NIGERIAN JOURNAL OF RURAL FINANCE AND ENTREPRENEURSHIP (NJRFE) Volume 3, Issue 1, June, 2025

...thriving for excellence

NIGERIAN JOURNAL OF RURAL FINANCE AND ENTREPRENEURSHIP (NJRFE)

A Journal of the International Centre of Excellence for Rural Finance and Entrepreneurship (ICERFE)
Ahmadu Bello University, Zaria Nigeria

Volume 3, Issue 1, June, 2025

NIGERIAN JOURNAL OF RURAL FINANCE AND ENTREPRENEURSHIP (NJRFE)

A Journal of the International Centre of Excellence for Rural Finance and Entrepreneurship (ICERFE),
Ahmadu Bello University, Zaria, Nigeria

Volume 3, Issue 1, June, 2025

ISSN Print: 2992-3530
ISSN Online: 2992-3549

Published By
International Centre of Excellence for Rural Finance and Entrepreneurship (ICERFE),
Ahmadu Bello University, Zaria, Nigeria

Printed at:
Rhaimzy Publishing Press Zaria
Kaduna State, Nigeria.
Tel.: 08063835463.
E-mail: rhaimzy@yahoo.com

NIGERIAN JOURNAL OF RURAL FINANCE AND ENTREPRENEURSHIP (NJRFE)

The NJRFE is a biannual, double-blind, peer-reviewed journal dedicated to ensuring originality and relevance. It focuses on theoretical, empirical, and conceptual articles in the broad fields of Entrepreneurship, Rural Finance, Management, and Economics. The journal invites individuals, scholars, and research groups from across the globe to submit manuscripts related to these areas for publication in its latest Edition, Vol. 3, No. 1 (June 2025). Submitted papers must be original, unpublished, and not under consideration for publication elsewhere.

SUBMISSION GUIDELINES FOR THE MANUSCRIPTS

Authors are required to strictly adhere to the following guidelines as part of the submission procedures. Submissions that do not adhere to the guidelines will be rejected.

- The cover page should include author(s) title, full name(s), institutional affiliation address, email address and phone number(s) must appear on the cover page.

- The submission file should be in Open Office file, Microsoft Word or WordPerfect document.

- Abstract should not exceed 300 words and should be in italics and single line spacing with 5 (five) keywords arranged alphabetically.

- The text of the manuscript should not exceed 8000 words with 1.5 spacing using a 12-point font (Times New Roman); italics should be used in place of underlining except for URL addresses; place all illustrations, tables and figures within the text at the appropriate places, not at the end. Titles and section headlines should be clear and brief. Sources for tables and images should be provided.

- When using a word which is or is asserted to be a proprietary term or trademark, authors must use the symbol ® or TM.

- Manuscripts covering investigations should be compiled in the following order: title page; abstract; keywords; introduction, literature review, materials and methods, results and discussion, conclusion and recommendations; references APA 7th edition.
- All manuscripts should be accompanied with evidence of payment of a non-refundable+
- assessment fee of ₦5, 000 or $10 via this email address **icerfejournalabu@gmail.com**
- Payment of ₦25, 000 or $40 publication fee for every article accepted for publication will be required.
- All payments should be made to**; Account Name:** INT. CNTR FOR RURAL FIN. (INFR. A/C) Account **Number:** 0303101863 **Bank:** ABU MICRO FINANCE BANK
- All manuscript submitted will be subjected to plagiarism test and papers with plagiarism rate above **20%** will be **REJECTED.** NJRFE Journal is published online.

FOR ENQUIRY CONTACT:

Dr. Idris Bashir Bugaje
Editor in Chief
08034001270

Mrs Maimuna I. Suleiman
Editorial Secretary
08035841970

Dr. Auwalu Inusa
Managing Editor
08069486493

Dr. Hussaini Suleiman
Deputy Managing Editor
08029153724

NJRFE EDITORIAL POLICY

The Nigerian Journal of Rural Finance and Entrepreneurship (NJRFE) is a biannual, double-blind, peer-reviewed journal that focuses on theoretical, empirical, and conceptual research in the broad fields of entrepreneurship, rural finance, management, and economics. To ensure originality and scholarly relevance, each submission undergoes a rigorous review process involving at least one peer reviewer and an editorial review. Submitted papers must be original, unpublished, and not under consideration for publication elsewhere. To uphold academic integrity and ethical standards, all submissions will undergo a plagiarism check. Papers that fail the plagiarism test will be rejected. The opinions expressed in published articles are solely those of the authors and do not necessarily reflect the views of the Editorial Board. The NJRFE is published twice a year, in June and December. A maximum of two submissions per issue is allowed per author as the lead author.

CONTENTS

OVERVIEW OF THE LINK BETWEEN STRATEGIC HUMAN RESOURCE MANAGEMENT AND PORTER'S GENERIC STRATEGIES (COST LEADERSHIP, DIFFERENTIATION, AND FOCUS)

[1]Chijioke, Nwachukwu Ph.D & [2]OMOFOWA, Shadrach Ph.D

[1]Horizons University Paris, France
[2]Dept. of Business Administration, Global Polytechnic, Obe, Benin City
[1]cesogwa@yahoo.com, [2]shadrachomofowa@gmail.com
[2]08035472362, [2]08055253329

Abstract
This study assesses the link between Strategic Human Resource Management (SHRM) and Porter's generic strategies (cost leadership, differentiation, and focus). Organisations can improve their market positions and achieve long-term success by integrating human resource practices with competitive strategies. This study uses an integrative literature review approach to synthesize existing literature and emphasise how SHRM practices facilitate the successful implementation of Porter's strategies. A comprehensive search was done across major academic databases, including Scopus and Google Scholar, using keywords relating to SHRM and competitive strategy. The initial search turned up 64 scholarly sources, from which a final selection of 49 peer-reviewed publications published between 2014 and 2024 was chosen based on relevance, methodological quality, and subject focus. These publications were evaluated using thematic synthesis to discover essential patterns and empirical data that show how SHRM practices are linked to Porter's methods. The findings highlight SHRM's strategic role in effectively facilitating the adoption of Porter's generic strategies. SHRM improves operational efficiency for cost leadership by optimizing the workforce, streamlining recruitment, and implementing performance-based incentives to save costs. SHRM's differentiation link promotes innovation and service excellence by attracting innovative employees, encouraging continuous learning, and fostering an empowered, innovation-driven culture. SHRM allows for deep market specialization through focused recruitment, customer-centric training, and agile workforce management. By integrating HR practices with each strategic objective, organisations can effectively implement their chosen competitive strategy and maintain a long-term advantage in rapidly changing markets. The implications for practice and future research directions are highlighted.

Keywords: Cost leadership, Differentiation, Focus, Strategic HRM

1. Introduction

In an increasingly competitive and turbulent global economy, the alignment of organizational strategy and human resource management (HRM) has emerged as a major driver of long-term competitive advantage (Boxall & Purcell, 2021; Jiang & Messersmith, 2018). Organisations no longer see human resources as a support function, but rather as a strategic partner that helps them to achieve their business goals (Kim & Ployhart, 2021). Strategic Human Resource Management (SHRM) is the proactive management of people in ways that complement the organization's overall strategy. Jiang and Messersmith (2018) argue that including HR policies and practices into the strategic framework enhances organizational effectiveness by matching workforce capabilities with strategic goals.

Generic Strategies proposed by Michael Porter (1980) are a landmark contribution to strategic management, serving as a foundation for organisations attempting to build a strong position within their industry. Porter identifies three generic strategies: cost leadership, differentiation, and focus as tools that help organisations gain and maintain competitive advantage. Porter (1980) contends that a company must make purposeful strategic decisions to avoid getting ‘’stuck in the middle,’’ which can lead to abysmal performance. As businesses strive for cost reduction, product differentiation, or market niche dominance, human resources play an increasingly important role in ensuring that these strategies are implemented successfully.

Cost leadership strategies necessitate HR practices that prioritize efficiency, consistency, and cost-effectiveness. Organisations adopting this strategy require employees who can effectively perform standardized roles, drive operational efficiency, and manage costs (Kim & Ployhart, 2022). Differentiation strategies, on the other hand, require a focus on innovation, creativity, and exceptional customer service, as well as HRM systems that promote autonomy, learning, and continuous development (Cooke et al., 2021). Focus strategies, which target specific market segments (Dixit, 2023), require a unique blend of efficiency and specialization, frequently necessitating highly specialized HR practices to match the specific needs of niche clients (Allen & Wright, 2007).

Furthermore, the dynamic nature of today’s competitive landscape, influenced by globalization, technological innovation, and shifting workforce expectations, emphasizes the importance of a strategic relationship between HRM and competitive strategy (Jamali et al., 2015). In this context, a static, one-size-fits-all HRM solution is insufficient. Firms must instead create flexible human resource management systems that are closely connected with their selected strategy (Katou et al., 2021). Research shows that companies that achieve a high degree of "vertical fit" between their HRM systems and business strategy outperform those that do not (De Winne et al., 2019).

Understanding how Porter’s Generic Strategies interact with SHRM provides important insights for scholars and practitioners. It helps businesses to create HR solutions that not only serve operational objectives but also improve organizational agility and resilience. For example, a company that values cost leadership may engage in lean worker structures and performance-based pay, whereas a company that values differentiation may prioritize selective hiring, innovation training, and empowerment. In both circumstances, HRM transforms the workforce to embody the firm's strategic aims rather than simply supporting them.

Although strategic human resource management and organizational strategy are widely recognized in the literature (e.g., Jiang & Messersmith, 2018), the integration of SHRM with cost leadership, differentiation, and focus has not been systematically or comprehensively explored in recent years. There is a scarcity of recent integrative reviews that consolidate and compare how SHRM contributes to cost leadership, differentiation, and focus strategies. This gap makes it difficult for scholars and practitioners to have a robust understanding of how to customize HR systems to various strategic scenarios. In light of these gaps, authors employed a targeted literature review that synthesizes and provides insights into how SHRM interacts with cost leadership, differentiation, and focus strategies, as well as how this relationship contributes to firms’ competitive advantage. The objectives of this integrated literature review are as follows:

1. To provide insights into how strategic human resource management supports the implementation of cost leadership, differentiation, and focus strategies.
2. To assess the benefits of integrating SHRM with cost leadership, differentiation, and focus strategies.
3. To explore how SHRM enables and sustains firms' competitive advantage.

This paper provides a comprehensive review of the relationship between strategic human resource management and Porter's generic strategies. It assesses how HRM practices can be tailored to suit each strategic approach and highlights the HR configurations that are most aligned with the imperatives of cost leadership, differentiation, and focus. Drawing on a large body of academic literature and empirical research, the paper shows how organisations can better mobilize their workforce to fulfil strategic objectives, improve organizational performance, and maintain a competitive edge in their respective industries.

Literature Review

Porter's Generic Strategies

Porter (1980) proposed three important strategies organisations may use to acquire a competitive advantage: cost leadership, differentiation, and focus. Cost leadership emphasizes becoming the industry's lowest-cost manufacturer, differentiation focuses on providing unique products or services valued by customers, and focus targets a specific market niche using either cost or differentiation focus. These strategies are the basis for strategic management research and practice (Kunc & O'Brien, 2020).

These generic strategies have significantly influenced strategic management thought and are fundamental to competitive analysis today (Hill et al., 2014). Recent research reveals that successful organisations frequently combine components of these strategies, however, strict commitment to one strategy is generally preferred to avoid strategic "stuck in the middle" positions (Adeleye, 2021; Sigalas, 2015). Furthermore, developments in technology, globalization, and shifting customer expectations have encouraged refinements to Porter's model, with scholars emphasizing the need for dynamic capability in maintaining strategic advantage (Teece et al., 2016).

In today's strategic discourse, cost leadership is increasingly associated with digital transformation and lean innovation practices, whereas differentiation depends more on providing a superior customer experience and embracing corporate social responsibility. Focus strategies are linked to hyper-segmentation, personalisation, and agility in fast-changing niche markets (Kunc & O'Brien, 2020). Arguably, Porter's Generic Strategies provide a robust, enduring framework for strategic decision-making. Modern applications often require flexibility and integration of resource-based and dynamic capability perspectives to remain competitive in volatile, uncertain environments (Barney, 2020; Farjoun, 2021).

Strategic Human Resource Management (SHRM)

Strategic Human Resource Management is the proactive management of people with a strategic focus, ensuring that HR practices align with long-term business strategies (Boon et al., 2019). SHRM adds value by developing competencies that support strategic firm objectives (Lengnick-Hall et al., 2021). SHRM goes beyond traditional HRM by integrating human resource strategies into the strategy planning process to achieve competitive advantage (Wright et al., 2021). This integration is crucial because human capital, skills, knowledge, and capabilities are increasingly recognized as a key source of long-term competitive advantage (Barney, 2020).

Jackson, Schuler, and Jiang (2014) define SHRM as HR systems that promote employee commitment, engagement, flexibility, and innovation, rather than just compliance. For example, practices such as strategic workforce planning, talent management, leadership development, and performance-based reward systems are deliberately designed to enhance the organization's ability to achieve its strategic objectives (Lengnick-Hall et al., 2021). As such, SHRM not only provides support, but it also shapes organizational competencies and culture. Recent research has also highlighted the dynamic nature of SHRM, emphasizing the importance of HR systems' adaptability to changing business environments, technological disruptions, and workforce expectations (Collings et al., 2019). The concepts of "vertical alignment" (connecting HR practices to company strategy) and "horizontal alignment" (ensuring internal consistency among HR practices) continue to be critical to SHRM effectiveness (Delery & Roumpi, 2017). Furthermore, SHRM frameworks increasingly include sustainability and corporate social responsibility (CSR) issues to balance economic objectives with social and environmental consequences (Ehnert et al., 2020). Arguably, SHRM is evolving into a more comprehensive, value-driven strategy critical for organizational resilience and long-term success.

Theoretical links between cost leadership, differentiation, focus strategies, and SHRM

Scholars have increasingly recognized that effective strategy execution heavily relies on human resource capabilities and practices (Becker & Huselid, 2019). Strategic Human Resource Management (SHRM) plays an important role in ensuring that HR-related decisions are closely aligned with an organization's strategic goals (Wright & McMahan, 2011). Porter's (1980) Generic Strategies (cost leadership, differentiation, and focus) require individual HRM systems to meet their specific needs. Organisations implementing a cost leadership approach must prioritize HR strategies that emphasise efficiency, standardization, rigorous performance monitoring, and cost minimization. Arguably, recruiting under cost leadership frequently focuses on hiring individuals who are dependable, quickly trained, and eager to work in standardized settings. Compensation systems tend to emphasise efficiency, compliance, and productivity above originality. In contrast, differentiation strategies demand HR systems that promote creativity, innovation, and employee empowerment (Sparrow & Otaye-Ebede, 2023).

Organisations seeking difference frequently invest in robust training, flexible employment designs, and empowerment efforts that promote creativity and customer responsiveness. Performance appraisals prioritize creativity, idea development, and quality enhancements over strict productivity metrics (Jiang et al., 2012). Focus strategies, whether focused on cost or differentiation within a narrow market, necessitate highly skilled human resources.

According to Farndale and Paauwe (2022), focus strategies should prioritize acquiring, developing, and retaining workers who have deep expertise and detailed knowledge of specific market sectors or customer needs. In such circumstances, bespoke recruitment strategies and personalised growth opportunities are essential. Furthermore, Barney's (1991) Resource-Based View (RBV) adds theoretical depth to Porter's paradigm by emphasizing that human resources can be a source of long-term competitive advantage when it is valuable, scarce, difficult to replicate, and non-substitutable.

According to Kim and Ployhart (2022), aligning HRM with strategic goals ensures the development of strategic capabilities, such as innovation for differentiation strategies or operational excellence for cost leadership, which directly support the firm's ability to effectively implement Porter's strategies. Arguably, SHRM has evolved from a support function to a vital strategic tool for achieving competitive advantage through people.

Empirical Studies on SHRM and Competitive Strategy Alignment

A growing body of empirical research emphasizes the relevance of integrating strategic human resource management (SHRM) with competitive business strategy. Aliyev (2024) emphasizes HR’s strategic role in establishing distinctive qualities that enable long-term competitiveness. His research emphasizes the relevance of connecting HR strategies with dynamic strategic goals and developing a change-ready culture. Similarly, organisations pursuing differentiation strategies benefited from human resource approaches that promoted employee innovation, creativity, and information exchange (Cooke et al., 2021). Their research found that investing in staff training, cross-functional collaboration, and decentralized decision-making systems is crucial for differentiation.

Zehir et al., (2019) investigated the link between SHRM and organizational responsiveness to niche markets. Their research revealed that organisations that used bespoke HR strategies to service niche markets, such as specialised training programmes and customized incentive structures, saw greater levels of customer satisfaction, loyalty, and market responsiveness. This demonstrates that the success of a focus strategy is heavily reliant on the strategic management of human resources tailored to specific customer or segment requirements.

However, other research warns about the misalignment of HRM systems and competitive strategies. Lengnick-Hall et al., (2021) discovered that the discrepancy between HRM practices and business strategies frequently results in strategic drift, diminished employee commitment, and leads to underperformance. These findings highlight the importance of consistent integration of HR strategy with overall organizational strategy. Aligning HR practices with cost leadership, differentiation, or focus initiatives improves organizational performance while strengthening a company's strategic stance in dynamic marketplaces (Boon et al., 2019).

Jiang and Messersmith (2018) found strong evidence that firms that tailor their HR systems to support cost leadership strategies, such as practices emphasizing efficiency, performance management, and standardized work processes, achieve significantly higher levels of productivity and operational efficiency. Despite mounting evidence of SHRM's benefits, its implementation in many developing countries remains unsatisfactory. According to Bawa (2017), organisations in Africa and parts of Asia remain relatively ineffective in implementing SHRM practices. He linked the disparity to HR skill gaps and structural barriers to strategic alignment.

Awolusi et al., (2015) discovered that specific SHRM practices such as integrating HRM with corporate strategies, delegating HR responsibilities to line managers, innovative recruitment and selection systems, performance appraisal systems, and compensation systems had a significant impact on organizational climate in the Nigerian banking industry. Their findings imply that, in addition to training and career planning, strategically integrated HR policies can have a positive impact on the workplace and employee engagement.

Similarly, Ugheoke, Isa, and Noor (2014) investigated the link between SHRM and quantifiable firm performance in a sample of 250 SMEs in Lagos. The study, which used multiple regression analysis, found that SHRM had a significant influence on business outcomes, reinforcing HRM’s strategic contribution to firm growth in developing economies.

Collectively, empirical data highlights SHRM's important role as a facilitator of the successful implementation of Porter's Generic Strategies, validating theoretical models and emphasising the importance of ongoing HR-strategy alignment in practice (Jackson et al., 2014).

Materials & Method

This study used a qualitative integrative literature review methodology to synthesize existing knowledge about the relationship between Porter's Generic Strategies and Strategic Human Resource Management (SHRM) (Snyder, 2019). An integrative review is useful for reflecting the breadth of theoretical and empirical advancements in a multidisciplinary domain such as strategic management and HRM. A comprehensive search was undertaken through reputable academic databases such as Scopus and Google Scholar to ensure broad coverage and academic rigour. Scopus was chosen due to its wide indexing of high-quality, peer-reviewed journals and comprehensive citation monitoring tools, which improve the trustworthiness and relevance of the included studies. Google Scholar was used as a supplementary source to collect grey literature and related papers that may not be found in traditional databases. This combination resulted in a wide, high-quality, and representative sample of scholarly work in areas connected to SHRM and Porter's generic strategies. The search focused on papers published between 2014 and 2024 to ensure that the most recent and important advancements in SHRM and competitive strategy theory were covered. This ten-year period captures current research trends, such as the increasing emphasis on dynamic capabilities, digital transformation, and agile HRM practices that correspond with fast-changing competitive situations. Furthermore, this time marks a change in strategic HRM studies towards integrating Porter's frameworks with contemporary organizational concerns such as globalization, technological disruption, and workforce diversification. Limiting the scope to the last decade ensures that the review includes current scholarly discourse and practical applications relevant to today's corporate environment, to ensure that recent insights were included while also taking into account seminal contributions. The search keywords included combinations of "Porter's Generic Strategies," "Strategic Human Resource Management," "Cost Leadership HRM," "Differentiation Strategy HR," and "Focus Strategy SHRM." Boolean operators (AND, OR) were employed to refine the results. Only peer-reviewed journal publications written in English were considered. The review concentrated on empirical investigations, conceptual frameworks, and literature reviews that explicitly addressed the link between competitive strategies and SHRM practices. Articles that did not explicitly link HRM to competitive strategy or were descriptive were eliminated. The literature was rigorously classified and analysed. The initial search turned up 64 scholarly sources, from which a final selection of 49 peer-reviewed publications published between 2014 and 2024 was chosen based on relevancy, methodological quality, and subject focus. These publications were evaluated using thematic synthesis to discover essential patterns and empirical data that show how SHRM practices help to shape Porter's strategies. This rigorous and transparent process ensures that both theoretical foundations and recent practical insights are thoroughly covered by ensuring that the literature chosen is relevant, reputable, and based on peer-reviewed research, correctly reflecting the current level of knowledge in the field. The use of well-known databases such as Scopus, Web of Science, and Google Scholar assures that only high-quality sources are considered, lowering the possibility of bias or the inclusion of untrustworthy data. Furthermore, the comprehensive description of inclusion criteria, time frame (2014-2024), and thematic analysis approach enables replication, increasing the review's trustworthiness. By methodically collecting both theoretical and contemporary empirical data, the review provides a balanced, evidence-based platform for reaching well-supported conclusions about the relationship between SHRM and Porter's strategies.

Results and Discussion

Cost Leadership Strategy and SHRM

Organisations that use a cost leadership strategy strive to be the lowest-cost producers in their field while maintaining acceptable quality levels. Achieving this goal demands precise attention to operational efficiencies, supply chain management, and, most importantly, human resource management. Strategic Human Resource Management (SHRM) enables cost leadership by aligning HR practices while reducing labour costs, increasing productivity, and retaining workforce flexibility (Kim & Ployhart, 2022; Boon et al., 2019). Several SHRM practices help support a cost leadership strategy:

• Workforce Efficiency: Organisations prioritize workforce efficiency through cross-training and automation of repetitive jobs (Boon et al. 2019). Cross-trained individuals can fill several functions, decreasing the need for new hiring and increasing labour utilization. Furthermore, research has shown that implementing HR technologies such as AI-driven scheduling and task management systems can dramatically cut administrative expenses and increase workforce optimization (Stone et al., 2020).

• Streamlined Recruitment: Cost leadership models frequently standardize and centralize recruitment procedures to achieve speed, uniformity, and cost-effectiveness. Automated screening techniques and structured interviews help companies reduce hiring time (Snape & Redman, 2020). The emphasis is on selecting people who are both technically adept and flexible to routine-based work conditions.

• Performance Management: Effective performance management systems incentivize cost-cutting behaviours among employees. Organizations typically uses performance-based bonuses connected to efficiency measures including production per labour hour, adherence to quality standards, and waste minimization. This integrates individual employee ambitions with the overall organizational goal of cost reduction.

Retention Strategies: High turnover rates can jeopardize cost leadership initiatives by raising recruitment and training costs. As a result, cost leaders frequently emphasise employment stability, internal career growth, and employee loyalty initiatives as retention strategies (De Stefano et al., 2020). Clear, secure career tracks reduce turnover while simultaneously gradually building a more seasoned and cost-effective workforce. For example, Walmart uses technology-driven scheduling solutions to increase workforce utilisation while lowering labour expenses (Walmart Annual Report, 2023). Their multi-skilled workforce model enables employees to transfer between departments based on operational requirements, reducing idle time and increasing overall efficiency (Brynjolfsson & McElheran, 2022).

Recent empirical studies highlight the importance of HR strategy alignment in cost leadership. Prieto-Pastor and Martín-Pérez (2021) found that enterprises using a lean HRM approach, with low administrative overhead and task specialization, outwit competitors on cost efficiency criteria. Arguably, organisations must develop an HR architecture that promotes efficiency, lowers costs, and encourages a stable and adaptable employee. Accordingly, firms can maintain a competitive edge and develop long-term operational resilience in extremely price-sensitive markets by implementing carefully selected SHRM initiatives.

Differentiation Strategy and SHRM

Differentiation entails providing distinctive value to clients through innovation, superior quality, or excellent service (Porter, 1985). Organisations that use a differentiation strategy focus on providing products or services that are viewed as unique and valuable, allowing them to charge higher prices and promote brand loyalty. Strategic Human Resource Management (SHRM) becomes a key enabler in achieving this differentiation by aligning human resource practices with the firm's innovation and quality objectives (Sparrow & Otaye-Ebede, 2023). Important SHRM practices for differentiation strategy include:

Attracting and Acquiring Talented Workers: Organisations must create recruitment processes that discover applicants based on more than simply technical talents, such as creative thinking, problem-solving ability, and customer empathy. Employer branding initiatives that position the organization as an innovation hub can attract top talent who are eager to explore new solutions (Farndale & Paauwe, 2022).

Continuous Learning and Development: A key feature of differentiation-oriented SHRM is a significant investment in staff training and development. Firms must create learning environments that foster continuous skill enhancement, critical thinking, and cross-disciplinary collaboration (Cooke et al., 2021). High-impact learning practices such as innovation labs, design thinking workshops, and international assignments stimulate creativity and broaden employee perspectives (Boon et al., 2019).

Empowerment and Organizational Flexibility: Organisations that seek distinction empower their people by fostering decentralized decision-making and giving them control over work processes (Cafferkey & Dundon, 2020). Flexible work arrangements, open communication channels, and participative leadership styles are all popular HR approaches that encourage employee ownership and innovative behaviour. This contrasts dramatically with the hierarchical structures often used in cost leadership approaches.

Cultural Alignment and Engagement: Creative culture is critical for maintaining distinction. SHRM practices must promote a culture that values experimentation, tolerates intelligent failure, and rewards creative risk-taking (Prieto-Pastor & Martín-Pérez, 2021). Leadership development programmes and internal communication strategies should emphasise the organisation's commitment to customer-centric innovation and excellence.

For instance, Apple's human resource practices are crafted to recruit top creative and technical talent globally. The company's culture values cooperation, creativity, and customer focus, as seen by programmes like "Apple University," which encourages a thorough understanding of Apple's design philosophy and strategic thinking. Furthermore, Apple empowers employees through project-based teams and low hierarchical barriers, allowing for rapid invention cycles and maintaining its competitive advantage in premium technology industries. Under the differentiation strategy, SHRM necessitates a conscious emphasis on talent management, capability development, empowerment, and cultivation of an innovative organizational culture. Organisations can achieve long-term competitive advantage by aligning HR processes with the specific requirements of a differentiation strategy (Wright et al., 2021).

Focus Strategy and SHRM

A focus strategy concentrates on serving a particular market segment more effectively or efficiently than competitors by either offering lower costs (cost focus) or differentiated products and services (differentiation focus). Organisations that use a focus approach must have a thorough understanding of their target market's specific needs and preferences to provide specialised value offerings. Strategic Human Resource Management (SHRM) becomes critical in enabling firms to execute a focus strategy, as HR practices must develop specialised capabilities, foster deep customer relationships, and support agile, adaptive workforce behaviour (Zehir et al., 2019). Important SHRM practices include:

Specialised Recruitment: Organisations implementing a focus strategy should hire employees with extensive knowledge of niche markets and client segments. Recruitment efforts should prioritise applicants who not only have technical skills but also understand the target market's culture and background (Renwick, 2020). Companies serving premium markets, for example, may prioritise individuals with high-end customer service experience, whilst those targeting eco-conscious clients may look for personnel with strong environmental principles.

Customer-Centric Training: Training programmes should be tailored to develop expertise in meeting the specialised demands of the target segment. Farndale and Paauwe (2022) recommend that HRM systems invest in customer-centric competency development to improve employees' ability to personalise services, develop bespoke solutions, and respond quickly to niche demands. In areas such as luxury goods, healthcare, and financial services, training activities are mainly focused on interpersonal skills, technical customisation, and segment-specific regulatory expertise.

Adaptability and Agility: Focus strategies frequently demand that organisations respond quickly to changing market expectations within a specific niche. HRM must promote agility through flexible work arrangements, fast skill development, and decentralised decision-making (Cafferkey & Dundon, 2020). Talent management solutions must enable cross-functional collaboration, constant feedback loops, and quick innovation based on segment-specific trends.

