings corroborate those of Dil and Shokit (2014) and Alaloul *et al.* (2017), who reported that the major barriers confronting small construction firms include inadequate finance, excessive taxation, weak economic structures, and managerial inefficiencies.

Strategies for Improving Growth of Small Building Construction Firms in Abuja

To rank the identified strategies for improving the growth of small building construction firms in Abuja, RII was employed to rank the perceptions of the respondents. The result of the analysis carried out in respect of this is presented in Table 4.

Table 4: Strategies of improving growth of small building construction firms in Abuja.

S/No	Strategies	MIS	RII	Rank	Decision
1	Minimize waste	4.50	0.90	1st	Very Effective
2	Implement technology	4.40	0.88	2nd	Very Effective
3	Improve construction productivity through training, job site experience, and managing job production for profit	4.20	0.84	3rd	Very Effective
4	Accurate general conditions and estimating for profit	4.15	0.83	4th	Very Effective
5	Charge for all amendments on change orders	4.05	0.81	5th	Very Effective
6	Improve and increase safety training	4.00	0.80	6th	Very Effective
Mean Average		4.22	0.84		Very Effective

The results in the Table 4 show that all the identified strategies for enhancing the performance of small building construction firms are rated as very effective, with Relative Importance Index (RII) values ranging from 0.80 to 0.90. The top three strategies are minimizing waste (RII = 0.90), implementing technology (RII = 0.88), and improving construction productivity through training, job site experience, and managing job production for profit (RII = 0.84). The least ranked, though still highly rated, is improving and increasing safety training (RII = 0.80). The overall average RII of 0.84 indicates that respondents believe these strategies can significantly improve the performance and sustainability of small construction firms if properly implemented.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concludes that the growth and sustainability of small building construction firms in Abuja are largely determined by their ability to overcome structural and financial barriers through proactive internal management and strategic innovation. The evidence suggests that while external factors such as macroeconomic instability, multiple taxation, and limited access to finance

pose major constraints, the long-term success of these firms depends more on their internal capacity to adapt, manage resources efficiently, and leverage emerging technologies. Furthermore, the study establishes that strengthening managerial competence, institutionalizing waste minimization practices, and investing in workforce development are critical pathways to improved productivity and profitability. It also concludes that a more enabling policy environment characterized by fair taxation, improved access to credit, and infrastructural support is essential to complement firm-level strategies. Finally, the study affirms that a dual focus on internal operational efficiency and external policy advocacy offers the most sustainable framework for enhancing competitiveness and ensuring the continued relevance of small building construction firms within Abuja's construction sector.

Recommendations

Based on the findings of the study, the study recommends that:

1. The government, financial institutions, and industry associations should collaborate to create low-interest loan schemes, construction project financing facilities, and credit guarantee

programs tailored for small construction firms.

2. Regulatory authorities should harmonize and simplify tax obligations to eliminate multiple

taxation, which erodes profitability. A unified tax framework for small construction businesses would reduce compliance burdens.

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