Retention of experience: Because deep experience is critical for maintaining a competitive advantage in specialty markets, retaining competent staff is a high priority. Offering customized career routes, segment-specific professional development, and establishing strong psychological contracts with employees are all potential retention strategies (De Stefano et al., 2020). Non-monetary incentives such as recognition, autonomy, and meaningful work related to customer impact can help boost employee commitment. Rolls-Royce provides a classic example of how to effectively integrate SHRM into a focus strategy. The company serves a highly exclusive customer base interested in bespoke, ultra-luxurious autos. To preserve its competitive edge, Rolls-Royce prioritizes the hiring of highly qualified artisans, designers, and engineers capable of producing excellent craftsmanship (Rolls-Royce Business Review, 2023). Their human resource management strategies include extensive training in traditional skills such as hand-stitching and bespoke finishing, as well as customer-centric innovation training to fulfil personalized requirements. Furthermore, retention methods prioritize providing artisans with career growth opportunities within their trade, recognizing competence, and instilling a strong feeling of pride and dedication. Arguably, organisations can maintain exceptional performance in certain market sectors by acquiring specialised people, establishing customer-focused training programmes, encouraging adaptation, and retaining expertise.

Integrating SHRM and Porter's Strategies

Integrating Strategic Human Resource Management (SHRM) with Porter's Generic Strategies guarantees that human resources directly support organizational goals while providing a competitive advantage (Wright & McMahan, 2011). This alignment is more than a strategic decision; it is a requirement in today's business environment when human resources is frequently seen as one of an organisations most valuable assets (Barney, 1991). The integration of SHRM and Porter's strategies can be conceptualized as a series of critical integration points that connect human resource practices to strategic objectives. Important integration points are:

Resource Allocation: Effective SHRM ensures that resources are directed towards important competencies required for the chosen competitive strategy. HR might focus on employing people who can maximize efficiency and follow standardized processes in organisations pursuing a cost leadership strategy. SHRM should devote resources to attract and retain people who can innovate and produce distinctive products or services (Lengnick-Hall et al., 2021). In a focus approach, people with specialised knowledge of specific markets should be recruited and developed to ensure precise service delivery (Zehir et al., 2019).

Skill Development: The development of competencies aligns with an organization's strategic goals. SHRM's cost leadership approach focuses on building efficiency-related skills such as process improvement, automation, and multi-skilling (Kim & Ployhart, 2022). A differentiation approach, on the other hand, necessitates innovation, problem-solving abilities, and market research (Sparrow & Otaye-Ebede, 2023). SHRM emphasizes specialised knowledge and experience in understanding the specific needs of a target market for organisations that use a focus approach (Farndale & Paauwe, 2022). Effective skill development, through specialised training programmes and development activities, ensures that personnel have the necessary abilities to carry out the chosen strategy successfully.

Cultural Building: Porter's strategies rely heavily on organizational culture for implementation and sustainability. SHRM contributes to the development and reinforcement of a culture that is consistent with strategic objectives. A cost leadership approach, for example, often develops a culture of efficiency, accountability, and cost management, in which employees are encouraged to adopt waste-reduction and resource-maximizing behaviours (Wright & Ulrich, 2017). Differentiation strategy, on the other hand, necessitates a culture that values creativity, experimentation, and customer-centricity, as well as an environment in which employees are encouraged to innovate and think outside the box. In a focus approach, SHRM is critical in developing a culture that values deep expertise and specialised service, with employees dedicated to meeting the unique needs of a niche market. A strong, aligned culture not only supports but also preserves strategic goals over time, keeping people motivated and dedicated to the organization's mission.

Strategic Performance Measurements: Aligning performance measurements with strategic goals is an important part of SHRM integration. When an organization adopts a cost leadership strategy, performance ratings are frequently based on cost-cutting behaviours, efficiency, and the capacity to reach standardized operational standards (Boon et al., 2019). In contrast, a differentiation strategy necessitates performance metrics that assess innovation, creativity, and customer satisfaction, with an emphasis on people's contributions to distinctive value creation (Cooke et al., 2021). To apply a focus strategy, organisations should evaluate performance metrics such as experience in niche areas, customer loyalty, and adaptability to changing market demands (Zehir et al., 2019). By aligning performance measures to the strategy goal, SHRM guarantees that employee efforts are focused on the desired results.

SHRM as an Enabler and Sustainer of Competitive Advantage

SHRM enables and sustains competitive advantage by aligning human resource practices with Porter's generic strategies (Barney, 1991). As an enabler, SHRM equips organisations with the human resources they need to successfully implement their strategies. For instance, by recruiting employees with the right skills and competencies, SHRM ensures that organisations have the capabilities to pursue their competitive advantage, whether that be through cost efficiency, innovation, or specialization (Wright & Ulrich, 2017).

As a sustainer, SHRM is critical to preserving a competitive edge over time. In a fast-changing business environment, strategic goals must be constantly adjusted, and HR practices must evolve in tandem. SHRM, for example, may need to adapt recruitment strategies, development programmes, and performance management systems in response to changes in organizational strategy or market conditions. This dynamic adaptability enables businesses to maintain their competitive advantage by keeping their staff nimble, engaged, and aligned with strategic objectives (Kim & Ployhart, 2022). The combination of SHRM and Porter's strategies gives organisations the resources they need to not only implement their strategies effectively but also adapt to new challenges, opportunities, and competitive pressures. Organisations can achieve long-term success in an increasingly competitive global economy by aligning their employees with strategy objectives (Wright et al., 2021).

Conclusion and Recommendations

Conclusion

The alignment between Porter's generic strategies and strategic human resource management is critical for gaining and maintaining a competitive advantage. Porter's three generic strategies- cost leadership, differentiation, and focus- provide various paths to competitive advantage, and how organisations manage their human resource is critical to the successful implementation of these strategies. Strategic alignment of human resources with business goals ensures that HR practices directly support the overall strategic objectives, resulting in a workforce that is not only efficient but also motivated, skilled, and flexible to changing organizational needs. The value of aligning SHRM with Porter's ideas cannot be emphasized. Cost leadership necessitates HR approaches that prioritize operational efficiency, cost savings, and performance management. This alignment allows organisations to offer competitive pricing while retaining high levels of efficiency. In contrast, differentiation necessitates a focus on creativity, innovation, and talent acquisition to ensure that employees can contribute to distinctive products, services, and customer experiences. Similarly, organisations pursuing a focus strategy must prioritize specialist market expertise, with HR policies tailored to attract, retain, and develop individuals with specialised talents.

Recommendations

The business environment is dynamic, with rapid technological breakthroughs, changing consumer preferences, and global rivalry all impacting strategic decisions. To sustain competitive advantage, organisations must ensure that their HR systems are agile and flexible enough to respond to these developments. The following recommendations are proposed for HR practitioners and organisations;

1. HR professionals must ensure that essential HR functions such as recruitment, training, performance management, and retention are connected with the organization's competitive strategy. For example, cost leaders should concentrate on operational efficiency, whereas differentiators should prioritize innovation capabilities and adaptability.

2. HR must serve as a strategic partner, not as an administrative support unit. This includes using workforce data to inform decision-making, working with line managers to implement strategy-driven practices, and ensuring that the HR strategy grows in tandem with business demands.

3. HR leaders should create initiatives, such as leadership development, communication programmes, and recognition systems, to promote behaviours that are aligned with strategic goals, such as cost control and innovation.

4. HR must support workforce agility. This entails creating learning-oriented processes, cross-functional teams, and flexible role structures that enable individuals to change fast while remaining strategically aligned.

5. Sustainable competitive advantage is dependent on unique, inimitable human capital. Practitioners should invest in technical skill development and strategic competencies such as critical thinking, adaptability, and customer orientation, which are consistent with the firm's overall strategic position.

References

Aliyev, J., (2024). Strategic Human Resource Management (SHRM) and Competitive Advantage. http://dx.doi.org/10.2139/ssrn.4772231

Adeleye, I. (2021). *Managing Global Business: A Strategic Perspective*. London: Palgrave Macmillan.

Allen, M. R. & Wright, P. M. (2007). *Strategic Management and HRM*. In: P. Boxall, J. Purcell, and P.M. Wright, eds. The Oxford Handbook of Human Resource Management. Oxford: Oxford University Press, pp. 49–70.

Alolayyan, M. N., Alyahya, M. S & Omari, D.A. (2021). Strategic human resource management practices and human capital development: The role of employee commitment. *Problems and Perspectives in Management*, 19(2), 157-169

Apple. (2023). *Apple Sustainability Report 2023*. Retrieved from [Apple Official Website].

Awolusi O D., Ayoade O.E., Lawal, F. A. (2015). Strategic Human Resource Management and Organisational Climate in the Nigerian Banking Industry. *American Journal of Environmental Policy and Management.* 1(3), 38-50.

Barney, J. B. (2020). *Resource-based theory: Creating and sustaining competitive advantage*. Oxford: Oxford University Press.

Barney, J.B. (1991). *Firm resources and sustained competitive advantage*. Journal of Management, 17(1), 99–120.

Bawa, M.A. (2017). Strategic human resource management and organizational performance: A review of literature and research framework. *International Journal of Development Research,* 7(12), 18036-18042.

Becker, B.E. & Huselid, M. A. (2019). High performance work systems and organizational performance: The mediating role of internal social structure. *Academy of Management Journal*, 62(5), 1329–1349.

Boon, C., Eckardt, R., Lepak, D. P., & Boselie, P. (2019). Integrating strategic human capital and strategic human resource management. *The International Journal of Human Resource Management*, *30*(1), 1–27.

Boxall, P. & Purcell, J. (2021). *Strategy and Human Resource Management*. 5th ed. London: Red Globe Press.

Brynjolfsson, E., & McElheran, K. (2022). The rapid adoption of data-driven decision-making. *American Economic Review*, 112(4), 1099–1133.

Cafferkey, K., & Dundon, T. (2020). Explaining the black box: HPWS, employee outcomes and performance. *Personnel Review*, 49(5), 1155-1171.

Collings, D.G., Wood, G. & Szamosi, L.T. (2019). *Human Resource Management: A Critical Approach*. London: Routledge.

Cooke, F. L., Xiao, M., & Chen, Y. (2021). Still in search of strategic human resource management? A review and suggestions for future research with China as an example. *Human Resource Management Review*, 31(2), 100725.

De Stefano, F., Bonetti, E., & Giangreco, A. (2020). Linking high-performance work systems and organizational performance: The role of co-creation and innovation. *Human Resource Management Journal*, 30(4), 479-495.

Delery, J. E., & Roumpi, D. (2017). Strategic human resource management, human capital, and competitive advantage: Is the field going in circles? *Human Resource Management Journal*, *27*(1), 1–21.

De Winne, S., Marescaux, E., Sels, L., Van Beveren, I., & Vanormelingen, S. (2019). The impact of employee turnover and turnover volatility on labor productivity: A flexible non-linear approach. *The International Journal of Human Resource Management, 30*(21), 3049–3079.

Dixit, A. S. (2023). Exploring HR practitioners' perspective on linking employer branding and Porter's generic strategies: an alignment of business and HR strategy. *International Journal of Organizational Analysis,* 32(6), 1060-1072.

Ehnert, I., Parsa, S. & Roper, I. (2020). *Corporate Social Responsibility and Human Resource Management: A Multilevel Perspective*. London: Routledge.

Farjoun, M. (2021). Strategy making: Complexity and dynamics revisited. *Strategic Organisation,* 19(1), 6–30.

Farndale, E., & Paauwe, J. (2022). Strategic HRM and performance: Theory and practice. *Oxford Research Encyclopedia of Business and Management*.

Hill, C.W.L., Jones, G.R. & Schilling, M.A., (2014). *Strategic Management: Theory: An Integrated Approach*. 11th ed. Stamford: Cengage Learning.

Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *Academy of Management Annals*, 8(1), 1–56.

Jamali, D., El Dirani, A., & Harwood, I. (2015). Exploring human resource management roles in corporate social responsibility: The CSR-HRM co-creation model. *Business Ethics: A European Review*, *24*(2), 125–143. https://doi.org/10.1111/beer.12085

Jiang, K., Lepak, D.P. & Baer, J.C. (2012). How does human resource management influence organisational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55(6), 1264–1294.

Katou, A. A., Budhwar, P., & Patel, C. (2021). Proposing a novel conceptual model to test the HRM-performance relationship in MNEs. *Human Resource Management Review, 31*(4), 100793.

Kim, Y., & Ployhart, R. E. (2022). Strategic human resource management: The evolution of the field. *Human Resource Management Review,* 32(4), 100851.

Kim, Y., & Ployhart, R. E. (2021). The strategic value of human capital: A review and synthesis of human capital resources research. *Academy of Management Annals, 15*(1), 292–332.

Kunc, M. & O'Brien, F. A. (2020). The impact of strategy tools on business performance: Evidence from UK companies. *Long Range Planning*, 53(2), 101953.

Porter, M. E. (1980). *Competitive Strategy: Techniques for Analysing Industries and Competitors.* Free Press.

Prieto-Pastor, I., & Martín-Pérez, V. (2021). Lean HRM: A pathway to efficiency and innovation. *The International Journal of Human Resource Management*, 32(17), 3737–3761.

Renwick, D. W. S. (2020). Strategic human resource management and sustainability: A review of the literature and future directions. *Journal of Management Studies*, 57(6), 1299–1331.

Rolls-Royce Business Review. (2023). Crafting Excellence: Rolls-Royce Annual Business Review 2023. Retrieved from https://www.rolls-roycemotorcars.com

Sigalas, C. (2015). Competitive advantage: The known unknown concept. *Management Decision*, 53(9), 2004–2016.

Snape, E., & Redman, T. (2020). HRM practices and their link to organisational performance: A review and empirical update. *Personnel Review*, 49(6), 1265–1285.

Sparrow, P., & Otaye-Ebede, L. (2023). Human resource management: Contemporary issues and future directions. *Journal of Organizational Effectiveness: People and Performance*, 10(2), 190-209.

Stone, D. L., Deadrick, D. L., Lukaszewski, K. M., & Johnson, R. (2020). The influence of technology on the future of human resource management. *Human Resource Management Review*, 30(1), 100685.

Teece, D.J., Peteraf, M.A. & Leih, S. (2016). Dynamic capabilities and organisational agility: Risk, uncertainty, and strategy in the innovation economy. *California Management Review*, 58(4), 13–35.

Ugheoke, S.O. Isa, M.F.M. and Noor, W.S.W.M. 2014. Assessing the impact of Strategic Human Resource Management on tangible performance: Evidence from Nigerian SMEs. *International Review of Management and Business Research*, 3(2), 1163-1173.

Walmart Annual Report. (2023). *Walmart Inc. Annual Report 2023*. Retrieved from https://corporate.walmart.com

Wright, P. M., & Ulrich, M. D. (2017). A roadmap for developing strategic HR. *Human Resource Management*, 56(2), 201-209.

Wright, P. M., Dunford, B. B., & Snell, S. A. (2021). Human resources and the resource-based view of the firm. *Journal of Management*, *27*(6), 701–721.

Wright, P.M. & McMahan, G.C. (2011). Exploring human capital: Putting 'human' back into strategic human resource management. *Human Resource Management Journal*, 21(2), 93–104.

Zehir, C., Müceldili, B., & Zehir, S. (2019). The role of strategic human resource practices on business performance. In C. Zehir & E. Erzengin (Eds.), *Leadership, Technology, Innovation and Business Management* (Vol. 75, pp. 366–376). European Proceedings of Social and Behavioural Sciences.

DETERMINANT OF ENTREPRENEURIAL INTENTION

[1]Mary Shadrach, OMOFOWA & [2]EGBULE, A.C. Solomon Ph.D

[1]Department of Human Resource, Faculty of Management Sciences, University of Benin
[2]Department of Entrepreneurship & Business Innovation, Faculty of Management Science, University of Delta, Agbor.
[1]Mary.omofowa@uniben.edu, [2]egbule.solomon@unidel.edu.ng
[1]08034308512, [2]08064449591

Abstract

This study addresses Nigeria's unemployment problems and youth's limited entrepreneurial aspirations, focusing on critical canonical and prime intentions among youths. The study aims to identify these determinants, bridging a gap in the literature in the context of Nigeria with reference to theories. The study incorporates intent programmes, youth employability, scaffolding, and perceived behavioural control as the predictor variables while aspiration is the criterion variable. The researcher collected data from 300 students across 7 selected universities offering entrepreneurship programmes. The study used a cross-sectional research design on student in private and public universities in Edo State. The total population was 204 students, and the sample size was 135. 135 questionnaires were distributed, and 130 were retrieved and used for the study. The findings revealed a connection among the intent programme, youth employability, scaffolding, and negates the intent of student perceived behavioural control. Findings have a practical implication for the Nigerian government and educational institutions when it comes to promoting entrepreneurial education. The empirical results demonstrate that the integration of programmes, employability, and scaffolding boosts entrepreneurship aspirations. The study heightened understanding of how entrepreneurship education impacts entrepreneurial intention. These insights can guide improvement in entrepreneurial programmes to align with local content needs. Moreover, entrepreneurial intention presents a target opportunity for intervention, suggesting practical ways to cultivate entrepreneurial skills and mindsets, ultimately enhancing employability, scaffolding, and unique curricular development prospects in the state.

Keywords: Entrepreneurial education, Entrepreneurial intentions, Entrepreneurial Scaffolding, Perceived behavioural control, University students.

Introduction

Entrepreneurial education discourse has been a strategy that encompasses patterns that have been significant to national economic life, gap identification, and summation of challenges which is considered one of the best solutions for unemployment, either for a developing nation or for developed one. Invariably, translating ideas can be an entrepreneurial intention. Against the backdrop of global economic recession, challenged by sustainability and technological advancement, traditional education, especially in developing countries, has become a mirage to employment, sustainability, and national economic life. Entrepreneurial education involves training activities (be it through formal or informal education) that try to develop an individual's or group's adventure.

Studies have related it to career choice (Fiet, 2014); development of the economy (Audiu, Locke & Smith, 2000), and economic sustainability (Hindle & Rushworth, 2002). Colleges have configured their curriculum for student personal development for job creation. The World Bank 2014 reports show that the rising unemployment rate, especially in developing nations (African), shows youth risking their lives on the Mediterranean Sea to Europe in search of greener pastures.

Entrepreneurial intention pertains to the readiness of an individual to engage in entrepreneurial endeavours. Extant literature has shown significant factors that sharpen intent to action (Li et al., 2020; Omofowa & Anwatu, 2025). In addition, the university ecosystem negates entrepreneurial settings, which is why entrepreneurial endeavours are limited in capacity to foster dynamism, sustainability in and novel opportunities (Salami, 2015). Nonetheless, despite youth growing concern, a gap persists in intention, education, and aspiration.

Prior research has acknowledged significant limitations in tracer studies of graduating students from higher education institutions intent on entrepreneurial knowledge application (Mahama et al., 2023). Few studies have evaluated the effects of entrepreneurial education on the employability of graduates (Mittal & Raghuvaran, 2021). A person's employability entails their skill set, knowledge acquisition, creativity, and ability to complete all crucial factors in their success. The notion of entrepreneurial intention is intricately linked to the notion of employability. People with strong entrepreneurial intention are those who are equipped with the values, knowledge and the abilities necessary to adapt to the ever-shifting demands of the business world and workforce, this topic is less researched and comprehensive in the context of developing countries especially in Nigeria where youth empowerment policies and the 30-thousand-naira monthly stipend paid to young graduate account have resulted to unrest.

According to the Global Entrepreneurship Monitor (GEM) 2024 report, while 62% of adults in developed economies report perceiving good opportunities for starting a business, only 27% express an actual intention to start in the next three years. In advanced countries, the gap is even wider; 42% perceive good opportunities, but a mere 12% show entrepreneurial intention. In sub-Saharan Africa, entrepreneurship is often driven by necessity rather than innovations, with the entrepreneurial intention among youths reaching as high as 50%, but with high rates of informal and unsustainable ventures, these statistics highlight a crucial need for evidence-based intervention that can foster not just interest, but strong, actionable entrepreneurial intentions, understanding the different entrepreneurial programmes, youth employability, scaffolding and perceived behavioural control factors influencing these intention is essential for designing effective entrepreneurship education programmes and support mechanism.

In addition, efforts to consider youth entrepreneurial intent (students) have resulted in mixed feelings/findings of the university entrepreneurial roles in programme design, curriculum instruction, methodology, and entrepreneurial scaffolding in problem-solving strategies (Li et al., 2020). These empirical studies under-addressed measures for the university entrepreneurial role (programmes, courses, seminars, symposiums, and workshops). For example, Denanyoh, Adjei, and Nyemekye (2015) omitted a variable that deals with entrepreneurial scaffolding.
Rita-Omon-Akhidue-Ogogo, Omofowa, Nwachukwu & Vu, (2021) study addresses entrepreneurial intention among small business owners, using entrepreneurial education as a factor for economic instability. However, by confronting and highlighting the specific issues encountered by youth entrepreneurs in a developing economy, this investigation contributes to the Sustainable Development Goal of the United Nations (Sharma, Bulsara, Trivedi & Bagdi, 2024; United Nations, 2015), which concentrates on educational access and economic prosperity. The significance of this

study stems from its potential to design an entrepreneurial educational program that can better support the entrepreneurial aspirations of youth in a developing economy.

Second, equipping university student's graduates with the necessary knowledge, creativity, and confidence to become successful business owners (Colombelli, Loccisano, Paneli, Pennisi & Serraino, 2022). Third, extends our understanding of how entrepreneurial education influences entrepreneurial scaffolding through field experience. The result of this study increases the response to the call for more entrepreneurial research.

Objectives of the Study

This study is to examine the effect of entrepreneurial activities on student intention in private and public universities in Edo state; and the specific objectives are to;

1. Determine the effect of perceived self-employability on student intent, mindset in private and public universities in Edo state.
2. investigate the effect of the entrepreneurial programme on student entrepreneurial mindset in private and public universities in Edo state
3. Explore the effect of scaffolding on student intent in state and public universities in Edo state.
4. Ascertain the effect of perceived behavioural control on entrepreneurial intent in state and public universities in Edo State.

Theoretical Foundation

Entrepreneurial development encompasses a wide array of methodological premises, action and processes-oriented approaches. Entrepreneurship education is the individual intent on entrepreneurship. The current research is mostly about how entrepreneurship education affects intention. This study uses the theory of planned behaviour of Ajzen (1991) as a basis for theories of motivation. Theory of planned behaviour is widely employed in entrepreneurial ventures, intentions and behaviours, It comprises three factors: Attitude, Subjective norms, and Perceived behavioural control, which affect intent and behaviour positively; it proposes intention as a significant determinant of behaviour. Extant literature has validated the efficacy of this theory (Khalifa & Dhiaf, 2016; Malebana, 2014; Mahmond, Garba, Abdullahi & Ali, 2020) in measuring entrepreneurial intentions. This study introduces a specific modification to the planned behaviour theory focusing on attitude in problem-solving skills tailored to the entrepreneurial environment within a learning and knowledge sharing context, explaining youths' perception of the university entrepreneurial support programme concerning self-employment, endorsement of entrepreneurial values, and the eventuality associated with an academic context.

In the traditional theory of planned behaviour, subjective norms encompass social pressure or expectation tied to behaviour. This study systematically substitutes conventional subjective norms with perceived family control within the university context. This theory evaluates how individuals perceive the backing, encouragement, and expectation related to entrepreneurship from peers, families, mentors, and influential stakeholders. Furthermore, the conventional notion pertains to an individual self-assessment evaluated with the knowledge gained through the university curriculum, concerning entrepreneurial knowledge and skills, however, this was treated as an independent variable in this study. Perceived behavioural control reflects confidence in entrepreneurial capability nurtured through teaching and learning. The theory would aid this study in comprehending the elements steering youth, students, and likewise toward entrepreneurship pursuits, intention, and other pertinent factors. This investigation contributes to the field of entrepreneurial research in an academic context.

Entrepreneurial Education

Entrepreneurial education is a structural educational programme that focuses on instructing students in the essential skills and attitudes required for entrepreneurship (Karomi, et al., 2016). An entrepreneurship program is an enterprise approach to education where entrepreneurship curricula, mentoring, and support systems develop the skills and mindsets of a student towards the aim of creating an enterprise through experiential learning (Fayolle & Gailly, 2015). This concept is termed as the process and method of providing university students with managerial and entrepreneurial knowledge, skills, and mindset that can affect their entrepreneurial intention toward starting a new enterprise. The key objective of entrepreneurial education and programs is to enhance students' comprehension of entrepreneurship, develop their entrepreneurial competence, and promote the entrepreneurial community level. The programme on student orientation is related to traits such as modelling, mastering experience, social persuasion, and self-assessment (Westhead & Solesvick, 2016).

Extant literature revealed that entrepreneurship programs influence intentions, while intention is the willingness of students to perform a specific task that directly affects behaviours. Ajzen (1991) opined that the greater the level of intention to participate, the more deliberate the actions. Studies show that teaching students about entrepreneurship has a positive effect on their attitudes and skills, making them more likely to succeed in entrepreneurial activities (Omofowa & Omofowa, 2023; Nwachukwu, Omofowa & Omofowa, 2023; Nwachukwu & Omofowa, 2022). Participation in intensive entrepreneurial education programs is directly correlated with the likelihood of individual intent, (Ruiz-Palomino & Martinez-Canas, 2021). Recently, studies have indicated that becoming an entrepreneur is hereditary or genetic (Heitzman, 2015); others reveal that mentorship, role-modelling, apprenticeships, or university curricula increase entrepreneurial intent (Brush, 2021). Taha (2018) revealed a positive effect of education programmes influencing intentions, likewise Adedej (2021).

Entrepreneurial Intention

Entrepreneurial intention can be effort or zeal that any individual demonstrates to manifest a set of characteristics or attributes that behove as an entrepreneur. The concept is crucial, multifaceted, it revolves around an individual or team (Baluku, Loser, Otto & Schummer, 2018). According to Shapero & Sokol (1982), intent entails an individual impression, desirability, and feasibility, which focuses on suppors, and collaboration in activities. Ajzen, (1991) theory of planned behaviour has a significant framework that offers insight into individual intent and behaviour. This theory investigates the intricate interplay between the structure (Ajzen, 1991) cultural and social surroundings on human behaviour. Researchers have argued that any instances of entrepreneurship could not be a matter of chance or accident, but rather the result of a predetermined set of actions and behaviour which manifest through intention Zimbroff & Jorgensen, (2019).

A meta-analysis conducted by Hassan Anwar, Saleem, Islam & Hussain (2021) demonstrated that Bangladesh students studying science and engineering are more inclined to adopt attitudes and behavioural traits conducive to budding entrepreneurs. Although science education students are more inclined to entrepreneurship, business students exhibit a higher scaffolding tendency toward entrepreneurial intent, based on well-structured and articulated entrepreneurial education programmes (Adedeji, 2021; Said, Uthamaputhran, Zulkifh, Hong & Hong, 2021). In this present context, it is crucial to mention that educational programmes in developing countries play a pivotal role in entrepreneurial activities (Abubakar & Yazeed, 2018). The argument is supported by the observation that entrepreneurship programmes are essential in cultivating the human capital necessary to support entrepreneurship intent.

Although Khalifa & Dhiaf (2016) identified an insignificant relationship between entrepreneurship programmes and entrepreneurial intent in the context of the U.A.E., Studies by Tah, (2018) explored a significant relationship between the two variables in Malaysia and Nigeria. Furthermore, Shah Amjed & Jaboob (2020) suggest a stronger intent toward entrepreneurial activities.

Employability and Entrepreneurial Intentions

Employability entails the ability to obtain sustainable employment appropriate to one's qualification (Rothwell, Herbert, & Rothwell, 2008). It is a person's potential in the national/international labour market that influences employability. However, three perspectives on these potentials have been offered: they are as personal qualities that boost employment potentials; as a prospect for work recognized by the individual, and as career adjustment as a means of realizing employment potential (Van-Harten, De-Cuyper, Knies & Forrier, 2021). Tertiary education can establish a reliable route for employment by establishing a suitable workplace with the necessary infrastructure skills for newly graduated students with limited work experience.

Yorke (2006) argues that graduates' employability depends on the skills and training required for the labour market to gain employment. Additionally, there is a close relationship between intentions and employability (Hodzic, Ripoli, Lira & Zenasni, 2015). However, based on our knowledge, there are scanty studies that demonstrate the effect of employability on entrepreneurial intention. Extant literature has observed entrepreneurial principles, mind-sets, expertise, and skills as fundamental traits and norms associated with young graduates' ability to engage in the employment industry, moreover, with these traits and norms they are seen as viable solutions to tackle the issue of poor job prospects. These qualities can increase a person's attractiveness to employers, adapt to the structural employment marketplaces and enhance their possibilities for overall career development (Van-Holm, 2021). Some empirical studies have examined the employability and intentions of students.

In a study conducted by Tentama & Yusantri, (2020). The study uses students of vocational high school, Koperasi Yogyakarta, Indonesia consisting of 141 students, methods of data collection are scales, employability and intention scales, and data analysis was product moment analysis techniques. The result shows a positive relationship between the two variables, which indicates that the level of employability predicted intentions. Other studies, likewise Koe, Saari Majid & Ismail, (2012); Pittaway & Cope, (2007)' Okafor, Chine & Oguegbe, (2023); Garrido, Fernando, & Maria-Teresa, (2020). Hence, there is a positive association between employability, and entrepreneurial intentions, and the study propose the following hypothesis;

H_{O1}: Perceived Self-Employability" impacts entrepreneurial intention negatively

Entrepreneurial Programmes and Entrepreneurial Intentions

Entrepreneurial program consists of attitudes, skills and structured curricula that focuses on essential attitudes required for entrepreneurship (Karimi et al., 2016). The key objectives are to enhance student comprehension of entrepreneurship, develop their entrepreneurial competencies and promote an entrepreneurial culture and mentality in society and community. Scholars have enumerated various types of programs targeted towards specific audiences. For example, student's entrepreneurial awareness programmes designed at choosing a career pathway, Weber, (2011).

Study argued that the rationale behind entrepreneurial programmes is based on engendering greater awareness for student's ownership of business; scholars argue that entrepreneurship programmes are positively related to intent. First, human capital theory Becker, (1975); and second, entrepreneurial self-efficacy Chen, Greene & Crick, (1998). Entrepreneurship scholars have viewed human capital as a pivotal of entrepreneurial intentions Davidson & Honig, (2003). This study defines it as the skills and knowledge that students acquire through schooling, on-the-job training and experiences which might lead to novelty. Martin, McNally & Kay, (2013) found a significant relationship between entrepreneurial programmes related to knowledge sharing, transfers and skills and entrepreneurial intentions. Additionally, entrepreneurial programmes are associated with self-efficacy which increase intentions (Wilson, Kickul & Marlino, 2007).

Entrepreneurial self-efficacy refers to ability, roles and tasks that trigger intentions (Chen et al., 2013; Segal, Schoenfeld & Borgia, 2007). Also, entrepreneurial programs could enhance self-efficacy through an active mastery, experience, verbal persuasion and emotional, (Bandura, 1986). As students engage in entrepreneurial programs, they are exposed to role models. These pedagogical elements facilitate strategies, and interest, leading to greater expectation, associated with high intentions (Zhao, Seibert & Hills, 2005). The above arguments lead to the following hypothesis;

H_{O2}: Entrepreneurial Programmes" impacts entrepreneurial intentions negatively

Entrepreneurial Scaffolding and Entrepreneurial Intentions

Scaffolding is a strategy given by professionals in a given field to mentor their respondent in problem-solving skills, the instructor's step aside and appears when the need arises. The concept is based on strategies, and ideas given to individuals/students interested in independence. The goal of scaffolding is to foster the development of business mind-set in individuals. Entrepreneurial scaffolding is built on constructive self-employment practices as a support system for potential success of a new enterprise, Scott, Penaluna & Thompson, (2016).

Entrialgo & Iglesias (2016) posit that entrepreneurial education is important due to its ability to help it rendered individuals who want to start their own business by shaping their ideas. Moreover, it can also help in preventing business failures. Entrepreneurial scaffolding helps in discovering, rediscovering and building confidence in entrepreneurship, hence its awareness helps in transforming uncertainties through relevant insights, to improve knowledge, reduce ambiguity and boost confidence. Universities colleges are encouraged to engender these practices through seminar, workshop, conference and symposium studies on it, empirically are well documented in several volumes.

Feranits, et al., (2022) study revealed a positive relationship between scaffolding and intentions, likewise Yigitbas, Sauer & Engel (2021) and Wahid et al., (2022) research revealed that entrepreneurial scaffolding was a precursor of entrepreneurial intentions and emphasises should also be placed on measuring its impact on the recipients because the implementation, curriculum, methodologies varies across institutions, when nurture entrepreneurs ventures (Mustafa, et al., 2016). Based on this premise, the following hypothesis was stated;

H_{O3}: "Entrepreneurial Scaffolding" has a negative impact on entrepreneurial intentions

Perceived Behavioural Control and Entrepreneurial Intention

Perceived behavioural control denotes the perceived hardship or ease of performing a particular task. It is based on participants' confidence behavioural traits being studied Ajzen, (1991). It is the preparedness, knowledge, and skills in business acquired through thoughts, response, or operant behaviour conditioning. Ajzen, (1991) pointed out that there is a high propensity of having perceived behavioural control of a person if they believe that a certain behaviour is easy to accomplish, however, respondent perception may vary in knowledge of business process but there exist a strong intrinsically processual of entrepreneurship, Valliere, (2015).

However, attempts have been made in previous studies to establish the nexus between the concept and intention to be an entrepreneur. The results of such studies remain divergent and outside the academic environment (e.g. Zaidatol, (2009); Ruhle, et al., (2010). The study of Zaidatol, (2009) finds that entrepreneurial exposure impacts perceived behavioural control, implying that perceived behavioural control has an influence on the desirability of students in entrepreneurial activities reasoning along thin line, Ruhle et al., (2010) found that perceived behavioural control has a great impact on student's intention if there is a supportive system that enhance their entrepreneurial intentions. The findings of Kadir, Salim & Kamarudin, (2012) affirmed the premise. Contrary, Mohammed, Fethi & Djaoued, (2017) found that no association with entrepreneurial intentions. The above literature suggests the following hypothesis;

H_{O4}: Perceived Behavioural Control" has a negative impact on entrepreneurial intention.

Materials and Method

A positivist research paradigm was chosen for the study, as a statistical model was developed the paradigm is based on dedication logic and is focused on testing research ideas using relatively large study samples which can be generalized from the sample to the population. A quantitative survey design was employed to assess the impact of entrepreneurial education on the intention of students among private and public universities in Edo State. The measurement items were specifically designed to obtain responses related to employability, perceived behavioural control, entrepreneurial scaffolding and entrepreneurial programmes. The study employs a 5-point Likert scale.

The population consists of students from 22 leading public and private universities in Edo and Delta states that offer entrepreneurship programmes in the form of either taught entrepreneurship courses or entrepreneurship training/mentorship/entrepreneurial activities in the disciplines of business sciences and engineering as part of their academic or co-curricular activities. The total population of the study is 204 consisting of business and science students from University of Benin, Ambrose Alli University, Ekpoma, Edo University, Iyamoh, Igbinedion University, Okada, Benson Idahosa University, Benin, Well-spring University, Benin, Glorious University, Ogwa, Edo state, Lighthouse University, Evbanbosa, Mudiamen University, Irrua, Edo.

Sample Size

For easy administration, the sample size was derived by using Taro Yamani formula, (1967) for a finite population;

$$n = \frac{N}{1+N(e)^2}$$

Where;
n = s, sze.
N = Tt, ppl.
e = Error term (5%)

$$n = \frac{204}{1+204\,(0.05)^2}$$

$$n = \frac{204}{1+204\,(0.0025)}$$

$$n = \frac{204}{1+0.51}$$

$$n = \frac{204}{1.51} = 135$$

n = 135

In these universities, there are 5 departments that comprise the entrepreneurship centre studies, these are management, accounting, finance, marketing, and engineering. The researcher then chose responses from each of these departments. A total of 135 questionnaires were distributed, but 130 were filled and returned, 5 were invalid, since only 130 were returned, therefore 130 was employed for the study. The sample size was then proportionately distributed among the departments.

Table 1: Departments

Department	Frequency	%
Management	45	34.6
Accounting	44	33.8
Finance	19	14.6
Marketing	14	10.8
Engineering	08	6.2
Total	**130**	**100**

Source: Author field work, 2025.

Primary data were collected from the students at the selected departments using an adapted questionnaire. The survey questionnaire included a separate section of the informed consent and participants were assured that the responses would be kept confidential and only used for study purposes. Written informed consent was received from the participants who participated in the study voluntarily. The study includes the researchers, selecting, distributing and gathering the survey using personally administered questionnaires survey methods, and the drop off and pick up survey method because of its convenience and saving time and response rate. The researcher engaged research associates to distribute and pick up the questionnaires from the students. Finally, 130 university students responded to the survey questionnaires.

Table 2: Age respondent

Age	Frequency	%
Less than 20	46	35.4
21 – 25	49	60.8
26 – 30	05	3.8
Total	**130**	**100**

Source: Author field trip, 2025

Table 3: Gender respondent

Gender	Frequency	%
Male	87	66.9
Female	43	33.1
Total	**130**	**100**

Source: Author field data, 2025.

The questionnaire was divided into 5 sections; Section (A) demographic features, Section (B) personal thought on entrepreneurial/entrepreneurship, Section (C) motivation toward intention, Section (D) influence factors, Section (E) prior information and mind-set the questionnaire was constructed using a 5-point Likert scale. The participants were asked to specify their level of agreement on 5-point Likert scales, established on “1 = strongly agreed and 5 = strongly disagree”.

Table 4: Reliability Studies

Variable	No. of Items	Cronbach Alpha
Entrepreneurial Intention		
Entrepreneurial Programmes	6	0.942
Youth Employability	6	0.881
Entrepreneurial Scaffolding	6	0.909
Perceived Behavioural Control	4	0.793

Model Specification

The following stated regression model is adopted in addressing the specific research objectives

$$Z_t = \beta_0 + \beta_1 X_1 + \cdots + \beta_n X_n \ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where;

Z_t represent the dependent variable

$X_1 \ldots X_n$ are set of explanatory variable

$\beta_0 \ldots \beta_n$ are parameters to be estimated

Introducing the variables into the general model as;

$$EI_1 = \beta_0 + \beta_1 EP_1 + \beta_2 YE_1 + \beta_3 ESF_1 + \beta_4 PBC_1 + E_1 \ldots\ldots\ldots\ldots\ldots\ldots (2)$$

Where;

EI_1 = Entrepreneurial Intention
β_0 = Constant
β_1 = Coefficient of Entrepreneurial Programmes
EP = Entrepreneurial Programmes
β_2 = Coefficient of Youth Employability
YE = Youth Employability
β_3 = Coefficient Entrepreneurial Scaffolding
ESF = Entrepreneurial Scaffolding
β_4 = Coefficient of Perceived Behavioural Control
PBC = Perceived Behavioural Control
e = Residual

Test of Normality

Kolmogorov-Smirnov & Shapiro-Wilk

Table 5: Test for Normality

Var.	Stat.	df	Sig.	Stat.	df	Sig.
EI	0.298	130	0.000	0.677	130	0.000
EP	0.249	130	0.000	0.704	130	0.000
YE	0.219	130	0.000	0.734	130	0.000
ESF	0.244	130	0.000	0.735	130	0.000
PBC	0.157	130	0.000	0.9274	130	0.000

Source: Kolmogorov-Smirnov & Shapiro-Wilk Test, 2025.

Kolmogorov-Smirnov test was employed to determine the data normality, when the sample size is greater than 50, the Kolmogorov-Smirnov test value was $p = 0.000 < (0.05)$ this indicates that the data is not normally distributed. If the sample size is less than 50, the Shapiro-Wilk test of normality is used, the Shapiro-Wilk test produce a significance level of 0.000, which is less than 0.05, showing that the distribution is not normal, thus the Null Hypothesis was not rejected. However, based on the central limit theorem, multiple regression analysis can be performed on the data to ascertain the relationship between the independent variable (entrepreneurial programmes, youth employability, entrepreneurial scaffolding, and perceived behavioural control) and the dependent variable (entrepreneurial intention). A regression analysis was run to predict the extent of influence that the independent variables have on entrepreneurial intentions.

Descriptive Statistics

Table 6: Gender of Respondents

Variables	Mean	Std. Deviation
EI	1.6400	0.99430
EP	1.6163	0.90350
YE	1.8720	0.921930
ESF	1.60690	0.86740
PBC	2.1964	0.708470

Source: Author field data, 2025.

Table 6 shows the mean values and standard deviation of the variables that depicts the entrepreneurial intention of the respondents. Mean values were obtained for all the five variables and rate on 5-point Likert scale. In line with the study objectives, a correlation was operationalized on the 4 independent variables to assess those that are correlated to entrepreneurial intentions among the private and public universities. Pearson Product-Moment Correlation analysis was used to establish a linear relationship between the dependent and independent variables.

Table 7

		Entrepreneurial Intention	Entrepreneurial Programme	Youth Employability	Entrepreneurial Scaffolding	Perceived Behavioural Control
Entrepreneurial Intention	Pearson Correlation	1	0.900**	0.729**	0.766**	-0.116
	Sig (2-tailed)		0.000	0.000	0.000	0.185
	N	130	130	130	130	130
Entrepreneurial Programmes	Pearson Correlation	0.900**	1	0.789**	0.822**	-0.065
	Sig (2-tailed)	0.000		0.0000	0.0000	0.454
	N	130	130	130	130	130
Youth Employability	Pearson Correlation	0.728**	0.788**	1	0.812**	-0.036
	Sig (2-tailed)	0.0000	0.0000		0.0000	00.672
	N	130	130	130	130	130
Entrepreneurial Scaffolding	Pearson Correlation	0.767**	0.821**	0.814**	1	-0.016
	Sig (2-tailed)	0.000	0.0000	0.0000		0.8440
	N	130	130	130	130	130
Perceived Behavioural Control	Pearson Correlation	-0.117	-0.066	-0.036	-0.016	1
	Sig (2-tailed)	0.186	0.455	0.674	0.844	
	N	130	130	130	130	130

** Correlation is significant at the 0.01 level (2-tailed)
Source: Field trip, 2025.

Since the correlation level is 0.000, there was a correlation between entrepreneurial programmes and intentions of the students, as shown in table (7) this reveals that entrepreneurial programmes (r = 0.900 P < 0.01) has a positive relationship with student intention. This means that the programme, knowledge, skills, values results in higher intention.

There is also an association between youth employability and entrepreneurial intentions. This suggests that youth employability (r = 0.725, P < 0.01) has a substantial positive relationship with student intentions. Students with the right skill, youthfulness and knowledge acquired are ready to practicalize what they have been taught, moreover, with such knowledge they are highly valued in the market.

Table 7 shows there is a correlation between entrepreneurial scaffolding and intentions because the correlation significance level is 0.000. This reveals that entrepreneurial scaffolding, (r = 0.767, P < 0.01) has a substantial positive relationship with student intentions. Finally, given the correlation significance level is 0.186, the table shows that there is a negative association between perceived behavioural control and student intention (r = -0.117, P < 0.01).

In order to take into account the relationship between the dependent and independent variables, a regression analysis was run to predict the extent of influence that the independent variable have on entrepreneurial intention.

Table 8

Model	R	R^2	Adj. R^2	Std. error	Statistics Δ			
					R^2Δ	FΔ	DFL	Sig(f) Δ
Entrepreneurial programmes	0.9001a	0.8101	0.8090	0.434560	0.8101	547.3070	1.0	0.000
Youth employability	0.7670a	0.5890	.5860	0.640010	0.5890	183.3280	1.0	0.000
Entrepreneurial scaffolding	0.7280a	0.5300	0.5270	0.684010	0.5300	144.5690	1.0	0.000
Perceived behavioural control	0.1170a	0.0140	0.0060	0.991340	0.0140	1.7650	1.0	0.186

a. predictors (constant)

Table 8 is a representation of how entrepreneurial programmes influence the entrepreneurial intentions of the students and graduates of private and public universities in Edo states. The results indicate a significant relationship between entrepreneurial programmes and entrepreneurial intention ($r = 0.001$, $P < 0.05$) also from the table, $R^2 = 0.8100$ which means that entrepreneurial programmes account for 81% of the variation in the student entrepreneurial intention. This is in line with the research conducted by Martin et al., (2013); Wilson et al., (2007); Segal et al., (2007); Zhao et al., (2005); Segal et al., (2007), they concluded that as students progressed in their business courses, their entrepreneurial intention grow stronger, indicating a notable change in their belief system, moreover, considering the psychological antecedent, it is predicted that entrepreneurship programs in various universities in Edo state are inspiring. This supports the current findings that entrepreneurial programmes have a significant impact on developing entrepreneurial attitudes.

Table 8 analysed the extent to which youth employability influences entrepreneurial intentions. Youth employability had a positive impact on entrepreneurial intention ($r = 0.7670$, $P < 0.05$) which implies that youth employability significantly influences the entrepreneurial intention among tertiary students. This reflect the research conducted by Tentama & Yusantri (2020); Koe et al., (2012); Pittaway & Cope (2007); Okafor et al., (2023); Garrido et al., (2020), they concluded that it’s obvious that employable youths are likely to implement career development behaviour, and moreover, it shows that high level of perceived employability reflects one’s ability to handle difficult situations. They argue that extreme economic conditions characterized by high levels of unemployment would lead students to high drive for independence for their own business.

Furthermore, to determine the extent of entrepreneurial scaffolding among the students. Entrepreneurial scaffolding had a significant impact on entrepreneurial intention ($r = 0.7280$, $P < 0.05$) which implies that entrepreneurial scaffolding influences the entrepreneurial student intention. This is in line with studies conducted by Feranita et al., (2022); Yigitbas et al., (2021); Wahidmumi et al., (2022); Mustafa et al., (2016), they concluded that institution/universities provides various formal learning avenues aimed at boosting entrepreneurial skills, moreover, the universities places greater emphasis on the values, activities that promote knowledge sharing which is a key aspect of regular assessment that determine the agendas of entrepreneurial initiatives.

Finally, on perceived behavioural control, the result indicates an insignificant relationship between perceived behavioural control and intention ($r = 0.1170$, $P > 0.05$), also R^2 value indicate 0.0140 which signifies that perceived behavioural control accounts for 14% of the variation in the student entrepreneurial intention. This is in line with a research conducted by Mohammed et al., (2017) which concluded that perceived behavioural control denotes hardship, most students are not patient with structured guidance, practical training and mentorship. Entrepreneurial programmes have a statistically significant advantage over the other factors in ascertaining student entrepreneurial intention in the universities. The predictor entrepreneurial programmes were able to account for 81% of the student propensity to pursue entrepreneurship. There is a statistically significant association between the dependent variable and entrepreneurial programmes which indicates that the model performed a decent job of predicting the outcome variable.

Table 9: Co-Variation Inflation Factor (VIF)

Model	Unstandardized coefficient		Stdd. coefficient β	T	Sig	Collinearity Stat.	
	B	Std. err.				Tolerance	Vif
Constant	0.041	0.0781		0.509	0.6120		
EP	0.9910	0.0420	0.900	23.395	0.000	1.000	1.000

Source: Author's Desk, 2025.

Table 9 shows the standardized beta for the predictor under this study. The coefficient of the predictor model is positive and statistically significant. This implies that the entrepreneurial programmes curriculum has impacted the students in a geometric progression raising the intent on a higher level. The Variation Inflation Factor (VIF) value is below the conservative threshold of 2 (Ryan, 1997), and below the range of 4 – 10 (O'Brien, 2007). This suggests that multicollinearity has no impact on the outcome of the regression coefficient. The reliability of the result is further supported by the tolerance of 1.000 > 0.10.

Table 10: Model Summary

Model	R	R^2	Adj. R^2	Std. error	$R^2\Delta$	FΔ	DFL	DFL^2	Sig. (f) Δ
All	0.9040	0.8170	0.8110	0.432520	0.8170	139.1710	4	125	0.000

Predictors' (constant), Entrepreneurial programmes, Youth employability, Entrepreneurial scaffolding, Perceived behavioural control.
Source: Author field data, 2025.

With regard to the extent of impact that the combined four independent variables have on the entrepreneurial intention among the students, multi-regression analysis was performed which is shown in table (12). The table shows that the adjusted R^2 is 0.8110 and R^2 is 0.8170 at the 0.05 significance level. The coefficient of determination means that the combined four dimensions of entrepreneurial intention was 81.7%, while only 18.3% are explained by other variables unidentified in the study.

Table 11: Standardized Structural Coefficient of the Model

Model	Unstandardized coefficient		Stdd. coefficient β	T	Sig.	Hyp.	Decision
	B	Std. err.					
Const.	0.1920	0.1500		1.2850	0.201		
Entrepreneurial programmes	0.8960	0.0800	0.8140	11.2670	0.000	H_{o1}	Reject H_{o1} Accept H_1
Youth employability	0.0150	0.760	0.0140	0.2030	0.8390	H_{o2}	Reject H_{o2} Accept H_2
Entrepreneurial scaffolding	0.0990	0.0870	0.0860	1.1330	0.2590	H_{o3}	Reject H_{o3} Accept H_3
Perceived behavioural control	-0.0850	0.0540	-0.061	-1.5790	0.1170	H_{o4}	Accept H_{o4} Reject H_4

Source: Author's Desk, 2025.

Discussion

Young Nigerians suffer uncertainty, and lack of beliefs in themselves. They are not sensitive to opportunities that shows them starting small is the bedrock of entrepreneurship, hence this result to a negated self-reliant economy. Consequently, the confluence of ego culture and having the right connections result in a generation of unskilled professionals, working for the sole purpose of being employed. The unmotivated persons with connections are given the job over someone who might be passionate about the work who could have done better: a waste of potential innovators on investment opportunities. Moreover, the national economy will never advance if waste keeps being recalled. Therefore, entrepreneurs need programmes that help develop capabilities in work proficiency. The findings of H_1 indicates that entrepreneurial education impacts young Nigeria's intention positively, the university is indeed the citadel of learning and shaping of tomorrow's entrepreneurs and failure to anchor on programmes to boost the desire and intent within society, schools and industry will not guarantee anticipated sustainability. This can be prevented through the design of strategies in curriculum design, methodology, engaging guest lectures, conducting workshops, conference, seminar, symposium, this build mind-set, and potentials of students' interest. The programmes should be designed to incorporate and familiarise students with the institutions for entrepreneurship advancement.

Additionally, our findings demonstrated that youth employability impacts entrepreneurial intention positively, Entrepreneurship represents new, unfamiliar ideas, which is paramount to innovation, youth must be endowed with dynamic capabilities, innovation for new businesses, Nigeria youth should show acceptance for change to avoid uncertainty. The curriculum of entrepreneurship should be tailored toward self-reliance. This helps to explain career outcomes ensuring that such curricular embraces the new normal, teleworking, this increases the chances of youth employability intent in entrepreneurship. Furthermore, entrepreneurial scaffolding impacts entrepreneurial intention positively, this can be view from the premise that entrepreneurialism encompasses nation-building, team spirit, fuelled by ambitious innovative entrepreneurs. There is a growing concern that entrepreneurialism is not just a personality trait but a learnable venture aligned with human capital development through an apprentice scheme, in shaping capabilities relating entrepreneurial scaffolding and intention. Finally, H_4 was not supported, earlier studies have found a positive relationship e.g. Fay et al., (2017); McDonald & Crandall, (2015). The reasons for this negative impact arises from the curricular, ages of respondent, social status of family (Mohammed et al., 2017). This focus on perceived behavioural control externally or internally influenced the perception of youth conviction in entrepreneurship.

Conclusion and Recommendations

Conclusion

This paper examined the entrepreneurial intent among university students in Edo state; the study analysed how entrepreneurial education, entrepreneurial programmes, youth employability, entrepreneurial scaffolding, and perceived behavioural control determine student's entrepreneurial intentions. The study registered a positive statistically infers on entrepreneurial programmes, youth employability, and entrepreneurial scaffolding, but perceived behavioural control showed a negative impact on student's intents. The study emphasizes the content of entrepreneurship in shaping the entrepreneurial aspiration of students in Nigeria, it demonstrates the many beneficial outcomes associated with entrepreneurial education, such as fostering attitudes towards entrepreneurship, raising the probability of students opting for entrepreneurship as a career, and enhancing their employability prospects. One of the findings of this study is that most of the students would like to share their entrepreneurial journey with their university students once they become entrepreneurs. This suggests how universities can keep a record of the number of successful entrepreneurs and the numbers of students who completed entrepreneurial programmes becoming entrepreneurs, hence, the finding of this study contributes to the theory of entrepreneur intention in which policy makers and educators can make better and more informed decisions in developing entrepreneurship in Nigeria. This study will be useful for formulating policy on the further development of entrepreneurship in Nigeria. This aligns perfectly with the objectives of the United Nations report on entrepreneurship for sustainable development, which aimed to promote reforms for the youth. Moreover, entrepreneurship has the potential to play a pivotal role in driving social transformation towards the creation of more sustainable products and services. Therefore, comprehending the impact on student's intent hold substantial significance, it empowers universities to take proactive measures in nurturing a culture of entrepreneurship and turning out graduates who possess an entrepreneurial mind-set, thereby contributing to the broader goals of sustainable development and economic growth within the nation.

Recommendation

Here are the recommendations for improving entrepreneurial determinant/education with the goal of strengthening entrepreneurial intention, especially among youths and university students. First, integrate entrepreneurship across disciplines, so that students from diverse fields develop the confidence and mindset to innovate and start ventures in their areas of expertise. Second, move beyond theory, incorporate practical learning methods such as; business simulations and startup bootcamps, internship with startup, student lead business project. These activities help translate abstract intentions into concrete entrepreneur behaviours. Third, tailor content to local contexts; customized entrepreneurial education to reflect local economic conditions, cultural values and market realities.

References

Abubakar, S, A, & Yazeed, M, (2018). The Moderating Role of Innovativeness on the relationship between Entrepreneurship Education and Student Entrepreneurial Intention, *Covenant Journal of Entrepreneurship.*

Adedeji, A, S, (2021). Islamic Financing and Entrepreneurship Development: Providing an Alternative Model for New Venture Growth, *Finance, Management & Entrepreneurship.*

Ajzen, I, (1991). The Theory of Planned Behaviour: Organizational Behaviour and Human Decision Processes, 50(2), 179-211. https://doi.org/10.1016/0749-5978(91)90020-j.

Akhidue-Ogogo, R, O, Omofowa, M, S, Nwachukwu, C, & Vu, M, H, (2021). Role Model and Entrepreneurial Intention of Small Business Owners in Nigeria. Laplage em Revista (International), Vol. 7, n, extra D, P.273-281, ISSN 2246-6220.

Baluku, M, M, Loser, O, Otto, K, & Schummer, S, E, (2018). Career Mobility in Young Professional: How a ProTeam Career Mobility and Entrepreneurial Intentions, *Journal of Global Mobility*, 6(1), 102-122. https://doi.org/10.1108/JGM-10-2017-0041.

Bandura, A, (1986). The Explanatory and Predictive Scope of Self-Efficacy Theory. *Journal of Social and Clinical Psychology,* 4(3), 359-373.

Becker, G, S, (1975). *Human Capital (2nd Ed.),* Chicago University of Chicago Press.

Brush, G, G, (2021). *Entrepreneurship Education Ecosystem: The Case of Babson College. In Innovation in Global Entrepreneurship Education*, pp.2-17, Edward Elgar Publishing.

Chen, C, C, Greene, P, G, & Crick, A, (1998). Does Entrepreneurial Self-Efficacy distinguish Entrepreneurs from Managers? *Journal of Business Venturing*, 13(4), 295-316.

Colombelli, A, Loccisano, S, Panelli, A, Pennisi, O, A, M, & Serraino, A, (2022). Entrepreneurship Education: The Effect of Challenge-based Learning on the Entrepreneurial Mind-set of University Students, *Administrative Sciences*, 12(1), I – R, https://doi.org/10.3390/Ad,sc12010010.

Davidson, P, & Honig, B, (2003). The Role of Social and Human Capital among Nascent Entrepreneurs, *Journal of Business Venturing*, 18(3), 301-331.

Denanyoh, R, Adjei, K, & Nyamekye, G, E, (2015). Factors that Impact on Entrepreneurial Intention of Tertiary Students in Ghana, *International Journal of Business and Social Research*, 3(3), 19-29.

Entrialgo, M, & Iglesias, V, (2016). The Moderating Role of Entrepreneurial Education on the Antecedents of Entrepreneurial Intentions, *Int. Entre. Manag. J*. 2016; 12(4); 1209-1232.

Fayolle, A, & Gailly, B, (2015). The Impact of Entrepreneurship Education on Entrepreneurial Attitudes and Intentions, Hysteresis and Persistence, *Journal of Small Business Management*, 52(1), 75-93, https://10.1111/jsbm.12065.

Fiet, J, O, (2014). The relationship between Entrepreneurship Education and Entrepreneurial Intentions: A Meta-Analytic Review, *Entrepreneurship Theory and Practices*, 38(2), 217-254.

Garrido, Y, Fernando, C, R, & Maria-Teresa, G, (2020). The relationship between Capacities and Entrepreneurial Intention in Secondary School Students, *Economic Research, Ekonomska Istrazivanja*, 33(1), pp.2322-2341.

Hassan, A, Anwar, I, Saleem, Islam, B, M, K, & Hussain, S, A, (2021). Individual Entrepreneurial Orientation, Entrepreneurship Education and Entrepreneurial Intention, the Mediating Role of Entrepreneurial Motivation, Industry and Higher Education, 35(4), 403-418. https://doi.org/10.1177/09504222211007051.

Heitzman, A, (2015). How Entrepreneurship might be genetic, https://www.inc.com/adam-heitzman/how-enterpeneurship-might-be-genetic.html.

Hessels, J, & Maude, W, (2019). The Intersection of the Field of Entrepreneurship and Development Economics: A Review towards a new view, *journal of economic surveys*, 53(2), 389-403.

Hodzic, S, Ripoli, P, Lira, E, M, & Zenasni, F, (2015). Can Intervention in Emotional Competence Increase Employability Prospects of Unemployed Adults, *Journal of Vocational Behaviour*, 88, 28-37, https://doi.org/10.1016/j.jvb.2015.02.007.

Kadir, M, Salim, M, & Kamarudin, H, (2015). Factors Affecting Entrepreneurial Intentions among MARA Professional Colleges Students in M.B.A, M, Salim and H, Kamarudin (eds.) the relationship between educational support and entrepreneurial intention in Malaysia, Higher Learning Institution, *Procedia Social and Behavioural Sciences*, 69(2012), 2164-2173. Doi.10.1016/j.sbspro.2012.12.182.

Karimi, S, Biemans, J, H, Lans, T, Chizani, M, & Mulder, M, (2016). The Impact of Entrepreneurship Education: A Study of Iranian Students Entrepreneurial Intentions and Opportunity Identification, *Journal of Small Business Management,* 54(1), 187-209, https://doi.org/10.111/jsbm.12137.

Khalifa, A, H, & Dhiaf, M, M, (2016). The Impact of Entrepreneurship Education on Entrepreneurship Intention: The UAE Context, *Polish Journal of Management Studies*, 14.1(1), 119-128, https://doi.org/10.1751/pjms.2016.14.1.11

Koe, E, W, J, Saari, J, Majid, A, & Ismail, K, (2012). Determinants of Entrepreneurial Intentions among Millennial Generation, Procedia-social and Behavioural Science, 40, pp. 197-208.

Krueger, N, (1993). The Impact of Prior Entrepreneurial Exposure on Perception of New Venture Feasibility and Desirability. *Entrepreneurship Theory and Practices*, 18(1), 5-21, https://doi.org/10.1177/104225819301800101.

Li, C, Murad, M, Shahzad, F, Khan, M, A, S, Ashraf, S, F, & Dogbe, C, S, K, (2020). Entrepreneurial Passion to Entrepreneurial Behaviour Role of Entrepreneurial Alertness, Entrepreneurial Self-Efficacy and Proactive Personality, *Frontier in Psychology,* https://doi.org/10.3389/fpsyg.2020.001611.

Mahama, I, Eshun, P, Amos, P, M, Antwi, T, Amoako, B, M, & Eggley, V, E, (2023). Psychological Precursors of Entrepreneurial Intention among Higher Education Students in Ghana. Discover Education Springer. https://doi.org/s44217-023-00047-w.

Mahmoud, M, A, Garba, A, S, Abdullah, Y, A, & A, I, (2020). Assessment of Entrepreneurial Education on the relationship between Attitude, Subjective Norms, Perceived Behavioural Control and Entrepreneurship Intention, *International Journal of Business and Technopreneurship,* 10(2), 197-210.

Malebana, J, (2014). Entrepreneurial Intention of South-Africa Rural Universities Students: A Test of the Theory of Planned Behaviour, *Journal of Economics and Behavioural Studies*, 6(2), 130-143. https://doi.org/10.22610/jebsv6i2476.

Martin, B, C, McNally, J, J, & Kay, M, J, (2013). Examining the Formation of Human Capital in Entrepreneurship: A Meta-Analysis of Entrepreneurship Education Outcomes, *Journal of Business Venturing*. 28, 211-224.

Mitta, P, & Raghuvaran, S, (2021). Entrepreneurship Education and Employability Skills. The Mediating Role of E-learning Courses, *Entrepreneurial Education,* 4(2), 153-167. https://doi.org/10.1007/s41959-021-00048-6.

Mohammed, B, S, Fethi, A, & Djaoued, O, B, (2017). The Influence of Attitude, Subjective Norms and Perceived Behaviour Control on Entrepreneurial Intention case of Algerian Students. *American Journal of Economics,* 2017(6).

Mustafa, M, Hernandez, E, Mahon, C, & Chee, L, K, (2016). Entrepreneurial Intention of University Students in an Emerging Economy: The Influence of University Support and Proactive Personality on Student Entrepreneurial Intentions. *J. Entrep. Emerg. Econ*. 2016.8(2): 162, 162-179. https://doi.org/10.1109/JEE-10-2015-0058.

Nwachukwu, C, & Omofowa, M, S, (2022). Antecedents and Consequences of Entrepreneurial Ecosystem: Lesson for Nigeria Entrepreneurs, *Uniben Journal of Human Resource Management,* 1, No. 1, pp.207-219.

Nwachukwu, C, Omfoowa, S, & Omofowa, S, M, (2023). A Proposed Model of Factors Influencing Female Entrepreneurs Access to Debt Financing. *Nigeria Journal of Accounting and Finance,* 13, Issue 1, 2023

Okafor, R, A, Chine, B, C, & Oguegbe, M, J, (2023). Perceived Employability and Entrepreneurial Self-Efficacy as Predictors of Entrepreneurial Intention, among University Graduates in Anambra State. Practicum Psychologia, 13, 137-160, https://journal.a-aphriapub.com/index.php.pp, Omofowa, M, S, & Omofowa, S, (2023). Personal Initiative and Social Entrepreneurial Wealth Creation in the South-South Region of Nigeria. *Lafia Journal of Economics and Management Sciences*, 8, (1)

Omofowa, S, & Anwatu, C, O, (2025). Determinants and Growth of Entrepreneurship: Female-Owned Business Perspectives, *Lipai International Journal of Management and Social Sciences*, Ibrahim Babangida University, Lipai, Niger State, Volume 16, number 2, pp.124-144.

Pittaway, I, & Cope, J, (2007). Entrepreneurial Education: A Systematic Review of the Evidence, *International Small Business Journal*, 25(5), 479-570.

Rasli, A, M, Khan, S, R, Malekifar, S, & Jaben, S, (2015). Factors Affecting Entrepreneurial Intention among Graduate Students of Universiti Teknologi Malaysia, *International Journal of business and Social Sciences*, 4(2), 182-188.

Ruhle, S, Muhlbauer, D, Grunhagen, M, & Rothenstein, J, (2010). The Heirs of Schumpeter: An Insight View of Students Entrepreneurial Intentions at the Schumpeter School of Business and Economics, Paper presented at the Schumpeter School of Business and Economic, University of Wuppertal, Germany, retrieved from RePEC.bwu-schdps:sdp10004.

Ruiz-Palomino, P, & Martinez-Canas, R, (2021). Opportunity Recognition to the Start-up Phase, the Moderating Role of Family and Friends-Based Entrepreneurial Social Networks, *International Entrepreneurship and Management Journal*, 17(3), 1159-1182, https://doi.org/10.1007/s11365-020-00734-2.

Ryan, T, P. (1997). Modern Regression Methods, Wiley, New York.

Said, N, M, Uthamaputhran, S, Zulkiffli, W, F, W, Hong, L, M, & Hong, C, W, (2021). The Mediating Effect of Entrepreneurial Intention among Undergraduate Students. In the importance of new technologies and Entrepreneurship in Business Development in this context of Economic Diversity in Developing Countries the impact of new technologies and entrepreneurship on business management development (pp.2029-2040) Springer International Publishing.

Salami, S, O, (2017). Examining the Emerging Entrepreneurial Mind-set in Adolescence. A Study in Nigeria. *International Journal of Psychology*, 54(1), 70-79, https://doi.org/10.1002/ijop.12431.

Scott, J, M, Penaluna, A, Thompson, A, (2016). A Critical Perception on Learning Outcomes and the Effectiveness of Experiential Approaches in Entrepreneurial Education: Do we innovate or implement? Educ. + train.2016.58(1), 82-93.

Segal, U, Schoenfeld, J, & Borgia, D, (2007). Using Social Cognitive Career Theory to Enhance Students Entrepreneurial Interests and Goals. Academy of Entrepreneurial Journal, 13, 69-73.

Shah, I, A, Amjed, S, & Jaboob, S, (2020). The Moderating Role of Entrepreneurship Education in Shaping Entrepreneurial Intention, *Journal of Economic Structure*, https://doi.org/10.1186/s40008-020-00196-4.

Sharma, I, Bulsara, H, P, Trivedi, M, & Bagdi, H, (2024). An Analysis of Sustainability driven Entrepreneurial Intention among University Students: The Role of University Support and SDG Knowledge, *Journal of Applied Research in Higher Education*, 16(2), 281-301, https://doi.org/10.1108/jARHE-11-2022-0359.

Taha, K, A, S, (2018). The Moderating Effect of Entrepreneurship Programme on the Factors Affecting Entrepreneurial Intention among Business and Engineering Students of Selected Malaysia Universities (Published as a Thesis in Fulfilment of the Requirement for the Degree of Masters of Science in Management, School of Business Innovation and Technopreneurship, University Malaysia, Perlisic.

Tentana, F, & Yusantri, S, (2020). The Role of Entrepreneurial Intention in Predicting Vocational High School Student Employability. *International Journal of Evaluation and Research in Education* (IJERE), Vol. 9, No. 3, pp.558-563, ISSN: 2252-8822, doi:10.11591/ijere.v913.20880.

United Nation (UN), 2015, Transforming Our World: The 2030 Agenda for Sustainable Development Viewed 12 August, 2024, https://sustainabledevelopment.un.org/post2015/transformingourworld.

Valliere, D, (2015). "An Effectuation Measure of Entrepreneurial Intent" Procedia, Social and Behavioural Sciences, Vol. 169, No. 1, pp.131-142.

Van-Harten, J, De-Cuyper, N, Knies, E, Forrier, A, (2021). Taking the Temperature of Employability Research: A Systematic Review of Interrelationship across and within Conceptual Strands, *European Journal of Work and Organizational Psychology*, 31(11), 145-159, https://doi.org/10.1080/1359432x.2021.1942842.

Van-Holm, E, J, (2021). Making Entrepreneurs? Market spaces and Entrepreneurial Intent among High School Students, *the Journal of Entrepreneurship*, 30(21), 249-266, https://doi.rg/10.1177/09713557211025652.

Wahid Tumi, M, Pusposari, L, F, Nur, M, A, Halillian, H, & Lubna, L, (2022). The Impact of using Modules on Students' Entrepreneurial Attitudes and Intention Cypriot/Educ.Sci.2022.17(8), 2634-2645.

Weber, R, (2011). Evaluating Entrepreneurial Education, Munich Springer.

Westhead, P, & Solesvik, M, (2016). Entrepreneurship Education and Entrepreneurial Intentions, Do Female Students Benefit? International Small Business Journal Researching Entrepreneurship, 34(8), 979-1003. https://doi.org/10.3390/su.15032562.

Yigitbas, E, Sauer, S, & Engel, G, (2022). Using Augmented Reality for Enhancing Planning and Measurements in the Scaffolding Business, in Comparison of the 2021 ACM SLGCH Symposium on Engineering Interactive Computing Systems, pp.32-37.

York, M, (2006). Employability in Higher Education, what it is – what it is not. New York, NY Higher Education Academy.

Zaidatol, A, P, (2009). Entrepreneurship as a career choice: An Analysis of Entrepreneurial Self-Efficacy and Intention of University Students. European Journal of Social Sciences, 9(2), 338-349.

Zhao, H, Seibert, S, E, & Hills, G, E, (2000). The Mediating Role of Self-Efficacy in the Development of Entrepreneurial Intention. *Journal of Applied Psychology* 90(6), 1265-1272.

Zimbroff, A, & Jorgensen, J, J, (2019). An Assessment of Young Adult Perception towards Entrepreneurship in Bangladesh Using a mixed methods Approach. International *Journal of entrepreneurship* 23(4), 1-18.

EFFECT OF RURAL WOMEN EMPOWERMENT ON ENTREPRENEURIAL OUTCOMES IN KARU LOCAL GOVERNMENT AREA OF NASARAWA STATE, NIGERIA

[1]Nwoko Amaechi Nnamdi, [2]Esther Sam Audu & [3]Zacharia Malachi Aboi

[1,2]Department of Entrepreneurship Studies, Faculty of Administration, Nasarawa State University, Keffi.
[3]JPTS Institute of Management, Sciences and Technology, Jos Plateau State
[1]greengatesjos@yahoo.com, [2]esthykool90@gmail.com, [3]aboizaks@gmail.com
[1]08039245942, [2]07035321551, [3]08033237421

Abstract

The level of entrepreneurship development from the women perspective is low and they are not as empowered as their male counterparts, or are totally disempowered inclusive of those in rural settlements. This study examined the effect of rural women empowerment on entrepreneurial outcomes in Karu Local Government Area of Nasarawa State, Nigeria. Descriptive survey design was adopted and rural women entrepreneurs in Karu and Keffi Local Government Areas of Nasarawa formed the study population. A sample size of 359 was obtained using Taro Yamane formula. To address potential non-response issues, a 10% oversampling rate was applied, resulting in the final adjusted sample size. Questionnaire was used to collect 351 out of the 359 distributed copies. Data were analyzed using Partial Least Square Structural Equation Modelling was used to test the study assumptions. The study revealed that women empowerment programmes have a positive and significant effect on wealth creation, job creation and new venture creation in Karu local government area of Nasarawa state. This signifies that any increase in the women empowerment programmes increase entrepreneurial outcome. Among others this study recommends that Government should create empowerment programmes for women in order to bridge the gap in wealth creation most especially in Karu local government area and other places of Nasarawa state.

Keywords: Women Empowerment, Entrepreneurial Outcomes, Job Creation, Wealth Creation, New Ventures

Introduction

Women regardless of traditional gender roles play essential roles at home and in the economy. Their creativity and innovation are essential for national entrepreneurship. In Nigeria, rural women's empowerment has been recognized as a key factor in economic development and poverty reduction (Akpan, 2022). For instance, a mixed-methods study in Southeast Nigeria found that only 38.8% of rural women could access loans, with additional barriers including rigid requirements, high interest rates, and socio-cultural constraints; those who did obtain credit saw growing incomes and some improvements in social recognition (Nkamnebe et al., 2024).

Recent research has increasingly examined the links between rural women's empowerment and entrepreneurial success in Nigeria. A 2023 study of agribusinesses in Yobe State found these ventures managed by rural women to be profitable, significantly boosting local economies

(Oluwakemi et al., 2023). However, constraints such as limited mobility, cultural norms, and poor access to credit continue to limit outcomes.

Overall, women significantly contribute to Nigeria's industrialization through entrepreneurship. A 2024 report highlighted that microcredit access helped rural women micro-entrepreneurs grow incomes in Southeast Nigeria, though entrenched social norms sometimes dampened gains in status (Oladipo &Nkamnebe, 2024). Additionally, Women's World Banking (2024) documented that high costs, confusing loan processes, and stigma continue to block women's access to financial services. Entrepreneurship is defined as the dynamic process of generating incremental wealth through risk-bearing investments of capital, time, and effort (Chana et al., 2024). In Nigeria, entrepreneurship serves as a vital pathway to empowerment and economic growth. Scholars have emphasized that initiatives supporting women's entrepreneurial training and access to finance not only foster gender equality but also drive job creation and innovation (Adeleye et al., 2023; Umar et al., 2023).

Moreover, reports from organizations such as the International Monetary Fund (IMF) and the World Economic Forum (WEF) have shown that empowering women can lead to higher levels of economic growth and entrepreneurship. For example, the IMF (2021) notes that policies that promote women's entrepreneurship can increase productivity, boost economic diversification, and improve overall economic outcomes. They also acknowledged that an increase in female labour force participation results in faster economic growth, changes in spending and increase in the rate of education of female children which helps decrease child mortality by 9.5 percent in their productive age. Women entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction, women's empowerment and eventually to the Sustainable Development Goals (SDGs) of the nation. Thus, governments across the globe as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various empowerment schemes, incentives and promotional measures. Empowerment of women is a prerequisite for entrepreneurship development, economic well-being of the family, pro-poor growth and the achievement of all the Millennium Development Goals of the nation (Onu & Abass, 2018).

The prevailing ideology of entrepreneurship development is of inclusivity and individualism as if there are no restraints for whoever. Drakopoulou and Anderson (2007), call this the 'everyman hypotheses. This implies that both men and women, rich or poor, able or disable, rural or urban among few to compare; have the capacity to achieve entrepreneurship development if efforts are and determination are exercised (Ahl & Marlow 2012; Marlow & Swail, 2014). Moreover, influential supranational entities, such as the World Bank, the International Labor Organization (ILO), and the United Nations, position entrepreneurship as a pivotal remedy for impoverishment, acknowledging that women are crucial to this transformational process. For instance, the World Economic Forum forecasted that empowering women to engage in the global economy would add 28 trillion USD in GDP growth by the year 2025 (WEF, 2018).

In Nigeria, the major factor impeding the development of entrepreneurship is the lack of adequate supports from relevant stakeholder such as Non-governmental Organizations (NGOs) which are supposed to be initiate empowerment programmes for women in both rural and urban settlements. However, some of those organizations have made reasonable efforts while others are still coming with strategic with recommendable plans to empower Nigeria women, of which the rural women in Nasarawa State should not be left out.

It is a common belief that men should solely provide for their homes, while women were to keep the home and be responsible for home caring. Record revealed Nigeria as one of the developing countries in the world, where the government cannot provide employment for the citizenry, few women are engaged in government job, while insignificant number of them are into some informal sectors such as domestic faming and trading and large number of them as housewives. According to Dibie and Okere (2016), women in Nigeria continue to base on ‘low class’ jobs as they find it difficult to compete equally with their male counterparts for white collar job opportunities. The effort of the Federal Government of Nigeria in creating the ministry of women affairs, the appointment of some female ministers, and the encouragement of women movement are considered reasonable steps in the right direction.
However, most of these efforts as encouraging as they may be seeming to be insignificant in addressing the issue of poor support for women empowerment (Dibie & Atibil, 2012).

The level of entrepreneurship development from the women perspective is low and they are not as empowered as their male counterparts, or are totally disempowered. Thus, some NGOs have put in intervention strategies in various ways and to various ends, the greatest of which is to empower the women and girls, give them a voice and improve their lives. In spite of the tremendous prospects for growth and development by women for their empowerment, empowerment of women is advancing at a less than desired slower pace (Oyelude & Bamigbola, 2013).

According to the World Bank (2019), women in rural areas often face significant social and economic constraints that limit their access to resources, including education, finance, and training, that are necessary for entrepreneurship and economic growth. The lack of access to these resources often leads to lower levels of economic participation and limited opportunities for economic advancement. Further, Agwu and Ogbuabor (2017) have shown that empowering rural women can have a significant positive impact on economic outcomes, including increased income, employment opportunities, and poverty reduction. Moreover, women's empowerment has also been linked to increased social welfare outcomes, including improved health and education outcomes for children and families.

Several studies were carried out in relation to women entrepreneurs, entrepreneurship development and challenges faced by women entrepreneurs, the works of Chinonye, et al., (2015); Ayogu and Agu (2015) Iyiola and Azuh (2014); Otekunrin, et al (2013), among others were carried out in other parts of Nigeria, and none of the works specifically pay attention to rural women empowerment and entrepreneurship development in Nasarawa State. In the context of Karu Local Government Area of Nasarawa State, rural women are facing significant challenges in accessing resources necessary for entrepreneurship. This calls for the need to investigate the effectiveness of existing rural women empowerment initiatives in addressing these challenges and the extent to which these initiatives are contributing to entrepreneurial outcomes in the region.

From similar ground, some studies on women entrepreneurship concentrated on women motivation, personal characteristics, environment relationship, style of management, and problems faced (Adewumi, et al, 2019). However, issues in empowerment are important only when the causes of impoverishment, which justifies the need for empowerment, are well known and analyzed to bring out ways of removing or minimizing those constraints. To this end, it is pertinent for a study to be carried out to examine the effect of rural women empowerment on entrepreneurial outcome in Karu Local Government Area of Nasarawa State.

Objectives of the Study

The main objective of this study is to examine the impact of rural women empowerment on entrepreneurial outcomes in Karu local government area of Nasarawa State, Nigeria with specific objectives to;

1. determine the effect of women empowerment programmes on wealth creation in Karu local government area;
2. examine the effect of women empowerment programmes on job creation in Karu local government area; and
3. assess the effect of women empowerment programmes on new venture creation in Karu local government area.

The study is hypothesized as follow:
In line with the study specific objectives, the following research hypotheses were raised to guide the study:

H_{01}: Women empowerment programmes does not have significant impact on wealth creation in Karu local government area.

H_{02}: Women empowerment programmes does not have significant impact on job creation in Karu local government area.

H_{03}: Women empowerment programmes do not have significant impact on new venture creation in Karu local government area.

Literature Review

Women Empowerment

Kabir et al., (2021) described empowerment as a multi-dimensional process that involves developing an individual's awareness of their personal and structural barriers, building skills and competencies to address these barriers, and utilizing these skills to take action towards achieving their goals while also supporting the empowerment of others in their community. Women empowerment starts when a woman is aware of not fully dependent on anybody to meet her basic daily needs and still assist another person (Adewumi, et al, 2018).

Furthermore, Kabeer (2018) emphasizes that women's empowerment is achieved through the recognition and protection of their human rights, including access to education, healthcare, and economic opportunities, which can help to overcome gender-based discrimination and promote gender equality in all aspects of society.

Wealth Creation

Piketty (2020) defined it as the expansion of net worth via capital ownership, particularly through returns on investments exceeding wage growth, which perpetuated inequality in advanced economies. Stiglitz (2019) framed it as the outcome of market structures and policies that incentivized entrepreneurship and intellectual property development, arguing that monopolistic practices often skewed gains towards corporations. Mazzucato (2018) emphasized the role of public investment in innovation ecosystems, asserting that state-funded research in sectors like renewable energy catalyzed long-term societal wealth.

Job Creation

Acemoglu and Restrepo (2017) conceptualized job creation as the interplay between automation and labour demand, where technological advancements displace certain roles but spur new opportunities in complementary sectors. Autor (2020) framed job creation as a macroeconomic outcome driven by demand for labour-intensive goods and services, particularly in industries adapting to digital transformation. Shierholz (2021) emphasized job creation role in reducing inequality, arguing that targeted job creation in low-wage sectors, such as green energy or care work, could uplift marginalized communities.

New Venture Creation

New venture creation has been extensively examined as the process of establishing and developing innovative business enterprises. Alvarez and Barney (2020) conceptualized it as an entrepreneurial process where individuals leverage opportunities through effectual reasoning, often beginning with available means rather than predetermined goals. Davidsson (2017) framed it as a dynamic, iterative phenomenon involving continuous interaction between the entrepreneur's visions and evolving market realities. Shepherd and Patzelt (2018) emphasized its sustainable dimension, arguing that successful new ventures increasingly address environmental and social challenges while pursuing profitability.

Empirical Review

Women Empowerment and Wealth Creation

The study by Jones and Smith (2022) examined whether women empowerment programmes positively affect women's economic status and contribute to the creation of wealth in their households and communities in the United States. The study employed a quantitative research design. The sample size for this study is 500 women, with 250 women in the treatment group and 250 women in the control group. Data were collected using a self-administered questionnaire to participants. The study used ANOVA, and regression analysis to test the hypotheses of the study. The finding established that women empowerment programmes have a significant positive impact on wealth creation. The study was limited in its scope, as the study focuses only on women empowerment programmes in the United States. The study does not consider the cultural and socio-economic context of other countries.

Adeyemi and Olanrewaju (2021) empirically investigated the effect of women empowerment programs on wealth creation in developing countries. The research covers the period between 2000 and 2020. This study employed a quantitative research design and a total of 25 studies were selected for inclusion in the review. Secondary data sources, including academic journals, conference papers, and reports were considered. The study utilized a meta-analysis technique to synthesize the data obtained from the selected studies. The findings of the study indicate that women empowerment programmes have a significant positive effect on wealth creation among women in developing countries. The study relied solely on secondary data sources, which may not be representative of the entire population of women in developing countries. Additionally, the study does not consider the cultural and social factors that may affect the effectiveness of women empowerment programs.

Women Empowerment and Job Creation

Nsor-Ambala et al., (2021) carried out a study to investigate the impact of women's empowerment programmes on job creation in Ghana, the study employed a quantitative research design, specifically a cross-sectional survey and the target population for the study involved comprised of women who had participated in women's empowerment programmes in Ghana. A sample size of 400 was determined using the Cochran formula and a structured questionnaire was used to collect data from the participants. The researchers personally administered the questionnaire to the participants, and a response rate was 80% was recorded. Data collected were analysed using descriptive statistics and regression. The finding established that women's empowerment programmes had a positive impact on job creation in Ghana. One potential criticism of the study is that the sample size was obtained with proper knowledge of the population, possible the sample size used could underrepresent the actual population.

Akhter and Cheng (2020) carried out a study on microcredit as empowerment instrument to bridge the gap between the accessibility of microcredit among poor rural women and sustainable socio-economic development, providing novelty to the concept of ‘sustainability of empowerment’. The study employed poor rural women to estimate the empowerment performance of microcredit borrowers compared to non-borrowers in the same socio-economic environment. A regression analysis was used to accomplish these objectives. This study also used propensity score matching techniques to find an easy way to access microcredit. The outcome of the empirical analysis shows that there is a significant impact of microcredit on increasing participation in the overall decision-making process, in legal awareness, independent movements, and mobility, as well as enhancing living standards and job creation to encourage sustainable women empowerment.

Women Empowerment Programmes and New Venture Creation

In a doctoral thesis, Nkwocha (2019) conducted an empirical study to assess the impact of microfinance interventions on women's empowerment and entrepreneurial development in Nigeria. The research employed a mixed-methods approach, incorporating both quantitative and qualitative data collection techniques. The study focused on women clients of microfinance institutions across various regions in Nigeria. A total of 350 questionnaire responses were collected, complemented by 11 focus group interviews with women clients and 28 one-on-one interviews with loan officers and heads of non-governmental organization (NGO) microfinance institutions. The sampling technique combined purposive and random sampling to ensure a representative sample of the population. Data collection methods included structured questionnaires and semi-structured interviews, while data analysis involved the use of chi-square tests, analysis of variance (ANOVA), and ordinal regression. The findings revealed that access to microcredit, training, and mentoring services significantly supported women's microenterprises, leading to increased business assets and the development of critical business skills. Moreover, participation in group meetings fostered social capital development through mutual support and business networking among women entrepreneurs. While the study provided comprehensive understanding into the role of microfinance in women's entrepreneurial development, the study shortcoming lies in its limited exploration of regional variations and the potential influence of cultural factors on women's empowerment outcomes.

Usman (2024) conducted a study to examine the impact of entrepreneurial education on women's empowerment for national development in Niger State, Nigeria. The research adopted a descriptive survey design, focusing on registered women in entrepreneurial education programmes and programme facilitators across three local government areas randomly selected from the state's senatorial districts. The population comprised 5,314 individuals, from which a sample size of 512 was drawn using random sampling techniques. Data collection was carried out through structured questionnaires, and the responses were analysed using descriptive statistics, specifically mean and standard deviation. The study concluded that adequate provision of entrepreneurial education programmes for women contributes significantly to national development by equipping them with skills that enhance their income-generating capabilities. However, a major limitation of the study is its reliance solely on descriptive statistics without employing inferential statistical methods, which could have provided deeper understanding into the relationships between variables and strengthened the validity of the conclusions drawn.

Theoretical Framework

Longwe's Women Empowerment Theory

Longwe Framework which was developed by Sara HlupekileLongwe in 1994. The Longwe framework was envisioned to support development planners to question what women's empowerment and equality means in practice, and wherefrom, to critically appraise to what level any development intervention in supporting women empowerment (March, et al, 1999). The assumption of the theory focused on women's empowerment and gender equality. According to Longwe women's empowerment refers to the enablement of women to take an equal place with men, and take part equally in the development process in order to attain control over the factors of production on an equal basis with men (Longwe, 1994).

Materials and Method

This study adopted a survey research design. The survey research design is a very valuable tool for assessing opinions and trends from a wider population. Therefore, this design used to guide the researcher in gathering information related to the variable of the study. The study survey utilizes the questionnaire instrument. The target population for this research work was rural women empowerment in Karu Local Government Area of Nasarawa. A total of 3500 rural women that engages in various entrepreneurial ventures were drawn from the target study area through the Karu Rural Women Cooperative Association. This research adopted the Taro Yamani formulation of sampling size to determine the study sample thus:

$$N = \frac{N}{1+N(e)^2}$$

$$N = \frac{3500}{1+3500\,(0.05)^2}$$

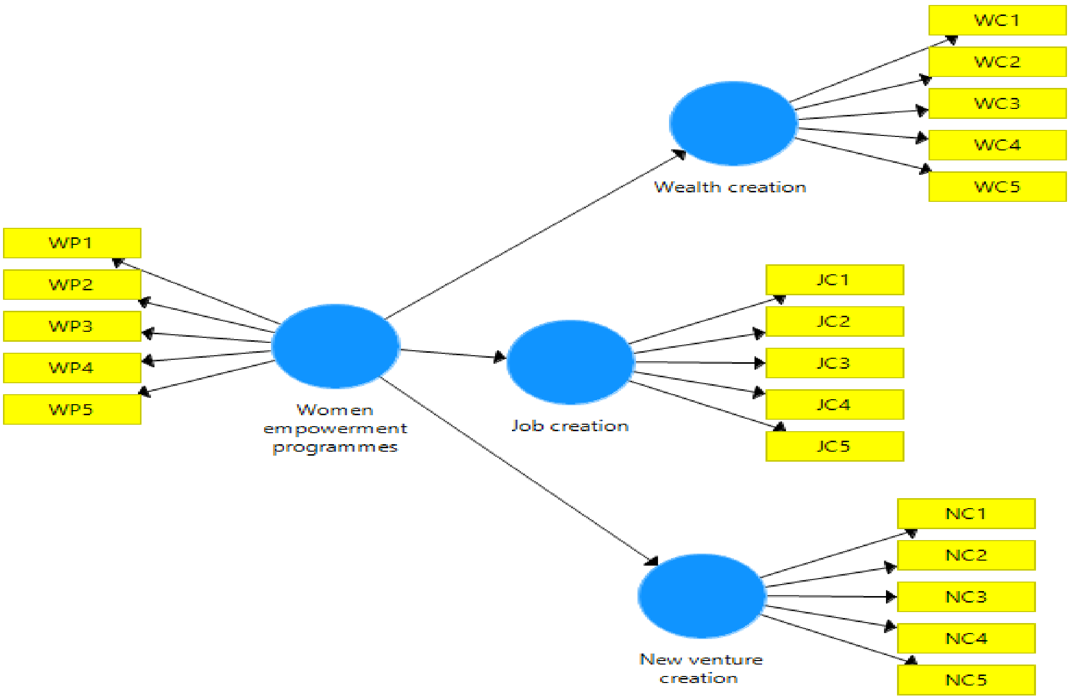
$$N = \frac{3500}{1+3500(0.0025)}$$

$$N = \frac{3500}{9.75} = 358.97$$

The sample size of this study is three hundred and fifty-nine (359) respondents. Although the necessary sample size was determined to be 359, oversampling was done to the rate of 10% as recommended by Isreal (2013) to address possible non-response problems. The inflated sample size used was therefore, 394. Lastly, purposive sampling was utilized to select only rural women that engages in in entrepreneurial ventures in Karu LGA. Purposive sampling ensured that *only* individuals meeting these precise criteria (female, rural resident of Karu LGA, actively involved in an entrepreneurial venture) were included. This targeted approach was essential because random or broad sampling methods would likely have included irrelevant participants (e.g., urban women, women not engaged in business, or men), diluting the data and making it difficult to draw.

The study employed a five-point Likert scale questionnaire to gather data from the study respondents and Partial Least Square Structural Equation Modelling was used to test the study assumptions. The following established model was used:

Figure 1: Graphical Model



Measurement Model

Before the analysis was carried out, a total of three hundred and ninety four (394) copies of questionnaires were distributed to the respondents, and a total of three hundred and eighty nine (389) copies were successfully retrieved from the respondents. However, three hundred and eighty-seven (387) copies of the questionnaires were found usable after questionnaire sorting and data cleaning (see table 2).

Table 2: Response Rate

Category	Frequency
Questionnaires Distributed	394
Questionnaires Retrieved	389
Usable Questionnaires	387

Source: Field Survey, 2025

To test the hypothesized model, confirmatory factor analysis, path assessment was conducted. For the determination of the factor structure, the validity of the factor has been examined with the help of factor loadings. The indicator loadings should be larger than 0.7 to ensure indicator reliability. From table 3, all the indicators are larger than 0.7 indicating that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability (see table 3 & Fig 2).

Figure 2: Measurement Model

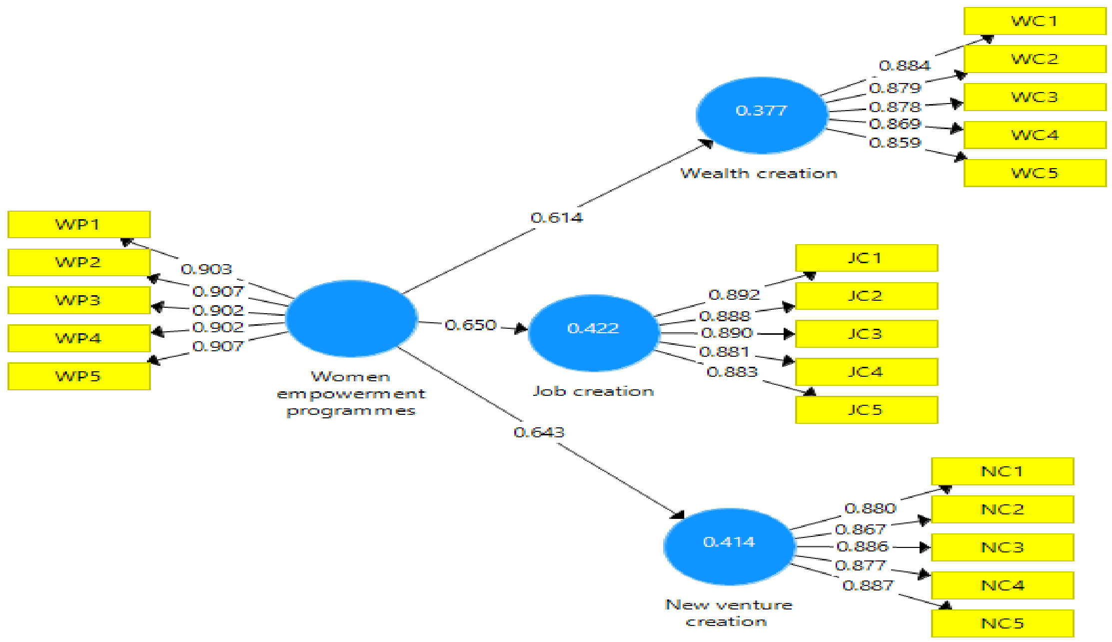


Table 3: Convergent Validity and Reliability of the Constructs and Indicators

Items	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
	Job creation			
JC1	0.892	0.932	0.948	0.786
JC2	0.888			
JC3	0.890			
JC4	0.881			
JC5	0.883			
	New venture creation	0.927	0.945	0.774
NC1	0.880			
NC2	0.867			
NC3	0.886			

NC4	0.877			
NC5	0.887			
	Wealth creation	0.923	0.942	0.764
WC1	0.884			
WC2	0.879			
WC3	0.878			
WC4	0.869			
WC5	0.859			
	Women empowerment programmes	0.944	0.957	0.817
WP1	0.903			
WP2	0.907			
WP3	0.902			
WP4	0.902			
WP5	0.907			
WP1	0.903			

Source: SPSS Output, 2025

To establish internal consistency reliability of the construct, Cronbach's alpha and composite reliability (CR) should be higher than the threshold of 0.7 (Collier, 2020). It is clear from table 3 that all the latent indicators are reliable since their values are higher than the threshold value of 0.7. Convergent validity is the extent to which the construct converges in order to explain the variance of its items. To assess convergent validity, the average variance extracted (AVE) should be larger than 0.5. In table 3, all the constructs value of the average variance extracted AVE are larger than 0.5 which shows that our constructs satisfied the condition of convergent validity. It also indicates that all the construct explains 50 percent or more of the variance of the items that make up the construct.

Furthermore, discriminant validity was assessed by examining the heterotrait-monotrait ratio of the construct. Henseler et al. (2015) propose a threshold value of 0.90 for structural models with constructs that are conceptually very similar, but when constructs are conceptually more distinct, a lower, more conservative, threshold value is suggested, such as 0.85 (Henseler et al., 2015).

Table 4: Heterotrait-Monotrait Ratio (HTMT)

	Job creation	New venture creation	Wealth creation	Women empowerment programmes
Job creation				
New venture creation	**0.476**			
Wealth creation	**0.420**	**0.444**		
Women empowerment programmes	**0.679**	**0.672**	**0.640**	

Source: *SmartPLS Output, 2024*

Base on the result in Table 4, there is no discriminant validity issue because both condition of a maximum value of 0.9 and minimum value of 0.85 were not exceeded.

Table 5: Coefficient of Determination

	R Square	R Square Adjusted
Job creation	0.422	0.421
New venture creation	0.414	0.412

Wealth creation	0.377	0.375

Source: *SmartPLS Output, 2025*

Table 5 shows the Coefficient of Determination (R^2) values for three variables: job creation, new venture creation, and wealth creation. The R^2 value for job creation is 0.422, indicating that approximately 42.2% of the variance in job creation can be explained by the model. The R^2 for new venture creation is slightly lower at 0.414, suggesting that 41.4% of its variance is accounted for by the model's factors. Wealth creation has the lowest R^2 value at 0.377, meaning that 37.7% of its variance is explained. The adjusted R^2 values, which take into account the number of predictors in the model, are quite similar: job creation at 0.421, new venture creation at 0.412, and wealth creation at 0.375.

Table 6: Path Coefficient

Hypotheses	Beta	Sample Mean	Std Dev	T Statistics	P Values
Women empowerment programmes -> Job creation	0.650	0.650	0.031	20.739	0.000
Women empowerment programmes -> New venture creation	0.643	0.645	0.031	20.718	0.000
Women empowerment programmes -> Wealth creation	0.614	0.615	0.031	19.896	0.000

Source: *SmartPLS Output, 2025*

The results from Table 6 revealed that women empowerment programmes have a statistically significant and positive effect on all three entrepreneurial outcomes job creation, new venture creation, and wealth creation in Karu Local Government Area of Nasarawa State. Specifically, the path coefficient for the relationship between women empowerment programmes and job creation is $\beta = 0.650$, with a t-statistic of 20.739 and a p-value of 0.000, indicating a strong and highly significant positive effect. Similarly, the influence of women empowerment programmes on new venture creation is also significant ($\beta = 0.643$, $t = 20.718$, $p = 0.000$), as is their effect on wealth creation ($\beta = 0.614$, $t = 19.896$, $p = 0.000$). These findings suggest that the implementation of women empowerment initiatives in the rural communities of Karu LGA has directly contributed to expanding employment opportunities, encouraging the formation of new businesses, and improving income levels among rural women. This supports existing literature that links targeted empowerment efforts with improved entrepreneurial performance among women (Olawale & Garwe, 2010; Adebayo & Kolawole, 2013).

Conclusion and Recommendations

Conclusion

In conclusion, the study revealed that women empowerment programmes have a significant and positive impact on key entrepreneurial outcomes in the Karu Local Government Area of Nasarawa State. The strong path coefficients indicate that these initiatives not only enhance job creation but also foster new venture formation and increase wealth among rural women. The results highlight the effectiveness of women empowerment in driving economic growth within these communities. Therefore, the findings advocate for the continued support and expansion of such programmes, as they play a crucial role in promoting entrepreneurship and improving the livelihoods of women in rural areas.

Recommendations

Based on the finding and conclusion of the study, the following recommendations were made:

1. The government, non-governmental organizations, and other relevant stakeholders should increase their support for women empowerment programmes in the region. One way to increase the effect of women empowerment programmes in Karu local government area is to increase funding for such programmes. This would enable the government and other relevant stakeholders to provide more resources and support for women entrepreneurs and small business owners.
2. Government should support women entrepreneurs to have easy access to finance as this will enhance the performance and growth of women-owned businesses. Therefore, the government and other relevant stakeholders should provide access to finance for women entrepreneurs and small business owners in Karu local government area. This will enable them to start or expand their businesses, which will lead to job creation.
3. The government and other relevant stakeholders should encourage and support women's entrepreneurship in Karu local government area. This can be done by providing business development services such as training and mentoring, as well as creating an enabling environment for women to start and grow their businesses.

References

Acemoglu, D., & Restrepo, P. (2017). *Robots and jobs: Evidence from US labor markets* (NBER Working Paper No. 23285). National Bureau of Economic Research. https://www.nber.org/papers/w23285.

Adebayo, O. O., & Kolawole, J. A. (2013). The historical background of entrepreneurial development in Nigeria: Its gains, shortcomings and needful. *Journal of Emerging Trends in Economics and Management Sciences*, *4*(5), 493–500.

Adeleye, R. A., Györke, D. K., &Gubacsi, F. (2023). Entrepreneurship as a tool for women empowerment in Nigeria. Studia Mundi – Economica, 10(1), 3–13.

Adewumi, R. M., Shiyanbola, A. A., &Fijabi, O. E. (2019). Nigerian women empowerment and the entrepreneurial myth. *Journal of Modern Accounting and Auditing*, 15 (9), 453-464.

Adeyemi, O. A., & Olanrewaju, A. O. (2021). Empowerment programs and wealth creation among women in developing countries: A systematic review. *Journal of Poverty, Investment and Development*, 65, 1-15.

Agwu, M. O., &Ogbuabor, J. E. (2017). Rural women entrepreneurship in Nigeria: Problems and prospects. *International Journal of Development and Sustainability*, 6(6), 80-91.

Ahl, H., & Marlow, S. (2012). Exploring the dynamics of gender, feminism and entrepreneurship: advancing debate to escape a dead end? *Organization*, 19: 543–62.

Akhter, J. & Cheng, K. (2020). Sustainable empowerment initiatives among rural women through microcredit borrowings in Bangladesh. sustainability, 12, 2275; doi:10.3390/su12062275 www.mdpi.com/journal/sustainability

Akpan, G. E. (2022). Government enterprise empowerment programme: Its effect on women development in rural communities inAkwa Ibom State: https://doi.org/10.36108/ijsi/2202.11.0250. *Ibom Journal of Social Issues*, *11*(2), 46–53.

Alvarez, S. A., & Barney, J. B. (2020). *Entrepreneurial opportunities as effectual relationships.* Strategic Entrepreneurship Journal, 14(1), 115-122. https://doi.org/10.1002/sej.1342

Autor, D. (2020). *The work of the past and future*. MIT Press. https://doi.org/10.1086/705720

Ayogu, D. U., &Agu, E. O. (2015). Assessment of the contribution of women entrepreneur towards entrepreneurship development in Nigeria. *International Journal of Current Research and Academic Review,* 3(10), 190-207.

Chana, L. B., Usman, A. S., & Hamza, H. D. (2024). Effect of micro-credit on micro-business development among women entrepreneurs. African Journal of Management and Business Research, 16(1), 100–113.

Chinonye, M. L., Iyiola, O. O., Akinbode, M. O., Obigbemi, I. A., & Eke, O. P. (2015). Women entrepreneurship in Nigeria: Policy framework, challenges and remedies. *KASMERA*, 43 (2), 2-21.

Collier, J. E. (2020). *Applied structural equation modeling using AMOS: Basic to advanced techniques*. Routledge.

Davidsson, P. (2017). *The field of entrepreneurship research: Some significant developments*. In D. Bögenhold et al. (Eds.), *Contemporary entrepreneurship* (pp. 17-38). Springer. https://doi.org/10.1007/978-3-319-27167-6_2

Dibie, R., &Okere, J. S. (2016). Government and NGOs performance with respect to women empowerment in Nigeria. *Africa's Public Service Delivery & Performance Review. Article*, 92-136.

Drakopoulou, D. S., & Anderson, A. R. (2007). Mumpsimus and the mything of the individualistic entrepreneur. *International Small Business Journal,* 25, 341–60.

Eze, S. O., & Ilesanmi, O. T. (2021). Rural women entrepreneurship in Nigeria: Challenges and prospects. *Journal of Women's Entrepreneurship and Education*, 1-14.

Fornell, C., &Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*(1), 39–50.

Henseler, J., Ringle, C. M., &Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science, 43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

International Labour Office (ILO, 2018). Concepts and definitions of employment indicators relevant to young people. guide on measuring decent jobs for youth monitoring, evaluation and learning in labour market programmes. Information on ILO Publications and Digital Products Accessed at: www.ilo.org/publns

Iyanda, O. A., & Ogunleye, A. O. (2020). Women empowerment programs and job creation in Nigeria: Evidence from Lagos State. *Journal of Economics and Sustainable Development, 11*(17), 57-66.

Iyiola, O. O., &Azuh, D. (2014). Women entrepreneurs as small-medium enterprise (SME) operators and their roles in socio-economic development in Ota, Nigeria. *International Journal of Economics, Business and Finance, 2*(1),1 – 10.

Jones, M., & Smith, K. (2022). The impact of women empowerment programmes on wealth creation: An empirical study. *Journal of Gender Studies*, 33(1), 45-63.

Kabeer, N. (2018). *Gender, livelihoods, and globalization: An overview*. In Gender, livelihoods, and migration in Africa (pp. 1-24). Routledge.

Kabir, R., Chowdhury, M. S., & Ferdous, S. (2021). Empowerment: Conceptualization and measurement. *Journal of Psychology & Behavioral Science,* 9(2), 29-42.

Longwe, S. (1999). Women's Empowerment. *Framework*, 92-101.

March, C., Smyth, I., &Mukhopadyay, M. (1999). A guide to gender-analysis frameworks: Approach and methodology gender. OXFAN 978-0-85598-403-8. http://hdl.handle.net/10546/115397Additional Linkshttps://policy-practice.oxfam.org.uk/publications/a-guide-to-gender-analysis-frameworks-115397

Mazzucato, M. (2018). *The value of everything: Making and taking in the global economy*. Penguin Books

Mwakibinga, F., &Mwamwenda, T. S. (2020). Women entrepreneurship in tanzania: empirical review on policy and institutional frameworks. *Journal of Entrepreneurship and Business Innovation,* 7(1), 1-17.

Nkamnebe, O. E., Oladipo, A. O., & et al. (2024). Impact of microcredit on income and social status of rural women microentrepreneurs in Southeast Nigeria. International Journal of Research and Innovation in Social Science, 8(8), 3521–3532.

Nkwocha, L. O. (2019). *Impact of microfinance interventions on women's empowerment and entrepreneurial development in Nigeria* (Doctoral dissertation, University of Reading). University of Reading Research Repository. https://centaur.reading.ac.uk/88882/

Nsor-Ambala, A., Andoh, R. K., & Ofori, E. (2021). Women's empowerment programmes and job creation: Evidence from Ghana. *Journal of African Business*, 22(2), 151-171.

Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). McGraw-Hill.

Olawale, F., &Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach. *African Journal of Business Management*, *4*(5), 729–738.

Oluwakemi, R. A., Györke, D. K., &Gubacsi, F. (2023). Entrepreneurship as a tool for women empowerment in Nigeria. *Studia Mundi Economica*, *10*(1), 3–13.

Onu, A. J. C. &Abass, S. A. (2018). Impact of women entrepreneurship in Lagos State. *Journal of Business and Economics*, 9(12), 1073-1084. DOI: 10.15341/jbe(2155-7950)/12.09.2018/008.

Otekunrin, A. O., Akintunde, A. O., Lawal, A. I., & Rotimi, M. E. (2013). Nigerian women entrepreneurs: challenges, Incentives and achievements indicators. *IOSR Journal of Business and Management (IOSR-JBM),* 11(4), 24-31.

Oyelude, A. A., &Bamigbola, A. A. (2103). women empowerment through access to information: The strategic roles of non-governmental organizations in Nigeria. *US-China Education Review*, 3(2), 103-115.

Piketty, T. (2020). *Capital and ideology*. Harvard University Press. https://doi.org/10.4159/9780674245075

Saez, E., & Zucman, G. (2020). *The triumph of injustice: How the rich dodge taxes and how to make them pay*. W. W. Norton & Company.

Shepherd, D. A., &Patzelt, H. (2018). *Entrepreneurial cognition: Exploring the mindset of entrepreneurs*. Palgrave Macmillan.

Shierholz, H. (2021, March 10). *Job creation is central to reducing racial inequality*. Economic Policy Institute. https://www.epi.org/blog/job-creation-is-central-to-reducing-racial-inequality/

Stiglitz, J. E. (2019). *People, power, and profits: Progressive capitalism for an age of discontent*. Allen Lane.

Umar, et al. (2023). [Title of 2023 policy investment studyadjust if needed].

UN Women. (2021). Women's entrepreneurship: A driver of economic growth. Retrieved from https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2021/womens-entrepreneurship-a-driver-of-economic-growth-en.pdf?la=en&vs=1229.

Usman, M. (2024). Impact of entrepreneurial education on women's empowerment for national development in Niger State, Nigeria. *International Journal of Research and Innovation in Social Science (IJRISS), 8*(2), 240–247. https://www.rsisinternational.org/journals/ijriss/Digital-Library/volume-8-issue-2/240-247.p

WEIN. (2017). Nigeria Women Empowerment Initiative.

Women's World Banking. (2024). Empowering Nigeria's women micro-entrepreneurs: Actionable insights for financial services providers.

World Bank, (2005) The World Development Report, *http/www.worldbank.org/ie.*

World Bank. (2019). *World development report 2019: The changing nature of work*. Washington, DC: World Bank.

World Bank. (2021). *Nigeria for Women Project: Empowering women to boost economic growth*. https://www.worldbank.org/en/news/feature/2021/03/04/nigeria-for-women-project-empowering-women-to-boost-economic-growth

World Economic Forum. (2018). The global gender gap report. Available online: http://www3.weforum.org/docs/ WEF_GGGR_2018.pdf (accessed on 20 July 2020).

THE ASSESSMENT OF EMOTIONAL INTELLIGENCE (EI) ON RISK-TAKING BEHAVIORS AMONG STUDENTS OF SELECTED TERTIARY INSTITUTIONS IN KWARA STATE, NIGERIA

[1]Kadiri Abdulrahman Temitope, [2]BABATIMILEHIN Olanipekun Ezekiel & [3]Adesanya Adefunke

[1,2]Business Administration Department, Federal Polytechnic Offa, Kwara State
[3]Public Administration Department, Federal Polytechnic Offa, Kwara State
[1]temitopeabdulrahman5@gmail.com, [2]batty4real@gmail.com, [3]adefunkeaderogba@gmail.com
[2]07065976011. 08050555798

Abstract

The study examines the relevance of emotional intelligence on risk-taking behaviors among students of selected tertiary institution in Kwara State, Nigeria. Emotional intelligence (EI), comprising self-awareness, self-regulation, self-control, and motivation, plays a critical role in shaping how individuals perceive and respond to risks. The study aims to determine whether emotional intelligence contributes to the variation in risk-taking behaviors among tertiary institution students. The population of the study comprised four hundred and thirty-two selected students from the 2023/2024 academic session. Primary data was obtained through a well-structured questionnaire. A total of 432 copies of the questionnaire were distributed to the respondents, and only 401 copies were validly returned and used for this study. The formulated hypotheses were analyzed using Pearson correlation, and the results revealed that emotional intelligence and risk-taking are statistically significant, forming an essential component of gender balance in risk-taking behaviors among students (p-value of F = 0.0000 < 0.05), with a positive regression coefficient of 0.01. The study recommends that emotional intelligence training should be incorporated into educational programs to foster more adaptive risk management strategies among students.

Keywords: Emotional intelligence, Risk-taking behavior, self-awareness, self-control

Introduction

Emotions play an integral role in human life and behavior, particularly in situations involving uncertainty and risk. As individuals navigate their personal and professional lives, they constantly relate to their own emotional experiences and those of others around them. These emotional experiences, whether positive or negative, influence how individuals assess and respond to risks. In situations where there is a chance of loss, such as financial decisions or health-related issues. However, emotions can greatly shape the decisions an individual makes. (Rouissi, 2023). Emotional intelligence (EI) is the capacity to comprehend and control one's own emotions as well as those of others. It offers a crucial foundation for comprehending how emotions influence a person's decision-making.

However, we are social animals by nature, and the people in our lives frequently affect the feelings we feel. Self-Determination Theory (SDT), developed by Deci (1985), cited in Pritika (2025), focuses on intrinsic and extrinsic motivations that drive behavior. It posits that individuals are more likely to engage in risk-taking when they feel autonomous and competent, as these feelings enhance motivation and engagement. This interconnectedness we experience is grounded in our evolutionary history, where cooperation and group cohesion played a vital role in the survival of our species

Sinha and Rani (2020) stated that emotional intelligence is the ability to recognize, understand, manage, and influence one's own emotions as well as the emotions of others, is increasingly seen as a critical factor in personal and academic success. In the context of higher education, where students face various pressures and challenges, EI plays a crucial role in determining how they cope with stress, interact with peers, and make decisions that impact their future. Risk-taking behavior, a common phenomenon among young adults, particularly students, is influenced by a myriad of factors, including emotional and psychological states. Such behaviors can range from academic risks, such as challenging oneself in difficult courses, to more concerning actions like substance abuse or unsafe social behaviors.

However, understanding the underlying factors that drive these behaviors is essential for developing strategies to guide students towards positive outcomes. In Nigeria, polytechnics education serves as a vital component of the country's tertiary education system, offering technical and vocational training to students. However, students in these institutions, like their counterparts in universities, are not immune to the challenges that come with adolescence and early adulthood. The pressures of academic performance, social integration, and the transition to independence can lead to various forms of risk-taking behaviors.

This study aims to explore the relationship between Emotional Intelligence and risk-taking behaviors among students in Kwara State. The investigation seeks to assess the levels of EI among these students, identify prevalent risk-taking behaviors, and analyze the correlation between EI and such behaviors. While extant research consistently demonstrates EI's predictive validity for risk-taking behaviors, this knowledge could be a fundamental tool for educators, school administrators, and decision-makers in order to more effectively design prevention and intervention programs and to improve students' emotional well-being and academic achievement. This study not only complements current literature on EI and students' behaviors, but it is also a practical guide for enhancing student achievement in the polytechnic sub-sector in Nigeria.

Statement of the Problem

Despite extensive research linking emotional intelligence (EI) to various behavioral outcomes, the specific influence of EI on risk-taking behaviors, particularly regarding gender differences among students, remains underexplored. Identifying how EI affects the propensity for risk-taking can reveal critical insights into student decision-making processes, academic performance, and overall well-being. Risk-taking behavior encompasses actions undertaken by an individual to achieve desirable outcomes despite perceiving potential negative consequences. Such behavior can be categorized into positive and negative types. Positive risk-taking involves activities beneficial to physical and mental well-being, socially acceptable, like participating in speech contests. Conversely, negative risk-taking involves intentional actions that jeopardize one's own and others' health and well-being, often referred to as problem behaviors, including students committing suicide, drinking dangerous substance, social violence, and engaging in criminal activities like cultism and prostitution due to emotional trauma in response to low academics performance in their studies (Duell & Steinberg, 2020).

Gender differences in risk-taking are not well-documented however, the role of emotional intelligence in moderating these behaviors is not thoroughly understood. Many educational programs fail to integrate emotional intelligence training, potentially neglecting a vital component in fostering responsible decision-making among students. Furthermore, existing literature often overlooks the courses of students' suicidal mission in the academic arena, where some students are frustrated due to their emotions. This study aims to address these gaps by examining the relationship between emotional intelligence and risk-taking behaviors among students. Through this investigation, we seek to provide a clearer understanding of how gender dynamics and emotional competencies interact, informing educational practices that promote healthy decision-making and enhance student development and performance.

Objectives of the Study

1. To determine the significant influence of emotional stability on risk-taking behaviors among students of a selected private polytechnic in Kwara State, Nigeria
2. To examine the relationship between self-control and risk-taking behaviors among students of selected private polytechnics in Kwara State, Nigeria.
3. To investigate the effect of gender self-awareness on risk-taking behaviors among students of a selected private polytechnic in Kwara State, Nigeria
4. To evaluate the influence of self-motivation on risk-taking behaviors among students of a selected private polytechnic in Kwara State, Nigeria

Research Hypotheses

Ho1: There is no significant relationship between emotional stability and risk-taking behaviors among students of selected private polytechnic in Kwara State Nigeria
Ho2: There is no significant influence between self-control and risk-taking behaviors among students of selected private polytechnics in Kwara State, Nigeria
Ho3: There is no significant link between gender self-awareness and risk-taking behaviors among students of selected private polytechnics in Kwara State, Nigeria
Ho4: There is no significant effect of self-motivation on risk-taking behaviors among students of selected private polytechnics in Kwara State, Nigeria

Literature Review

Conceptual Review

Emotional Intelligence (EI) and risk-taking behaviour's have garnered significant attention in the fields of psychology, organizational behaviour, and education. EI refers to the ability to perceive, control, and evaluate emotions, both within oneself and in others. Consequently, risk-taking behaviours refer to the propensity to engage in activities that have the potential for significant outcomes, whether positive or negative (Sanchez et al. 2023). The relationship between EI and risk-taking in students is influenced by factors such as peer pressure, parental involvement, socio-economic status, and the school environment. Emotional stability refers to the ability to maintain a consistent and balanced emotional state, even in the face of challenges. It involves regulating one's emotions effectively, managing stress, and coping with difficult situations without becoming overwhelmed. Emotionally stable people tend to have a greater sense of overall well-being and are better able to navigate life's ups and downs (Alberts, Schneider, Martin, & Haan 2013). Self-control and risk-taking behaviours are critical areas of study in psychology, particularly regarding how individuals make decisions that impact their lives and those around them (Baumeister, Vohs, & Tice, 2017). In the same vein (Leigh, 2022), theories of risk-taking suggest that individuals differ in their risk preferences due to factors such as personality traits, cognitive biases, and emotional regulation (Zuckerman, 2017). The interaction between self-control and risk-taking is complex, as self-control can both inhibit and facilitate risk-taking depending on the context and the individual's goals. (Tangney, Baumeister, & Boone, 2014).

Self-awareness, the ability to reflect on one's thoughts, emotions, and behaviours, plays a critical role in how individuals assess risks and make their decisions. The interaction between risk taking and self-awareness is gendered toward self-perceptions, which can influence how decisions is made among genders (Ogundokun, et al., 2010)

Concept of Risk-Taking Behaviours

Risk-taking behaviour encompasses any action, whether consciously or unconsciously controlled, that involves uncertainty regarding its outcome and potential consequences for oneself or others in terms of physical, academic, or psycho-social well-being. (Hildebrand et al. 2022) This behaviour entails engaging in activities or making choices where the potential for negative outcomes exists, yet individuals may prioritize the perceived benefits or rewards over the risks involved. Risk-taking behaviour can manifest across various domains, including personal, financial, social, or physical spheres. (Sanchez- Lopez et al., 2022)

Empirical Findings

A study conducted by Smith, Johnson and Brown. (2018) found that individuals with higher levels of emotional stability were more likely to engage in healthy risk-taking behaviors, such as trying new activities or pursuing challenging opportunities, compared to those with lower levels of emotional stability. In same vein, Angelo (2010) reveals that risky behaviors typically peak during adolescence. While much research explores the link between emotional stability and risk-taking, there is a dearth of knowledge regarding this relationship in the cognitive-deliberative domain among students. The study aims to investigate whether trait Emotional Intelligence (EI) is positively associated with risk-taking under predominantly cognitive-deliberative conditions among adolescents.

The study involved a sample of 94 adolescents attending high school in a suburban area of Italy, selected through purposive sampling. These adolescents played the cold version of the Columbia Card Task one month after assessing their trait EI. Findings indicate that trait EI is indeed correlated with risk-taking under cognitive-deliberative conditions among students. Moreover, the research suggests that trait EI influences risk-taking behavior through the decision makers' self-motivation. The study uniquely focuses on the impact of emotional stability on adolescent risk-taking behavior, with Emotional Intelligence defined as a concept developed by Salovey and Mayer in 1990. The research highlights a division in the conceptualization and measurement of emotional intelligence, featuring an ability model assessment and a mixed or trait model self-report assessment. The ability model of emotional intelligence has demonstrated discriminant validity over personality traits and is distinguishable from cognitive intelligence, proving important in predicting adolescent risk behavior.
The findings indicate that Emotional Intelligence provides incremental validity over personality factors in predicting risk behavior among high school students and risk beliefs among college students. There is a suggestion of a developmental trend in college students, but an unexpected trend in high school participants, indicating that emotional intelligence may not necessarily increase with

age. Overall, this research delves deeply into adolescents' emotional intelligence and its impact on risk-taking behavior, offering insights beyond previous studies such as Angelo (2010).

Theoretical Framework

The theory of Emotional Intelligence was first developed in 1995 by Daniel Goleman. The concept of emotional intelligence (EI) helps individuals guide their thinking and actions. Goleman stated that emotional intelligence is the ability of individuals to recognize their own feelings and those of others, for motivation and management of emotions for themselves and their relationships with others. The theory emphasizes five key components of emotional intelligence

Self-Awareness

This refers to the ability of an individual to know their current mood and understand the reasons behind it. This enables individuals to recognize their strengths and weaknesses and understand the effect of moods, emotions, and drives on themselves and others (Ogundokun, et al., 2010)

Self-Regulation

The ability to control unexpected or disruptive emotions or impulses by maintaining a positive outlook, even when situations do not go as planned. Consequently, this helps prevent spontaneous judgment, improves openness to change and adaptability, and empowers individuals to develop good initiative, optimism, and integrity. (Ogunyemi et al., 2022). The Social Skills is the ability to build and maintain relationships and networks that involves finding common ground with others and leveraging different perspectives to foster interactions and bring about positive change, particularly in diverse settings. Empathy: The ability to respond to others based on their emotional state or reactions. It involves sensing the feelings of others, allowing them to share how they feel, and understanding them from their perspective. (Hildebrand et al., 2023)

Materials and Method

The method adopted for this study is the survey method. Data were sourced using primary data with a structured questionnaire instrument to determine respondents' opinions. The population of the study comprises of 432 students of private polytechnics in Kwara State. Who have spent two years above in tertiary education, only 401 respondents were counted as valid for the study, while the other 31 were not returned. The instrument was validated by an expert in the field of Guidance and Counseling Unit of Federal Polytechnic Offa, Kwara State and other experts from Technical Vocational Education. (TVET) The data collected were analyzed using Pearson Correlation and Regression 2.00 versions of a computer software statistical package for social science (SPSS)

Model Specification

The model in this study is specified as follows:
In its implicit form, the model is given as
EI=f (, ES, SC, SA, SM) (1)
In stochastic form, it is given as:
$EI= \alpha0+\alpha1ES+ \alpha2SC+ \alpha3SA + \alpha4SM +\mu$ (2)
Where:
RTB=Risk Taking Behavior (ES+SC+SA +SM)

ES= Emotional Stability
SC= Self-Control
SA= Self-Awareness
SM= Self- Motivation
$\alpha0$ =Constant;
μ= Error term.
$\alpha1$-$\alpha3$ = Regression coefficients;
A priori Expectation.

It was expected that all the independent variables would have a jointly significant relationship with the dependent variable (Risk Taking Behavior) based on the reports of earlier cited literatures reported so in their studies. (On the a priori, we expect; $\alpha1>0$, $\alpha2>0$, and $\alpha3>0$. Based on the literature and arguments, we can hypothesize that:

Ho1: There is no significant relationship between emotional stability and risk-taking behaviors among students of selected tertiary institutions in Kwara State Nigeria

Ho2: There is no significant influence between self-control and risk-taking behaviors among students of selected tertiary institutions in Kwara State Nigeria

Ho3: There is no significant link between gender self-awareness and risk-taking behaviors among students of selected tertiary institutions in Kwara State Nigeria

Ho4: There is no significant effect of self-motivation on risk-taking behaviors among students of selected tertiary institutions in Kwara State Nigeria

Results and Discussions

Hypothesis 1

Variable	*N*	*Mean*	*Std. Deviation*	*Df*	r_{cal}	*Sig*
Emotional Stability	401	66.74	3.65	400	1.892	0.029
Risk-Taking behavior	401	79.74	7.12			

P < 0.05 (Significant Result)

The result in table 1 shows that r_{cal} = 1.892; P = 0.029< 0.05. Since the P value is less than 0.05, the null hypothesis is therefore not accepted. This implies that there is significant relationship between emotional stability and risk-taking behavior among students of tertiary institutions in Kwara State.

Hypothesis 2

Variable	*N*	*Mean*	*Std. Deviation*	*Df*	r_{cal}	*Sig*
Self-Control	401	66.21	10.59	400	18.551	
Risk-Taking Behaviour	401	79.74	7.12			0.03

P < 0.05 (Significant Result)

The result in table 2 shows that r_{cal} = 18.551; P = 0.03< 0.05. Since the P value is less than 0.05, the null hypothesis is therefore not accepted. This implies that there is significant relationship between Self-Control and risk-taking behaviors among students of tertiary institutions in Kwara State.

Hypothesis 3

Correlation analysis showing the relationship between self-awareness and risk-taking behaviors among students of tertiary institutions in Kwara State

Variable	*N*	*Mean*	*Std. Deviation*	*df*	*r_{cal}*	*Sig*
Self-Awareness	401	65.77	6.36	400	0.114	0.02
Risk-Taking Behaviour	401	79.74	7.12			

P < 0.05 (Significant Result)

The result in table 3 shows that r_{cal} = 0.114; P = 0.02< 0.05. Since the P value is less than 0.05, the null hypothesis is therefore not accepted. This implies that there is significant relationship between self-awareness and risk-taking behaviors among students of tertiary institutions in Kwara State.

Hypothesis 4

Variable	*N*	*Mean*	*Std. Deviation*	*df*	*r_{cal}*	*Sig*
Self-Motivation	401	64.09	12.08	400	0.643	0.02
Risk-Taking Behavior	401	79.74	7.12			

P <0.05 (Significant Result)

The result in Table 4 shows that r_{cal} = 0.643; P = 0.02< 0.05. Since the P value is less than 0.05, the hypothesis is not accepted. This implies that there is a significant relationship between self–motivation and risk-taking behavior among students of tertiary institutions in Kwara State.

Discussion of Findings

The findings of the study revealed that emotional stability has a significant influence on risk-taking behavior among the students of a private polytechnic in Kwara State. However, emotional stability is one of the components of personality traits that encompasses characteristics like resilience, impulse control, and effective emotion regulation. Students with higher emotional stability are more likely to engage in thoughtful risk assessment, weigh potential consequences, and exhibit self-control, leading to more cautious behaviors and reduced propensity for engaging in risky activities which could lead to antisocial vices or loss of life. The finding of the study is in line with Smith et al. (2018)

The finding of the study revealed that self- control have strong link with risk taking behavior among students of private polytechnic with the P = 0.03< 0.05. Since the P value is less than 0.05, However, Self-control stands out as a crucial psychological factor influencing risk-taking behaviors among students in school settings. Duell and Steinberg (2020) posit that individuals with low self-control are more prone to taking risks and engaging in socially deviant behavior and criminal acts. The study revealed that self-awareness has a significant effect on risk-taking behavior among students of a private polytechnic, with P = 0.02< 0.05. Since the P value is less than 0.05, this implies that the alternative hypothesis is hereby accepted.

Conclusion

Following the discussion of each variable, this study highlights significant insights for all segments of society regarding the deficiency in emotional intelligence (EI) is linked to impaired emotional and social functioning. Rouissi (2023) also noted that social skills and emotional management are linked to coping strategies, with deficiencies in these areas correlating to risk-taking behaviors. For students to succeed academically, they require confidence, intentionality, self-control, effective communication, and the ability to collaborate. These skills are crucial in preventing problematic behavior among students in higher education institutions.

Recommendations

Based on the findings of the study, the following recommendations were made to the Kwara State such as:

1. The government should develop and implement comprehensive risk education programs that address the identified determinants of risk-taking behavior. These programs should focus on building students' awareness, decision-making skills, emotional regulation, and self-control. Tailor the programs to resonate with the cultural and social norms prevalent in Kwara State to ensure effectiveness.
2. The government should encourage parental involvement and monitoring to create a supportive home environment that reinforces positive behaviors and values.
3. The government should integrate emotional intelligence training into school curricula to help adolescents develop skills in managing emotions, coping with stress, and making thoughtful decisions.

References

Dhani, P., & Sharma, T. (2017). Emotional intelligence: History, models and measures. *International Journal of Science Technology and Management, 6*(12), 129-143.

Duckworth, A. L., & Steinberg, L. (2015). Unpacking self-control. *Child Development Perspectives, 9*(1), 32-37.

Extremera, N., & Fernández-Berrocal, P. (2006). Emotional intelligence as a predictor of mental, social, and physical health in university students. *The Spanish Journal of Psychology, 9*(1), 45-52.

George, J. M. (2000). Emotions and leadership: The role of emotional intelligence. *Human Relations, 53*(8), 1027-1055.

Goleman, D. (1995). *Emotional intelligence: Why it can matter more than IQ*. Bantam Books.

Heckman, J. J., Stixrud, J., & Urzua, S. (2006). The effects of cognitive and non-cognitive abilities on labor market outcomes and social behavior. *Journal of Labor Economics, 24*(3), 411-482.

Hildebrand, L., & Killgore, W. D. S. (2023). Sex differences in emotional intelligence ability and risk-taking behavior. *Journal of the International Neuropsychological Society, 29*(s1), 828–829. https://doi.org/10.1017/S1355617723010263

Hofmann, W., Luhmann, M., Fisher, R. R., Vohs, K. D., & Baumeister, R. F. (2014). Yes, but are they happy? Effects of trait self-control on affective well-being and life satisfaction. *Journal of Personality, 82*(4), 265-277.

Leigh, B. C. (1999). Peril, chance, adventure: Concepts of risk, alcohol use and risky behavior in young adults. *Addiction, 94*(3), 371-383.

Mayer, J. D., & Salovey, P. (1997). What is emotional intelligence? In P. Salovey & D. Sluyter (Eds.), *Emotional development and emotional intelligence: Educational implications* (pp. 3-34). Basic Books.

Mayer, J. D., Roberts, R. D., & Barsade, S. G. (2008). Human abilities: Emotional intelligence. *Annual Review of Psychology, 59*(1), 507-536.

McGarrigle, L., & Walsh, P. (2011). Emotional intelligence in education: A review of the literature. *Research in Education, 85*(1), 65-79. https://doi.org/10.7227/RIE.85.1.6

Muraven, M., & Baumeister, R. F. (2000). Self-regulation and depletion of limited resources: Does self-control resemble a muscle? *Psychological Bulletin, 126*(2), 247-259.

Muraven, M., & Baumeister, R. F. (2000). Self-regulation and depletion of limited resources: Does self-control resemble a muscle? *Psychological Bulletin, 126*(2), 247-259.

Ogundokun, M. O., & Adeyemo, D. A. (2010). Emotional intelligence and academic achievement: The moderating influence of age, intrinsic and extrinsic motivation among undergraduates in Nigeria. *African Symposium: An online journal of the African Educational Research Network, 10*(2), 127-141.

Ogunyemi, A. O., & Odukoya, J. A. (2022). Emotional intelligence and parental involvement as predictors of social competence among Nigerian secondary school adolescents. *International Journal of Education, 4*(1), 103-114.

Petrides, K. V., & Furnham, A. (2000). Gender differences in measured and self-estimated trait emotional intelligence. *Personality and Individual Differences, 29*(3), 299-312. https://doi.org/10.1016/S0191-8869(99)00160-5

Petrides, K. V., & Furnham, A. (2001). Trait emotional intelligence: Psychometric investigation about established trait taxonomies. *European Journal of Personality, 15*(6), 425-448.

Piquero, A. R., Jennings, W. G., & Farrington, D. P. (2010). On the malleability of self-control: Theoretical and policy implications regarding a general theory of crime. *Justice Quarterly, 27*(6), 803-834.

Ridder, D. T., Lensvelt-Mulders, G., Finkenauer, C., Stok, F. M., & Baumeister, R. F. (2012). Taking stock of self-control: A meta-analysis of how trait self-control relates to a wide range of behaviors. *Personality and Social Psychology Review, 16*(1), 76-99.

Rouissi, C. (2023). The role of emotional intelligence in career decision-making: Case study of project managers and consultants in corporate industries in Jeddah, Saudi Arabia. *Turk Turizm Araştırmaları Dergisi*. https://doi.org/10.26677/TR1010.2023.1350

Salovey, P., & Mayer, J. D. (1990). Emotional intelligence. *Imagination, Cognition and Personality, 9*(3), 185-211.

Sánchez-López, M. T., Fernández-Berrocal, P., Gómez-Leal, R., & Megías-Robles, A. (2022). Does emotional intelligence have the same role in each risk behavior? *European Psychiatry, 65*(S1), S688–S689. https://doi.org/10.1192/j.eurpsy.2022.1773

Schutte, N. S., Malouff, J. M., Thorsteinsson, E. B., Bhullar, N., & Rooke, S. E. (2007). A meta-analytic investigation of the relationship between emotional intelligence and health. *Personality and Individual Differences, 42*(6), 921-933.

Sinha, R. N., & Rani, S. (2020). The impact of emotional intelligence on students' academic performance: A study of gender differences. *Asian Journal of Education and e-Learning, 8*(1), 13-18.

Srivastav, P., & Sushmita, P. (2025). Understanding the influence of emotional intelligence on risk-taking behavior.

Stein, S. J., & Book, H. E. (2011). *The EQ edge: Emotional intelligence and your success* (3rd ed.). Jossey-Bass.

Steinberg, L. (2008). A social neuroscience perspective on adolescent risk-taking. *Developmental Review, 28*(1), 78-106.

Steinberg, L. (2018). A social neuroscience perspective on adolescent risk-taking. *Developmental Review, 28*(1), 78-106.

Strömbäck, C., Lind, T., Skagerlund, K., Västfjäll, D., & Tinghög, G. (2017). Does self-control predict financial behavior and financial well-being? *Journal of Behavioral and Experimental Finance, 14*, 30-38.

Tangney, J. P., Baumeister, R. F., & Boone, A. L. (2004). High self-control predicts good adjustment, less pathology, better grades, and interpersonal success. *Journal of Personality, 72*(2), 271-324.

Trinidad, D. R., & Johnson, C. A. (2002). The association between emotional intelligence and early adolescent tobacco and alcohol use. *Personality and Individual Differences, 32*(1), 95-105.

Yip, J. A., & Côté, S. (2013). The emotionally intelligent decision maker: Emotion understanding ability reduces the effect of incidental anxiety on risk-taking. *Psychological Science, 24*(1), 48-55.

Zeidner, M., Matthews, G., & Roberts, R. D. (2004). Emotional intelligence in the workplace: A critical review. *Applied Psychology, 53*(3), 371-399.

Zubair, S. S., & Kamal, A. (2015). Emotional intelligence and risk-taking: A literature review. *International Journal of Psychology and Behavioral Sciences, 5*(1), 1-8.

Zuckerman, M. (1994). *Behavioral expressions and biosocial bases of sensation seeking*. Cambridge University Press.

ASSESSING THE COOPERATIVE ENTREPRENEURSHIP NEEDS OF MICROFINANCE BANK CREDIT OFFICERS IN LAGOS: IMPLICATIONS FOR RURAL FINANCIAL INTERMEDIATION

[1]Lawal Kamaldeen A. A PhD, [2]Taiwo Abdulahi Olabisi PhD & [3]Sanni Oluwole Kazeem

[1]Entrepreneurial Studies Department, Faculty of Management Sciences, National Open University of Nigeria
[2]Department of Cooperative Economics and Management, Nnamdi Azikiwe University, Awka
[3]Department of Public Administration, Faculty of Management Sciences, Lagos State University, Ojo, Lagos.
[1]*klawal@noun.edu.ng*, [1]*klawal.lk@gmail.com*, [2]aotaiwo@unizik.edu.ng,
[3]sannioluwolekazeem@gmail.com

Abstract

Credit officers in Microfinance Banks (MFBs) play a crucial role in promoting financial inclusion for marginalized rural populations, particularly in Nigeria, where traditional banking services are often inaccessible. This study investigates the cooperative entrepreneurship competencies and institutional support gaps among credit officers in eleven strategically chosen rural MFBs across Lagos State's diverse agricultural and commercial areas. Using purposive sampling, thirty-six frontline credit officers were selected, representing institutions that mainly serve smallholder farmers, petty traders, and rural women entrepreneurs. Primary data was collected through validated structured questionnaires administered via face-to-face interviews, with analysis conducted using descriptive statistical techniques such as frequency distributions, percentages, and arithmetic means. Three specific research hypotheses related to competency levels, institutional participation, and motivational factors were rigorously tested using Chi-square (χ^2) statistical analysis. The findings reveal a significant disconnect between competency and practice, as credit officers exhibit a solid theoretical understanding of cooperative entrepreneurship frameworks but are systematically excluded from critical policy design processes that influence loan product development, risk assessment protocols, and client mentorship strategies. The investigation also uncovers widespread motivational deficits due to inadequate remuneration, the lack of merit-based incentives, and insufficient occupational insurance coverage, all of which undermine service delivery quality and client relationship sustainability. To address these issues, the study recommends targeted professional development interventions that include training on cooperative business models, participatory policy formulation mechanisms, and comprehensive welfare enhancement packages. These packages should encompass competitive compensation, performance-based rewards, and robust health insurance to improve the effectiveness of rural financial service delivery.

Key words: Credit Cooperative, Credit Officers, Entrepreneurship, Micro Finance Banks, Rural Finance Intermediation

Introduction

Access to credit is a strategic factor in the development of agriculture in rural areas and the growth of small businesses (Imanuella, Idris, & Kamaruddin, 2025). Credit enables capital formation and technological advancements (Adigwe, 2007; Lawal & Taiwo, 2017). Main components of microfinance activities include providing small loans and enhancing the capacity of credit officers responsible for delivering credit in rural areas. Credit officers from Microfinance Banks (MFBs) serve as financial advisors and educators for farmers. Their strategy focuses on connecting knowledge and information to financial benefits, primarily through loan disbursements to beneficiaries. It is essential that the information shared by credit officers is tailored to be practical and adaptable to local conditions (Umebali, 2004; Taiwo & Lawal, 2017).

Microfinance Banks are implementing various initiatives to enhance their credit delivery systems at the local level. (Binaluyo, Agustin, & Santos, 2025). A key aspect of this effort is equipping credit officers with essential personnel management skills, especially in areas such as manpower planning, training, and development, which are vital for their performance. As Lawal (2017) points out, effective leadership and personnel management prioritize people over finished products. The influence of personnel management on microfinance bank credit officers is substantial, as their responsibilities involve active engagement in training, decision-making, and programs that ensure proper credit disbursement and utilization by beneficiaries (Anyanwu, 1998, Chhetri, 2025).

A pertinent question arises: How and where do credit officers of microfinance banks fit into rural credit administration? To answer this, we should view credit officers of MFBs in their traditional role as intermediaries between credit sources and users. The cooperative entrepreneurship needs of microfinance banks support credit procurement, disbursement, usage, and repayment. Umebali (2004) suggests that credit officers serve crucial roles as extension agents, assisting farmers in identifying and planning viable projects, assessing creditworthiness, making profitable economic decisions, raising awareness about credit sources and conditions, and promoting group action through guidance on group formation principles. Additionally, Onugu, Taiwo, and Lawal (2015) argue that credit officers play a vital role in educating farmers about group dynamics and the importance of effective group management. Tesfaye (2018) highlights the role of savings and credit cooperatives in enhancing rural micro financing.

To make credit more attractive and productive, MFBs should implement capacity-building programs and motivational activities that enhance the productivity and commitment of credit officers. This will enable them to deliver effective services as rural finance intermediaries, ultimately improving economic development in rural areas and enhancing the livelihoods of their populations.

Statement of the Problem

The training and knowledge of are key fundamentals for functional organization. (Schaltegger, et al., 2024). Despite having sufficient technical knowledge of lending procedures, credit officers in microfinance banks struggle to apply this understanding effectively in rural service delivery. This disconnect between institutional capacity and community impact undermines the core mission of microfinance institutions as catalysts for rural economic transformation. (Roberts, 2025). Rural farmers and micro-entrepreneurs suffer from significant information deficits concerning available financial products, application procedures, and business development opportunities. (Ibitomi, et al., 2024). Credit officers fail to effectively bridge this knowledge gap, resulting in information asymmetry that excludes viable rural borrowers from formal financial systems, contradicting the inclusive mandate of microfinance (AbdulKareem, & Iddrisu, 2025).

Current credit officers also lack essential entrepreneurial competencies necessary for identifying, nurturing, and supporting rural business opportunities. This deficiency limits their effectiveness as development agents (Olanrewaju, 2024, James, & Onoshakpor, 2025,) and is evident in their inability to provide value-added services beyond basic loan disbursement and collection activities. The cumulative effects of ineffective credit officer performance have measurable negative impacts on rural per capita income growth, agricultural productivity, and small-scale enterprise development (Okunlola, & Ayetigbo, 2024; Herman, 2025). These outcomes directly contradict microfinance's theoretical promise as a mechanism for poverty reduction.

Existing training programs for microfinance credit officers prioritize procedural compliance over the development of entrepreneurial and community engagement skills. This focus creates a mismatch between training outcomes and the requirements for rural development (Ochonogor, 2018), thus perpetuating the service delivery crisis. Integrating cooperative entrepreneurship principles into the development of credit officers offers an unexplored pathway for enhancing rural microfinance effectiveness; however, empirical research on this approach is limited (Falaiye, et al., 2024).

This gap in research inhibits evidence-based improvements in rural financial service delivery. Without a systematic assessment of cooperative entrepreneurship needs among microfinance credit officers, rural communities will continue to experience suboptimal financial service delivery, perpetuating cycles of poverty and hindering structural socioeconomic transformation. This study aims to address this critical knowledge gap by examining how entrepreneurial capacity building can enhance the effectiveness of credit officers in rural development contexts.

Objectives of the Study

This study aims to assess the Cooperative Entrepreneurship needs of credit officers at Microfinance Banks (MFBs) in Lagos, Nigeria, with implications for rural finance intermediation. The specific objectives are to:

1. Ascertain the personal characteristics of credit officers.
2. Examine the extent of credit officers' knowledge regarding Cooperative Entrepreneurship within MFBs.
3. Assess the level of involvement of credit officers in the Cooperative Entrepreneurship initiatives of MFBs.
4. Evaluate MFB programs designed to enhance the performance of credit officers.
5. Identify constraints affecting the effective performance of credit officers MFBs.

Literature Review

Conceptual and Empirical Framework

Cooperative Entrepreneurship in Microfinance

Cooperative entrepreneurship merges collective ownership and democratic governance with entrepreneurial initiatives, especially in microfinance. (Dzungaria, M., & Mhlanga,, 2024). It supports community-based enterprises through group dynamics, promoting sustainable development. Unlike traditional lending, it emphasizes shared resources and social capital, enabling rural communities to address market challenges collectively. This hybrid model balances financial sustainability with social impact, enhancing both individual and community resilience. By integrating social intermediation with financial services, it fosters inclusive growth and strengthens local economies through cooperative principles and participatory decision-making.

H01: Credit officers are not significantly knowledgeable about Cooperative Entrepreneurship within MFBs.

Competencies of Microfinance Bank Credit Officers

Credit officers in microfinance require more than banking skills they must understand rural economies, cultural contexts, and community development (Odor, Onyeoghani, & Iloba, 2025). Their role includes identifying viable businesses, offering tailored financial advice, and facilitating entrepreneurship in underserved areas. Specialized training in client segmentation, cooperative models, and participatory lending enhances their effectiveness. As key advisors, they help maximize loan impact, particularly for marginalized groups. To stay relevant, they must also adapt to digital tools and data-driven decision-making, ensuring they support sustainable rural entrepreneurship and economic empowerment effectively.

H02: Credit officers of MFBs are not involved in the delivery of Cooperative Entrepreneurship services to clients.
H03: Credit officers of MFBs do not significantly receive organizational support for effective Cooperative Entrepreneurship delivery.

Rural Financial Intermediation

Rural financial intermediation channels funds from savers to borrowers in remote areas, addressing challenges like geographic spread, seasonal income, and poor infrastructure. (Naidoo, & Khan, 2024). Rural banks drive development by collecting deposits and extending credit, requiring deep knowledge of agricultural cycles and local markets. Effective intermediation involves not only loans but also savings, payments, and risk management services tailored to rural needs. Strong institutional capacity, technology adoption, and partnerships are essential to overcome access barriers. Regulatory frameworks must support diverse financial institutions to ensure inclusive, resilient rural financial systems that promote long-term economic growth.

Microfinance in Nigeria

Microfinance in Nigeria has its roots in an informal financial ecosystem that predates colonial monetary systems, reflecting a sophisticated indigenous system that has existed since the country's inception (Rivera-Williams, 2025). Although this informal system operates as a rural, unregulated financial arrangement, it is respected for how individuals and groups engage as debtors and creditors outside formal market structures (Emmanuel, Adebayo, & Daniel, 2024). The resilience and adaptability of these traditional systems form the foundation for contemporary microfinance initiatives (Mwapashua, Katwale, & Dida, 2024). The informal financial market is divided into institutional and non-institutional sectors, each serving distinct demographic segments and economic functions within Nigeria's complex socioeconomic landscape.

The evolution of Nigeria's banking system began in 1890, coinciding with the monetization of the economy and a gradual shift from barter trading systems (Krozewski, 2021). During this time, cash usage significantly increased across West Africa, driven by British colonial economic policies and expanding trade networks (Bernards, 2023). Modern banking in Nigeria formally commenced in 1892 with the establishment of the African Banking Corporation in Lagos, marking the introduction of institutionalized financial services in the country (Onoh, 2021). This development was a pivotal moment in Nigeria's financial history, bringing Western banking principles while challenging traditional financial arrangements (Mbalisi, Mbalisi, & Nwaiwu,, 2025).

Despite having a vibrant and increasingly sophisticated financial sector, access to finance remains a significant challenge, particularly for those at the bottom of the socioeconomic pyramid (Soetan, & Mogaji 2024). This accessibility crisis highlights structural inequalities within Nigeria's financial system, where geographical, educational, and income barriers systematically exclude vulnerable populations from formal financial services (William & Olabiyi, 2024). The persistence of this issue has serious implications for national economic development and poverty reduction strategies.

Medium and small enterprises are the backbone of Nigeria's economy, contributing approximately 70% of GDP and employing over 75% of the population in both rural and urban areas (Nuel-Okoli, Ezeife, & Adani,, 2025). These enterprises exhibit remarkable entrepreneurial dynamism despite facing numerous operational constraints and limited institutional support (Ajuwon, et al., 2024). However, Nigeria's financial sector has historically favored large multinational corporations and established trading companies, creating systematic barriers that hinder credit access for smaller economic entities (Peter, & Orser, 2024). This institutional bias perpetuates economic inequality and constrains broad-based economic development (Rivera-William, 2025).

The lack of accessible credit significantly hinders rural entrepreneurs' ability to purchase essential inputs such as fertilizer, improved seeds, and agricultural labor, which are crucial for enhancing economic performance in the rural sector (Adekanye, 1998; Oni, Oladele & Oyewole, 2005). This constraint on inputs creates cascading effects throughout rural value chains, limiting agricultural productivity and perpetuating cycles of rural poverty (Ammani, 2012).

In non-institutional markets, individuals engage in savings and credit activities independently or through informal arrangements that rely heavily on social capital and community trust (Yimer, 2025). These markets utilize diverse mechanisms, including self-financing strategies, support networks with family and friends, professional moneylenders operating outside regulatory frameworks, traditional lottery systems, and trust-based credit transactions (Oyeyinka, 2017). Such arrangements demonstrate remarkable innovation and adaptability, often outperforming formal institutions in accessibility and cultural sensitivity.

Conversely, the institutional market comprises organized entities that systematically mobilize savings and provide credit services. This includes Rotating Savings and Credit Associations (ROSCAs), community-based thrift associations, and various indigenous savings groups known locally by names such as Esusu, Bam Bam, Ajo, and Adashi (Miracle, Miracle & Cohen, 2019). While these organizations generate relatively modest financial volumes compared to formal institutions, they remain the primary source of financial services for Nigeria's poor, who often view formal financial institutions as overly bureaucratic, prohibitively costly, and procedurally burdensome (Beko, Lawal & Taiwo, 2017; Anyanwu, 2004).

The Government of Nigeria has increasingly recognized microfinance as an effective mechanism for improving access to financial and social services for low-income populations and vulnerable groups, ultimately fostering broad-based and sustainable economic growth (CBN, 2011). This recognition reflects a growing understanding of microfinance's potential to address systemic poverty while promoting inclusive economic development. Microfinance enables individuals trapped in poverty cycles to expand their businesses, increase household incomes, and create employment opportunities within their communities (Babajide, 2012). In response to the inadequate supply of financial services for the poor, successive Nigerian governments have implemented numerous policy initiatives and institutional reforms aimed at strengthening the capacity and reach of the microfinance sector (Imoisi, Godsons & Otse, 2012).

In 1936, the government enacted the Cooperative Society Ordinance to support cooperatives, requiring them to prioritize regular or compulsory savings. Thrift and credit societies merged members' savings with lending activities. To further enhance access to lending, the Commercial Bill Financing Scheme was established in 1962, and Regional Commodity Boards were created, later renamed National Commodity Boards in 1977 (Aja, 1998). Abdullahi (2018) conducted a literature-based study on cooperative societies and microenterprise financing in Nigeria.

The Nigerian Agricultural and Cooperative Bank (NACB) was established in 1972 as a development finance institution for small- and large-scale farmers. In 1978, the Agricultural Credit Guarantee Scheme Fund (ACESF) was launched to mitigate agricultural risks, offering guarantees of up to 75% of the principal in cases of default due to uncontrollable natural events. Other initiatives included the Rural Banking System introduced in 1977, which mandated banks to open a specified number of branches in designated rural areas, and the Export Financing Rediscount Facility established in 1987, aimed at enhancing rural credit markets by requiring a specific percentage of total rural deposits to be lent to local borrowers, along with concessional interest rates and grace periods for agricultural loans. However, many of these measures were abolished following the introduction of liberal economic policies in 1989 (Ahmed, 2008).

Established in 1989, the People's Banks were designed to accept deposits and provide loans to the poor. Additionally, community banks were licensed in the 1990s to offer basic loans to local communities, eventually evolving into microfinance banks in 2007. Nonetheless, various challenges, such as inadequate management, lack of supervision, mismanagement of credit facilities, bribery, and corruption, hindered the effectiveness of these initiatives (CBE, 2011).

The Nigerian banking industry, regulated by the Central Bank of Nigeria, includes deposit money banks, development finance institutions, and other financial entities, such as microfinance banks, finance companies, bureau de changes, discount houses, and primary mortgage institutions. As of December 2010, the industry comprised twenty-four deposit money banks, five discount houses, five development finance institutions, one thousand five hundred ninety-eight bureau de changes, one hundred seven finance companies, and eight hundred sixty-six microfinance banks (CBN, 2020).

To properly frame microfinance, the Nigerian government launched the Microfinance Policy on December 15, 2005, establishing a regulatory and supervisory framework. According to CBN (2011), the policy aims to achieve the following targets:

- Cover the majority of the economically active but poor population.
    i. Increase the share of microcredit as a percentage of total credit to the economy from 0.9% in 2005 to at least 20%.
    ii. Raise the share of microcredit as a percentage of GDP from 0.2% in 2005 to at least 5%.
    iii. Encourage participation from at least two-thirds of state and local governments in microcredit financing.
    iv. Improve women's access to financial services by 5% annually.

v. Increase the number of linkages among universal banks, development banks, specialized finance institutions, and microfinance banks by 10% annually.

Practice of Credit Administration in Financial Institutions

Credit administration in financial institutions encompasses a comprehensive system designed to fund, finance, or provide necessary facilities on a deferred payment basis. This system supports specific programs and promotes overall economic growth (Agene, 1995). Such measures aim to address gaps that could hinder efforts to achieve goals in sectors like agro-industry, marketing, and housing.

The primary objective of financial institutions is to make credit facilities accessible to society at reasonable costs or interest rates. Policymakers within these institutions must exert significant effort to effectively administer and process credit for citizens in need (Agene, 1995; Oladejo & Oyedele, 2014).

Financial institutions offer credit primarily in the form of loans, which can be categorized as overdrafts or full loans. An overdraft allows customers to withdraw more than the balance in their current account, but institutions typically set an upper limit to safeguard both parties. Exceeding this limit without prior permission is deemed illegal, and the institution remains unaware of the commitment until a formal agreement is established. To utilize an overdraft, customers must maintain a current account with their bank (Okaro & Onyekwelu, 2003). When a loan is arranged, the bank credits the loan amount to the customer's current account and creates a loan account in the customer’s name, reflecting a debit balance.

When considering loan applications, financial institution managers rely on established principles to evaluate proposals, which detail the intended use of the funds. While these principles guide decision-making, managers retain the discretion to approve loans that may seem high-risk, particularly if they perceive potential for a mutually beneficial relationship.
This approach to lending requires managers to identify when to take calculated risks, anticipating positive outcomes for all parties. However, the nature of credit administration often leads managers to exercise caution, typically approving only reasonable loan requests.

Materials and Method

The research design adopted for this study was a survey research design, which involves collecting and analyzing data to achieve the study's objectives. The study area is Lagos, which consists of 20 Local Government Areas (LGAs) and 3 senatorial districts. For this study, three LGAs were selected: Epe, Ibeju Lekki, and Eti-Osa, representing the three geopolitical areas of Lagos. These LGAs encompass typical rural communities where the primary economic activities include agricultural production, craft making, and various small-scale enterprises that are part of the informal sector. The population for the study comprised eleven licensed and operational microfinance banks in the LGAs. In total, these banks employ 86 credit officers, and a simple random sampling method was used to determine the sample size. Four credit officers were selected from each of the 11 microfinance banks, resulting in a sample size of 44 credit officers. Data was collected using structured questionnaires and analysed using descriptive statistics. The hypotheses were tested using the chi-square (χ^2) test. It is important to note that out of the 44 questionnaires administered, only 36 were fully completed and returned.

Results and Discussion

Data profile of the credit officers

Table 1: Basic data information of credit Officer of MFBs

Profile	Frequency(N=36)	Percentage (%)
Sex		
Male	14	38.9
Female	22	61.1
Age		
20 – 30years	7	19.4
31 – 40years	18	50.1
41 – 50years	7	19.4
51 years and above	4	11.1
Marital Status		
Single	7	19.4
Married	2	80.6
Engaged	-	-
Divorced	-	-
Household Size		
1 – 3	8	22.2
4 – 7	19	52.8
8 – 10	5	13.9
11 and above	3	8.3
Educational Qualification		
FSLC	-	-
O'Level	-	-
OND/NCE	12	33.3
First Degree/HND	22	61.1
M.Sc./Ph.D	2	5.6
Working Experience with MFB		
1 – 3 years	7	19.4
4 – 6 years	22	61.1
7 – 9 years	2	5.6
10 years and above	11	30.6

Source: Field survey, 2025

The socioeconomic profile (Table 1) of the respondents showed that the majority of the credit officers are female which represent 61.1% while the rest are male officers with 38.9%. Most of the credit officers are still within their youthful age as 50.1% of them are in-between the age of 31 – 40 years, while 20 – 30 years and 41 – 50 years recorded 7 (19.4%) responses each. The table also showed that most 29(80.6) of credit officers are married. Meanwhile, the household size of the respondents ranged from 1 – 3 (22.2%); 4-7 (51.8%); 8 -10 (13.9%) while 11 and above represent 8.3%. The educational background of the respondents showed that 2 (5.6%) credit officers have minimum qualification of OND/NCE. While the majority (61.1%) have their first degree or equivalent of HND. Also, 12 (38.3%) respondents has second degree or additional qualification of M.Sc. The table finally showed the working experience of the credit officers with MFBs. Most (61.1%) of them have up to 6years of working experience. While, 30.6% have over ten years' experience.

Credit Officer Knowledge about Credit Cooperative Entrepreneurship

Table 2: Responses of Credit Officers of MFBs on knowledge about their extension service needs

S/N	Credit Cooperative Entrepreneurships	FX	Mean ($\bar{x}$)	Decision
a.	Design and preparation of MFBs credit policy	144	4.0	Knowledgeable
b.	collection, compilation and analysis of client data	132	3.67	Knowledgeable
c.	Engage in appropriate working out viability of credit needs of MFB clients	141	3.9	Knowledgeable
d.	Preparation of credit recovery schedule of loanees	153	4.25	Knowledgeable
e.	Submission of proposal for review of MFB credit policy	115	3.2	Knowledgeable
f.	Identification and relationship with good individual and group	140	3.89	Knowledgeable
g.	Training and development of credit clients	147	4.08	Knowledgeable
h.	Formation of credit groups for linkages with MFB	120	3.33	Knowledgeable
I	Collaboration with government, and other development partners	116	3.22	Knowledgeable
1.	Research and financial product development	113	3.14	Knowledgeable
j.	Inculcation of savings habits and mobilization from clients	155	4.31	Knowledgeable
k.	Promotion and provision of micro-leasing services to clients	129	3.58	Knowledgeable
l.	Promotion and provision of micro insurance services	94	2.61	Not Knowledgeable
m.	Promotion and provision of micro housing services	103	2.86	Not knowledgeable
n.	Social mobilization and community development	110	3.06	knowledgeable
o.	Clients training on entrepreneurship and financial management	121	3.36	Knowledgeable
p.	Provision of business information and market linkages	124	3.44	Knowledgeable
q..	Clients advice on health and family nutrition	114	3.17	Knowledgeable
r.	Clients training on basic accounting principles	108	3.0	Knowledgeable
s.	Importance of IT and its application in credit administration	151	4.19	Knowledgeable
t.	Clients training on leadership	116	3.22	Knowledgeable
	Grand mean	**73.48**	**3.49**	Knowledgeable

Source: Field survey, 2025

The use of 5 point likert scale was applied to measure knowledge ability of the credit officers in which 3.0 mean (x) was adopted so as to reject (<.3.0) or accept (≥ 3.0) if really credit officers are knowledgeable. Based on the result, most of the Cooperative Entrepreneurship needs of the MFBs they agreed to be adequately knowledgeable about. However, in promotion and provision of micro insurance services (2.61), and, provision of micro housing services (2.86) that they were found not knowledgeable. With a grand mean of 3.49 it meant that credit officers are knowledgeable on almost credit Cooperative Entrepreneurship needs of the MFBs.

Test of Hypothesis

In order to validate or disapprove the result of the table 2 the hypothesis one (H_{01}) was subjected to test with X^2.

H_{01}: Credit officers of MFBs are not significantly knowledgeable about the credit Cooperative Entrepreneurship of MFBs.

Test Statistics Result Summary of X^2

Df	Calculated X^2 value	Sig
19	1.636	1.000

Decision

From the result of X^2 gotten the calculated value of 1.636 is greater than the table value 1.000 at 5% level of significance. Therefore, the null hypothesis (H_{01}) was rejected and the alternate (H_A) was accepted; this implies that credit officers of MFBs are knowledgeable about the credit Cooperative Entrepreneurship of MFBs.
The result of hypothesis one (H_{01}) and descriptive statistics analysis of table 2, affirmed and validated that the credit officers are knowledgeable about the credit Cooperative Entrepreneurship of MFBs. Thus, this implied that they have great potentials for effective rural finance intermediation.

Credit Officers involvement in credit Cooperative Entrepreneurship delivery

Table 3: Responses of credit officers on their level of involvement actual delivery of credit Cooperative Entrepreneurships of MFBs

S/N	Variables	FX	Mean ($\bar{x}$)	Decision
a.	Design and preparation of effective credit policy for clients	105	2.94	Not involved
b.	Collection, compilation and analysis of socio-economic data of ruralites business environment	107	3.01	Involved
c.	Assess credit needs of the clients	111	3.08	Involved
d.	Credit schedule of clients	132	3.67	Involved
e.	Review of MFB credit policy for clients	99.9	2.77	Not involved
f.	Formation of credit groups (e.g. cooperatives)	113	3.14	Involved
g.	Technological diffusion of clients and farmers group	110	3.06	Involved
h.	Collaboration for effective credit delivery to clients	103	2.83	Not involved
I	Research and development	94	2.6	Not involved
j.	Inculcating saving habits and credit mobilization among clients	158	4.37	Involved
k.	Credit creation, disbursement and income generation for MFB	137	3.82	Involved
l.	Promotion and provision of other micro finance services	108	3.02	Involved
m.	Community development services	89	2.47	Not involved
	Grand Mean	**40.77**	**3.14**	**Involved**

Source: Field Survey 2025

The result (table 3) showed that most of the credits Cooperatives Entrepreneurship score more than 3.0 mean rating at 5 point scale (> 3.0) and this implied that credit officers are functionally involved. The services include collection and analysis of socioeconomic data of clients (3.0); assess credit need of the client (3.08); credit schedule of clients (3.67); formation of credit groups (3.14); technological diffusion to client especially farmer groups (3.06); inculcating savings habits and credit mobilization among clients (4.36); credit creation and disbursement for MFBs (3.81); provision of other micro finance services (3.03). However, they were found not involved in some credit Cooperative Entrepreneurship such as design and preparation of effective credit policy for clients (2.74); review of MFBs credit policies (2.78); research and development (2.6). Therefore, with grand mean of 3.14, the result showed that the credit officers are functionally involved in credit Cooperative Entrepreneurship delivery.

Test of Hypothesis

Hypothesis (H_{02}) was formed in order to affirm or not the result of the descriptive statistics (Table 3).

H_{02}: Credit officers of MFBs are not significantly involved in credit Cooperative Entrepreneurship delivery to their clients.

Test Statistics Result Summary of X^2

	Df	Calculated X^2 value	Sig
Model	12	.000	1.000

Decision

Since the calculated value of X^2 (.000) is less than the table value (1.000) at 5% level of significance, therefore, the null hypothesis (H_{02}) was accepted and the alternate (H_{A2}) was rejected, meaning that credit officers of MFBs to a significant level are not involved in credit Cooperative Entrepreneurships delivery to their clients. The grand mean (3.14) result of the descriptive statistics (Table 3) was contrary to the outcome of the hypothesis. The implication was that the Credit Officers may not have been very involved in credit Cooperative Entrepreneurship delivery to their clients.

Institutional (MFBs) support for credit Cooperative Entrepreneurship

Table 4: Responses of credit officers on how supportive MFBs are in their delivery of Cooperative Entrepreneurship to bank clients

S/N	Facilitation activities of MFBs	FX	Mean ($\bar{x}$)	Decision
a.	Regular capacity building programmes	153	4.23	Supportive
b.	Provision of logistic (bikes, vehicle or allowance) for field work	132	3.68	Supportive
c.	Provision of incentives for staff motivation	99	2.75	Not supportive
d.	Provision of modern IT technology and facilities	155	4.29	Supportive
e.	Adequate numbers of staff for effective outreach	131	3.62	Supportive
f.	Provision of funds to meet clients needs	134	3.68	Supportive
g.	Assistance from BODs and management team	145	4.04	Supportive
h.	Necessary information and networking opportunities	143	3.97	Supportive
I	Provision of marketing materials (fliers, handbills, posters)	128	3.57	Supportive
j.	Product or services development activities (research linking)	109	3.03	Supportive
k.	Promotional programs (customer forum, road work)	86	2.39	Not supportive
l.	Advertisement (printing press, radio, TV and local advert)	74	2.06	Not supportive
m.	A good living salary /remuneration	81	2.25	Not supportive
	Grand Mean	**47.69**	**3.41**	**Supportive**

Source: Field survey, 2025

The result showed that the institutions (MFBs) provided a lot of support to facilitate credit Cooperative Entrepreneurships which include capacity building programmes (4.22); adequate logistic (3.69), I.T facilities (4.28); adequate number of staff (3.69); BOD and management assistance (4.03); information and networking (3.97); marketing materials (3.58); product/services development (3.03). In summary, the grand mean is (3.41) which indicated that the MFBs have been supportive to the Credit Officers' Cooperative Entrepreneurship delivery. Meanwhile, there are some aspects where the institutions (MFBs) have not been supportive to the credit officers and these score below (< 3.0) mean rating. These include; incentives and motivation (2.75); promotional programmes (2.39); advertisement (2.06); and a good living salary (2.25).

Test of Hypothesis (H_{03})

Hypothesis (H_{03}) was subjected to test with X^2 so as to affirm the result of descriptive (Table 4).

H_{03}: Credit Officers of MFBs do not have significant support of their organization for effective Cooperative Entrepreneurship delivery.

Test Statistics Result Summary of X^2

	Df	Calculated X^2 value	Sig
Model	12	.857	1.000

Decision

In the above test statistics summary, the calculated x^2 value (.857) is less than the table value (1.000) at 0.05 level of significance. Therefore, the null hypothesis (H_{03}) is accepted while the alternate (H_{A3}) is rejected. The implication is that the Credit Officers of MFBs do not have significant support from their organization for effective credit service delivery in rural finance intermediation. Comparing the result to the descriptive analysis (Table 4) which has grand mean of 3.41 indicating that the banks support, we conclude that though there might be support from the MFBs, but, perhaps not strong enough.

Challenges of carrying out credit Cooperative Entrepreneurship

Table 5: Responses of the Credit Officers on the challenges of carrying out credit Cooperative Entrepreneurships

S/N	Challenges	FX	Mean ($\bar{x}$)	Decision
a.	Unavailability of effective credit policy	154	4.26	Agree
b.	Unavailability of socio economic baseline data	113	3.16	Agree
c.	Delinquency cases such as loan default	135	3.6	Agree
d.	Lack of fund to meet credit needs of clients	87	2.38	Disagree
e.	Poor/lack of support from BODs	99.3	2.66	Disagree
f.	Non availability of collateral for lending	148	4.13	Disagree
g.	Lack of assistance from MFBs management	82	2.26	Disagree
h.	Poor knowledge/training in dealing with clients	121	3.34	Agree
I	Inadequate staff to effectively mobilize and monitor clients	110	3.07	Agree
j.	Weak savings mobilization and loan recovery method	105	2.93	Disagree
k.	Inadequate logistics/infrastructure to meet need of clients	123	3.39	Agree
l.	Poor remuneration and motivation of staff	199	3.30	Agree
	Grand Mean	**38.58**	**3.22**	**Agree**

Source: Field Survey, 2025

The results from the 5-point Likert scale indicate a mean score of 3.0. Responses below this mean suggest disagreement (negative), while scores above 3.0 indicate agreement (positive). Consequently, the credit officers predominantly acknowledged several challenges that hinder their delivery of Cooperative Entrepreneurship in credit provision. These challenges include the unavailability of effective credit policy (mean score of 4.25), loan defaults (3.7), lack of collateral for lending (4.14), logistics problems (3.38), and inadequate salary packages (3.30). Conversely, there were some challenges that respondents disagreed were constraints to their Cooperative Entrepreneurship delivery in rural finance intermediation, including lack of funds to meet client needs (2.39), insufficient support from Boards of Directors (2.65), and weak savings mobilization and loan recovery methods (2.94). To strengthen the role of credit officers in effective Cooperative Entrepreneurship for rural finance intermediation, it is essential to address these challenges.

Conclusion and Recommendations

Conclusion and Implications for Rural Finance Intermediation

Credit officers in Microfinance Banks play a crucial role as intermediaries, linking formal financial institutions with underserved rural communities to enhance access to capital for agricultural productivity and small business development. This study highlights that, although credit officers possess a strong theoretical understanding of cooperative entrepreneurship principles and regulatory frameworks, there are significant gaps in their practical service delivery and institutional support.

Key findings reveal issues such as limited client engagement, inadequate follow-up on funded projects, and a lack of institutional support, including advanced training, technological resources, and mentorship programs. These shortcomings hinder the effectiveness of rural finance intermediation, despite the officers' awareness of community challenges and entrepreneurial opportunities.

To improve effectiveness, microfinance institutions should implement comprehensive capacity-building programs that integrate both theoretical and practical training. They should also involve credit officers in policy design through formal consultation processes, enhance staff welfare with competitive compensation and performance incentives, conduct socio-economic baseline assessments for better strategic planning, and ensure appropriate staffing ratios to balance portfolio growth with quality service delivery in rural areas.

References

AbdulKareem, H. K., & Iddrisu, K. (2025). Microfinance and women's economic empowerment in Nigeria: Challenges and policy perspectives. In *Strategic approaches to banking business and sustainable development goals* (pp. 103–116). Springer Nature Switzerland.

Abdullahi, N. A. (2018). Cooperative societies and microenterprise financing in Nigeria: A literature approach. *Journal of Finance, Accounting and Management,* *9*(1), 1–22. https://www.researchgate.net/publication/343725915_

Adeyemi, O. (2008). Macro economic environment and agricultural sectors growth in Nigeria. *World Journal of Agricultural Sciences*, *4*(6), 981–986.

Adigwe, P. K. (2007). *Development targets in Nigeria Enugu micro-loan to agricultural sector*. Enugu.

Ahmed, A. A. (2008). The role of banking system in agricultural development, the Nigerian Bakers (pp. 23–46).

Ajuwon, O. S., Ajayi, E. F., Oshagale, G., Olagunju, B. O., & Fakayode, R. Y. (2024). Institutional challenges constraining SMEs productivity growth in Nigeria. *Journal of Smart Economic Growth*, *9*(3), 1–17.

Balana, B. B., & Oyeyemi, M. A. (2022). Agricultural credit constraints in smallholder farming in developing countries: Evidence from Nigeria. *World Development Sustainability,* *1*, 100012.

Beko, S. Y. (1991). *The dynamics of traditional savings and credit associations in rural development* (Monograph Series). CRDC, University of Nigeria, Nsukka.

Bernards, N. (2023). States, money and the persistence of colonial financial hierarchies in British West Africa. *Development and Change*, *54*(1), 64–86.

Binaluyo, J. P., Agustin, N. B., & Santos, A. R. (2025). Microfinance institutions and services: Consumer perspectives and the path to standardized guidelines. *Institutions*, *15*(2), 80–91.

Central Bank of Nigeria. (2019). *Central Bank of Nigeria annual statement of account*. Lagos, Nigeria.

Central Bank of Nigeria. (2020). *Microfinance certification programme: A study manual*. The CIBN Press Limited.

Chhetri, A. D. (2025). Job satisfaction and performance of micro finance institutions. *Madhyabindu Journal,* *10*(1), 208–221.

Dzingirai, M., & Mhlanga, D. (2024). Cooperative Entrepreneurship and Rural Poverty Alleviation in Africa. In *Fostering Long-Term Sustainable Development in Africa: Overcoming Poverty, Inequality, and Unemployment* (pp. 77-94). Cham: Springer Nature Switzerland.

Emmanuel, O. O., Adebayo, O., & Daniel, O. O. (2024). Informal financial systems and poverty reduction in developing countries: Evidence from Nigeria. *African Development Finance Journal*, *7*(3), 1–14.

Falaiye, T., Olubusola, O., Ajayi-Nifise, A. O., Daraojimba, E. R., & Mhlongo, N. Z. (2024). A review of microfinancing's role in entrepreneurial growth in African Nations. *International Journal of Science and Research Archive*, *11*(1), 1376–1387.

Herman, E. (2025). Changes and challenges in EU agricultural holdings and their impact on rural development. *Land*, *14*(5), 1080.

Ibitomi, T., Dada, D. A., Aderotimi, B., & Gaude-Jiwul, P. S. (2024). Financial literacy and performance of small and medium scale enterprises in Abuja, Nigeria. *European Journal of Business and Innovation Research*, *12*(3), 68–91.

Imanuella, S. F., Idris, A., & Kamaruddin, N. (2025). Social entrepreneurship and rural development in post-independence Indonesia. *Social Enterprise Journal*, *21*(1), 46–66.

James, I., & Onoshakpor, C. (2025). Challenges and opportunities for informal female entrepreneurs in Nigeria using the 5M framework. *Journal of Small Business and Enterprise Development*.

Krozewski, G. (2021). Colonial money in Africa and national economy-building in Britain and Germany: Examining relations of agency, 1890s–1930s. In *Monetary transitions: Currencies, colonialism and African societies* (pp. 239–263). Springer International Publishing.

Lawal, K. A. A. (2017a). *Influence of cooperative entrepreneurial support activities on members enterprise performance in Lagos State* [Unpublished doctoral dissertation]. Department of Cooperative Economics and Management, Faculty of Management Sciences, Nnamdi Azikiwe University, Awka, Nigeria.

Lawal, K. A. A. (2017b). Leadership competences for cooperative society renewal. In *Book of reading (FMSNOUN)* (pp. 117–126).

Lawal, K. A. A., & Taiwo, O. A. (2016a). Effective entrepreneurship skills in reducing poverty through Coop small business innovation in Lagos Metropolis. *International Journal of Entrepreneurship Innovation & Management*, *1*(1), 252–268.

Lawal, K. A. A., & Taiwo, O. A. (2016b). Evaluation of equity finance option and performance of cooperative business enterprise in Eti-Osa L.G.A of Lagos State. *Abuja Journal of Administration and Management*, *9*(1), 248–263.

Lawal, K. A. A., & Taiwo, O. A. (2017). Effects of credit on agribusiness household welfare in Epe Division of Lagos State. *Lasu Journal of Business Review (LASUJBR)*, *4*(2), 227–239.

Mande, S., & Lawal, K. A. A. (2014). Cooperative marketing societies and its challenges for sustainable economic development in Lagos, Nigeria. *IOSR Journal of Research and Method in Education*, *4*(6, Version III), 24–33.

Mbalisi, C. N., Mbalisi, C. A., & Nwaiwu, N. S. (2025). Ubuntu: Africa and the black tax economy, a post-colonial Nigeria experience. *Journal of African Studies and Sustainable Development*, *8*(1).

Mwapashua, F., Katwale, S., & Dida, M. A. (2024). Forecasting financial resilience: An analysis of practices and limitations in predicting trends-A case study of microcredit in Tanzania. ..

Naidoo, I. A., & Khan, M. (2024). Project cluster evaluation on rural finance in the East and Southern Africa Region.

Nuel-Okoli, C. M., Ezeife, A. O., & Adani, N. I. (2025). Exploring small scale businesses influence on employment creation in Nigeria. *Multidisciplinary Journal of Management and Social Sciences*, 2(2). ..

Nwachukwu, F. O., Ibrahim, M. G., Lawal, K. A. A., & Abdulahi, T. O. (2024). Cooperative societies and promotion of sustainable. *Journal of Economics and Allied Research*, *9*(4).

Nworgu, F. C. (2006). *Prospects and pit falls of agricultural production technology*. Institute of Agricultural Research and Training.

Odor, H. O., Onyeoghani, M. I., & Iloba, J. O. (2025). Workplace culture and ethical financial practices: a study of microfinance institutions in delta state. *African Banking and Finance Review Journal*, *20*(6), 96-112.

Ochonogor, H. M. (2018). *Improving access of small business owners to microloan from microfinance institutions in Nigeria* [Doctoral dissertation, Walden University]. Walden Dissertations and Doctoral Studies. https://scholarworks.waldenu.edu/dissertations

Okaro, C. S., & Onyekwelu, U. L. (2003). *Elements of banking method and principles*. Enugu Press Publisher.

Okunlola, O. C., & Ayetigbo, O. A. (2024). Impact of agricultural financing on agricultural growth sustainability in Nigeria. *The Journal of Developing Areas*, *58*(3), 171–203.

Oladejo, M. O., & Oyedele, K. S. (2014). Cooperative financing method and microfinance banks in Nigeria: Modeling relationship for credit delivery efficiency. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, *5*(7), 67–72.

Olanrewaju, M. (2024). *The impact of entrepreneurship education on improving small and medium-size enterprises (SMEs) performance in Kwara and Oyo States, Nigeria*

Onoh, J. K. (Ed.). (2021). *The foundations of Nigeria's financial infrastructure*. Routledge.

Onugu, C., Taiwo, A. O., & Lawal, K. A. A. (2014). Assessing the cooperative entrepreneurship needs of credit officers of microfinance banks in Lagos: Implications for rural finance intermediation.

Peter, W., & Orser, B. (2024). Women entrepreneurs in rural Nigeria: Formal versus informal credit schemes. *International Journal of Gender and Entrepreneurship*, *16*(4), 602–623.

Rivera-Williams, J. (2025). A multiple perspective analysis on urban poverty in developing nations: A case study on Nigeria, colonial implications, and modern-day outcomes

Roberts, O. (2025). Investigating the economic implications of microfinance programs in developing nations.

Samaila, M., Lawal, K. A. A., & Taiwo, O. A. (2017). Assessment of farmers multipurpose cooperative societies performance in marketing of members farm produce in Benue State, of Nigeria. *16*(1), 159–177.

Schaltegger, S., Girschik, V., Trittin-Ulbrich, H., Weissbrod, I., & Daudigeos, T. (2024). Corporate change agents for sustainability: Transforming organizations from the inside out. *Business Ethics, the Environment & Responsibility*, *33*(2), 145–156.

Smith, G. (2010). Every complaint matters: Human rights commissioner's opinion concerning independent and effective determination of complaints. *International Journal of Law, Crime and Justice*, *38*(2), 59–74.

Soetan, T. O., & Mogaji, E. (2024). Financial services in Nigeria. In *Financial services in Nigeria: The path towards financial inclusion, economic development and sustainable growth* (pp. 19–48). Springer Nature Switzerland.

Taiwo, A. O. (2013). *Effect of member participation on cooperative performance* [Unpublished M.Sc seminar]. Department of Cooperative Economics and Management, Nnamdi Azikiwe University Ojo, Lagos State, Nigeria.

Taiwo, O. A., & Lawal, K. A. A. (2017). Effectiveness of thrift and credit cooperative in delivery to members' small-scale enterprise in Osogbo L.G.A of Osun State. *International Journal of Entrepreneurship Innovation & Management*, *1*(1), 254–270.

Tesfaye, M. B. (2018). The role of saving and credit cooperatives in improving rural micro financing: The case of Bench Maji, Kaffa, Shaka Zones. *World Journal of Business and Management*, *4*(2). ..

Umebali, E. E. (2004). *Agric business and financial analysis*. Noble Publisher Ltd.

William, B., & Olabiyi, W. (2024). Access to finance: A comparative study of banking services in Nigeria. *SSRN Electronic Journal*. https://ssrn.com/abstract=5004032

Yimer, G. (2025). Informal credit market: A general overview. In *The nexus between legal pluralism and inclusive finance* (pp. 5–37)

EFFECT OF CULTURAL FACTORS ON ENTREPRENEURSHIP DEVELOPMENT OF WOMEN OWNED BUSINESSES IN FEDERAL CAPITAL TERRITORY, NIGERIA

[1]Nwoko Amaechi Nnamdi, [2]Agbo Catherine & [3]Adoh John Enokela

[1,2]Department of Entrepreneurship Studies, Faculty of Administration, Nasarawa State University Keffi.
[3]JPTS Institute of Science, Management and Technology, Jos, Plateau State
[1]greengatesjos@yahoo.com, [2]agbocatherineal@gmail.com, [3]jonaddo4best@gmail.com

Abstract

Cultural factors reflect the broader societal attitudes and norms that influence the development and success of women entrepreneurs. These factors play a pivotal role in shaping societal perceptions of women's roles, ultimately influencing their access to entrepreneurship opportunities. This study assessed the effect of cultural factors on entrepreneurship development of women owned businesses in Federal Capital Territory (FCT), Nigeria. Specifically, to examine the effect of cultural values, language, customs, and religious beliefs on entrepreneurship development of women owned businesses in FCT, Nigeria. The study adopts a survey research design, and the target population of the study comprised all women entrepreneurs operating their businesses enterprises within the federal Capital Territory. Cochran's (1963) formula was used to obtain a sample size of 358 that was increase by 30% to cover emergent issues of unused questionnaire making a sample of 465. Purposive and random sampling techniques were employed to select women entrepreneurs within the study area, a primary source of data was considered, and a structured questionnaire was used as an instrument for data collection. Out of the 465 copies of the questionnaire administered, 389 copies were properly filled, retrieved, coded, and used for analysis. The study employed a partial least square structural equation modelling (PLS-SEM) to examine the effect of each independent variable on the dependent variable. The study revealed that cultural values, language, customs, and religious beliefs have a significant effect on entrepreneurship development of women owned businesses in FCT, Nigeria. Thus, the study concluded that cultural values, customs, language, and religious beliefs are major determinants for the entrepreneurship development of women owned businesses in FCT, Nigeria. It was recommended that stakeholders should prioritize the preservation and promotion of cultural, tailored support programs to accommodate and respect local customs, addresses language barriers faced by women entrepreneurs and promote religious inclusivity targeted at women in FCT, Nigeria.

Keywords: Cultural Factors, Cultural Values, Language, Customs, Religious Beliefs and Entrepreneurship Development

Introduction

Entrepreneurship development among women has emerged as a critical driver of economic growth and social empowerment worldwide (GEM, 2024). Historically, women faced significant barriers to participating in entrepreneurial activities due to gender biases, societal expectations, and unequal access to resources such as finance, education, and technology (McAdam, 2022). However, international organizations, governments, and private sector initiatives have gradually reduced these barriers. In developed countries, women entrepreneurs are increasingly contributing to innovation, job creation, and economic diversification, though challenges such as access to venture capital and business networks remain (GEM, 2022). Efforts to promote gender equality have fostered policies and support mechanisms that nurture entrepreneurship development of women, extending their impact to regions like Africa.

In Africa, particularly in Nigeria, women’s roles in entrepreneurship have evolved from small-scale, informal businesses to formalized and innovative ventures. This shift highlights women’s growing contributions to economic diversification and household welfare in sectors like agriculture, technology, and retail (Dzanku, 2019). Facilitated by government programs, microfinance institutions, and NGOs, women entrepreneurs now benefit from financial support, training, and mentorship (Nkwocha, 2019). However, lingering challenges such as cultural norms, limited access to capital, and inadequate technological infrastructure hinder women from fully leveraging these opportunities. Addressing these barriers requires an understanding of the complex interplay between cultural factors and entrepreneurship development.

Cultural factors, including societal attitudes, norms, and values, significantly influence women's entrepreneurship development. Societies with cultural values that support gender equality and emphasize education and empowerment experience higher rates of female entrepreneurship (Çelikkol et al., 2019; Kelley et al., 2020). Rehman and Basit (2023) emphasized the importance of cultural values, language, religious beliefs, and customs as key indicators that shape women’s entrepreneurial journeys. For instance, religious norms can either empower or restrict women, while language proficiency facilitates communication, networking, and market access (Saridakis et al., 2020). Customs also play a crucial role, as they dictate women’s mobility and decision-making power, underscoring the need for cultural change to create a supportive entrepreneurial environment. While previous studies have made significant contributions to the understanding of women's entrepreneurship (Muhammad et al., 2023; Christy et al., 2017; Alamina, 2020), many have tended to focus on structural and economic barriers, with limited emphasis on the socio-cultural dimensions within specific local contexts.

Despite the growing body of knowledge, there remains a critical gap in exploring how cultural factors such as language, religious beliefs, values, and customs shape women's entrepreneurial experiences, particularly within the Federal Capital Territory (FCT) of Nigeria. This study aims to address that gap by examining how cultural norms and expectations influence the development of women-owned enterprises in FCT. In doing so, it contributes to the broader discourse on women’s entrepreneurship by offering context-specific insights and identifying culturally informed strategies that can empower women entrepreneurs in Nigeria.

Statement of the Problem

Entrepreneurship development is a critical driver of economic growth, employment generation, and improved living standards, particularly in developing countries like Nigeria (Afolabi, 2015). In the Federal Capital Territory (FCT), Nigeria, entrepreneurship has the potential to significantly contribute to economic development. However, the slow pace of women entrepreneurship development in the FCT poses a challenge. Cultural factors such as cultural values, language, religious beliefs, and customs have been identified as major impediments to women’s participation in entrepreneurial activities. These factors restrict women’s access to business opportunities, education, financing, and networking, thereby limiting their ability to thrive in the entrepreneurial landscape. For instance, cultural norms that reinforce patriarchal structures and discourage risk-taking further exacerbate these challenges, creating an environment where women's entrepreneurial initiatives struggle to succeed.

While studies have explored women’s entrepreneurship both globally and nationally, there is limited research specifically addressing the impact of cultural factors on the development of women-owned businesses in the Federal Capital Territory (FCT) of Nigeria. Prior research by Blakeley and McClintock (2023), Brannen et al., (2022), Julius and Maru (2020), and Li et al. (2017) has emphasized the significant influence of cultural values, customs, and language on the performance of women entrepreneurs. However, the unique socio-cultural dynamics and heterogeneity of the FCT characterized by its multicultural population and diverse religious and linguistic traditions remain largely underexplored.

Moreover, much of the existing literature tends to generalize cultural impacts across broader national or regional settings, often overlooking how localized norms and belief systems can differently affect entrepreneurial activity. This gap is particularly important in Abuja FCT, where informal gender expectations, religious practices, and traditional roles may either constrain or support women’s entrepreneurial initiatives. Few empirical studies have disaggregated these cultural variables in the Nigerian setting, and even fewer have adopted a place-based approach that considers the lived realities of women entrepreneurs in Abuja and surrounding areas.

Addressing this gap is crucial for formulating effective policies and interventions to support women’s entrepreneurial development. This study aims to examine the effect of cultural factors on entrepreneurship development of women owned businesses in the FCT, providing empirical evidence that will aid in fostering an enabling environment for women entrepreneurs and advancing economic development in Nigeria.

Objectives of the Study

The main objective of this study is to investigate the effect of cultural factors on entrepreneurship development of women owned businesses Federal Capital Territory (FCT), Nigeria. While the specific objectives are to:

1. examine the effect of cultural values on entrepreneurship development of women owned businesses in FCT, Nigeria;
2. assess the effect of language on entrepreneurship development of women owned businesses in FCT, Nigeria;
3. examine the effect of religious belief on entrepreneurship development of women owned businesses in FCT, Nigeria; and

4. assess the effect of customs on entrepreneurship development of women owned businesses in FCT, Nigeria.

Literature Review

Cultural Factors

Cultural factors refer to the social, economic, political, and environmental factors that shape people's beliefs, values, and behaviours in a given society. These factors are influenced by various cultural aspects, including history, religion, language, art, and social structures, among others (Al-Mazrooa et al., 2021). Cultural factors can have a profound impact on individuals' lives and can shape their attitudes, behaviours, and expectations, including their attitudes towards entrepreneurship (Diener et al., 2020).

Cultural factors are the social, economic, and political conditions that shape individual and collective behavior, attitudes, and beliefs in a given society (Kumar & Prasad, 2021). They include factors such as the level of economic development, the political system, the religious beliefs, and the social norms of a society. Cultural factors can have a profound impact on our lives, affecting our opportunities, our choices, and our well-being (Huang et al., 2020).

Cultural factors are the invisible forces that shape our thoughts, feelings, and actions (Leung et al., 2021). They are often subtle and difficult to see, but they can have a profound impact on our behavior. For example, cultural factors can influence our communication style, our decision-making process, and our conflict resolution style. Cultural factors are the lenses through which we see the world and interpret our experiences (Earley & Ang, 2020). They provide a framework for how we make sense of the world around us. For example, people from different cultures may have different interpretations of the same even. Therefore there is need for the integration and acceptance of different cultural values in Business establishment. In this study, cultural factors referred to the beliefs, values, customs, practices, and social behaviors that characterize a particular group or society. These factors influence how individuals and groups interact, make decisions, and perceive the world.

Cultural Values

Aderinto et al., (2018) see values as a held standard of what is acceptable, unacceptable, important or unimportant, right or wrong, workable or unworkable in a community or a society. It is important to note that each society has its own cultural values which members of the society are expected to conform with. Cultural values are the beliefs, principles, and ideals that are important to a society and its members and this values shape individuals' attitudes, priorities, and decision-making processes, influencing various aspects of life (Forsyth et al., 2023).

Hofstede (2018) defined cultural values as fundamental principles or ideals that guide human behavior, ethics, and judgments. Cultural values may include concepts such as freedom, justice, truth, and beauty. They are often seen as foundational to human existence and serve as a basis for moral and ethical frameworks. For this study, cultural values are moral frameworks that guide social interactions, social roles, and social institutions of a certain group(s) of individuals.

Kohlberg (2021) maintained that cultural values are the building blocks of morality and also involves the foundation on which moral judgments and our moral actions are build. Values are shaped by our experiences, our relationships, and our cultures. Similarly, MacIntyre (2022) defined values as the fabric of our moral lives. They are the thread that weaves together our beliefs, our feelings, and our actions. Values are shaped by our cultures, our religions, and our personal commitments.

H_{O1}: Cultural values have no significant effect on entrepreneurship development of women owned businesses in FCT, Nigeria.

Language

According to Crystal and Robins (2024) language, a system of conventional spoken, manual (signed), or written symbols by means of which human beings, as members of a social group and participants in its culture, express themselves. The functions of language include communication, the expression of identity, play, imaginative expression, and emotional release (Crystal & Robins, 2024). Blakeley and McClintock (2023) defined language is as a system of communication used by humans. Languages can be spoken or signed, and some have a written form. Kieu (2024) defined language as a tool of communication, language is a complex rule-governed system of discrete segments, language is a meaning-making entity, language is an expression of identity and language is a representation of thought. Language more specifically human language refers to the grammar and other rules and norms that allow humans to make utterances and sounds in a way that others can understand (Nordquist, 2023).

H_{O2}: Language has no significant effect on entrepreneurship development of women owned businesses in FCT, Nigeria.

Religion Belief

Religion is considered as a socially shared set of beliefs, ideas, and actions that relate to a reality that cannot be verified empirically yet affects the course of natural and human events-a way of life woven around people’s ultimate concerns (Hill, 2009). Religion belief is aspect that shapes people’s values that will influence how individual acted and directly affects the way the societies operate. slam sees religion as guidance of life based on the Holy Qur’an and the Sunnah of Prophet Muhammad (SAW) (Giwa & Babakatun, 2019).

According to Masovic (2018), in many countries around the world religion plays a significant role in people's life. Religion even determines the way people think of work. Consequently, religion considerably effects on business activity and corporate culture. Religion, through its effects on people, affects a larger business enterprises and its operations (Masovic, 2018).

Aspiration to become an entrepreneur is only the initial stage of what lays ahead on the entrepreneurship journey (Smith et al., 2019). Scanning the environment requires information to validate that there are problems to be solved, which plays a major role in proceeding to the next stage. Religion has the potential to influence factors that encourage entrepreneurship intention through sense-making. According to Riaz et al. (2016), faith and religion have guidelines stipulating to their followers on how they should live their life, including that of economic aspects. They further add that religion does not only spiritually teach these guidelines, but also “lights up the path” for economic growth to its members. Religiosity is an important characteristic that defines meaning and purpose of the life (Damiano et al., 2017).

It is a robust body of knowledge gave scholarly attention to impact of religiosity on world view (Ritchie, 2016). Religiosity is always linked to values, morality and ethics. Religions are often the source of values as well as morality for their followers. In a broad sense, religiosity refers to symbols, doctrines, beliefs, prescriptions, values and norms that guide one’s life. Religion and religiosity manifest themselves in various forms and ways. Religion and religiosity are expected to motivate followers in terms of their entrepreneurial behaviours (Adamu & Mansur, 2018). Despite the centrality of religion to most of their followers, not many studies have investigated the relationship between religion and business performance.

Zahrah et al. (2016) asserted that religion is important business performance and development. The two concepts of entrepreneurship and religiosity are often associated with each other. The relationship between the two has been largely overlooked by scholars in the area of entrepreneurship. Religiosity in the context of management and entrepreneurship is defined as the extent to which to which an entrepreneur / employee believes in and/or venerates the founder, gods or goddesses of the relevant religion, practices the religion and participate in the activities expected of the followers of the religion in question (Iddagoda & Opatha, 2017).

H_{O3}: Religion belief has no significant effect on entrepreneurship development of women owned businesses in FCT, Nigeria.

Customs

According to Crossman (2023) custom is defined as a cultural idea that describes a regular, patterned behavior that is considered characteristic of life in a social system. Shaking hands, bowing, and kissing all customs are methods of greeting people. Kakita and Palukuri (2020) defined as a cultural idea that describes a regular, patterned behavior that is considered characteristic of life in a social system. According to Rangel (2022) customs are beliefs and practices that have evolved over time, with the only difference appearing to be the length of time and observance by a larger segment of society.

According to Penn (2022) custom by definition is a practice that is common to a particular place or group of people. It is a way of behaving that has been accepted by the general society, or within a specific place or time. Penn (2022) further contended that customs can start within families, and become customs when they are done repeatedly (for example, a gesture, or a certain type of behavior). Custom can be defined as a way of behaving or a belief which has been established for a long time and which has been a habitual practice of an individual, cultural group, or has been practiced collectively (Deborah, 2023). Gomasta (2020) gave his submission that customs are known as the earliest source of law and they form the basis of the English common law system. They are basically the cultural practices which have backing of obligation and sanctions just by virtue of the widespread practice and continue presence.

While Hisrich (2009) defined entrepreneurship development as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction. Other definitions of entrepreneurship development highlight the process element which is a useful way to understand the way innovation and creativity in business ventures evolve over time (Nambisan, 2017). An example of the process definition is Elia et al. (2020) who defined it as “process of identifying potential business opportunities and exploiting them through the recombination of existing resources or the creation of new ones to develop and commercialize new products and services.

Putri (2022) provided a comprehensive definition of entrepreneurship development, describing it as a multifaceted process encompassing the establishment and nurturing of various activities aimed at generating products or services that hold substantial value and benefit for others, all with the ultimate objective of securing financial gain. This intricate process entails the implementation of strategic measures and the deployment of well-designed programs, which, in turn, facilitate the growth and sustainability of entrepreneurial ventures at both the individual and societal levels. Notably, these initiatives may encompass governmental interventions, such as the provision of start-up support programs and the cultivation of favorable ecosystems that foster innovation and the creation of new business enterprises (Bondarenko, 2022).

H_{O4}: Customs has no significant effect on entrepreneurship development of women owned businesses in FCT, Nigeria.

Empirical Review

Calza et al., (2020) conducted an investigation into the influence of cultural values on entrepreneurial development conduct utilizing a novel analytical perspective rooted in behavioral reasoning theory (BRT). The dataset employed in this study was derived from the GLOBE project and the Global Entrepreneurship Monitor (GEM), encompassing 50 nations spanning the years 2007 to 2017. Employing multiple regression analysis, the data was scrutinized, revealing that cultural dimensions, with the exception of Institutional Collectivism, possess a discernible impact on the justifications underlying entrepreneurial intentions across various countries. Specifically, cultural values and gender egalitarianism emerged as the most salient cultural determinants of entrepreneurial cognitions. The aforementioned statement explicitly elucidates the research objective, which aims to investigate the role of cultural values in influencing entrepreneurial development. Moreover, it acknowledges the utilization of Behavioral Reasoning Theory (BRT) as the conceptual framework, an aspect that provides valuable contextual information. It is worth noting, however, that a succinct explanation of BRT may be beneficial for individuals unfamiliar with this theoretical framework.

Ihinmoyan (2022) conducted an investigation to explore the impact of specific cultural values on the performance of entrepreneurs in Ondo state. The research employed a survey methodology to scrutinize a populace of 1,288,714 proprietors of small-scale businesses in the Akoko south-west local government area of Ondo state. To ensure a representative sample, the study implemented the Yamane formula. The data was subjected to regression analysis for examination. The findings of the investigation unveiled a statistically significant relationship between these cultural values and the performance of entrepreneurs. Nevertheless, it is imperative to acknowledge that the sample size of 100, although obtained through a systematic approach, might possess limitations in terms of generalizability. Acknowledging the limitations of the study in this regard, such as the potential for sampling bias or restrictions in extrapolating the findings to the entire population, would yield a more equitable perspective.

Omar and Patel (2022) investigated the influence of language on entrepreneurship development. The study targeted a population of entrepreneurs from diverse cultural backgrounds in urban areas of Malaysia. A sample of 150 participants was selected using purposive sampling to ensure representation from different linguistic communities. Data was collected through semi-structured interviews conducted in Malay, English, and Tamil, the primary languages spoken in Malaysia. Thematic analysis was employed to identify patterns and themes related to language barriers and entrepreneurship. The study revealed that language proficiency significantly impacted business communication, networking opportunities, and access to resources, with limited proficiency acting as a barrier to entrepreneurial success. However, the study's focus on Malaysia limits its generalizability to other linguistic and cultural contexts.

Jalilova and Park (2021) explored the effect of language on entrepreneurship development. The study targeted a population of small business owners in urban areas of South Korea. A sample of 200 participants was selected using convenience sampling to ensure representation from different industries. Data was collected through structured surveys administered in Korean and English, the primary languages spoken in South Korea. Statistical analysis, including correlation and regression analysis, was employed to examine the relationship between language proficiency and business success indicators such as revenue growth and innovation. The study found that bilingual or multilingual entrepreneurs had a competitive advantage in accessing global markets and collaborating with international partners. However, the study's focus on South Korea limits its applicability to other linguistic and cultural contexts.

In a study conducted by Usman et al (2023) examined how religion affects corporate innovation and development in developing countries by applying across sectional survey. The study had a sample of 41 manufacturing firms from developing countries across different world regions from 2014 to 2018. Descriptive statistics was utilized to guide the study assumptions and it was revealed that firms operating in more religiously diverse countries with lower religious restrictions are likely to be more innovative and also attain entrepreneurship development. Furthermore, secularization stimulates corporate innovation in contrast to traditional religious societies. The study also indicated that religion hinders corporate innovation and entrepreneurship development by restraining its followers' involvement in innovative activities under risk, which downgrades corporate innovation culture. However, the study only used data from nonfinancial firms from developing countries; therefore, the study's findings could be generalized to other developing economies with caution, as economies operating at different stages of development can have different outcomes from the proposed relationship.

Tahir (2022) conducted an investigation on how religion impacts the everyday activities of Muslim entrepreneurs in the United Arab Emirates (UAE), using in-depth interviews with 50 Muslim entrepreneurs in the UAE. The study used purposeful sampling to gather diverse sample of interviewees with respect to nationality, age, gender, and the nature of their business. Simple percentage, descriptive statistics method of analysis was employed to test the results. It was discovered from the study that religion for these Muslim entrepreneurs is highly individualized and does shape their everyday entrepreneurial activities, leading to conflicts between work and religion.

Martinez and Garcia (2022) investigated the influence of customs on entrepreneurship development. The population comprised entrepreneurs from various industries in urban and rural areas of Spain, with a sample size of 200 participants selected using random sampling to ensure representation from different sectors. Data was collected through structured interviews conducted in person and online, allowing for a diverse range of perspectives on the role of customs in entrepreneurship. Thematic analysis was employed to identify common themes related to the impact of customs on business operations and success. The study revealed that adherence to local customs positively influenced customer satisfaction and brand reputation. However, the study's focus on a single country limits its generalizability to other cultural contexts.

Nguyen and Hoang (2021) studied the effect of customs on entrepreneurship development in Vietnam in their 2021 research. The population consisted of small business owners from urban and rural areas across different provinces of Vietnam, with a sample size of 250 participants selected using cluster sampling to ensure representation from diverse regions. Data was collected through a combination of surveys and interviews conducted in person and online, allowing for a comprehensive understanding of entrepreneurs' experiences with local customs. Statistical analysis, including correlation and regression analysis, was employed to examine the relationship between adherence to customs and business success indicators such as market expansion and profitability. The study found that entrepreneurs who incorporated local customs into their business practices had a competitive advantage in building strong relationships with customers and suppliers. However, the study's focus on a single country limits its generalizability to other cultural context.

In conclusion, the empirical studies demonstrate that cultural values, language proficiency, and customs influence entrepreneurial intentions, performance, and success. For instance, Calza et al. (2020) emphasized the importance of cultural dimensions, particularly gender egalitarianism, while Ihinmoyan (2022) revealed a significant relationship between cultural values and entrepreneurial performance in Ondo State. Language barriers, as shown by Omar and Patel (2022) and Jalilova and Park (2021), also play a key role, affecting business communication and opportunities. Furthermore, the influence of religion on innovation and entrepreneurial practices, highlighted by Usman et al. (2023) and Tahir (2022), demonstrates the complex relationship between belief systems and business activities.

Theoretical Framework

This study is anchored in the Gendered Cultural Capital Theory, developed by Acker (1990), which provides a framework for analyzing how cultural factors such as values, gender roles, and religious beliefs influence entrepreneurship development among women. The theory emphasizes that individuals' cultural backgrounds and societal expectations shape their access to and utilization of resources, particularly in entrepreneurial contexts. It also acknowledges that these cultural influences vary across geographic locations, such as the Federal Capital Territory, Nigeria. By applying this theory, the study explores how cultural factors shape women's entrepreneurial aspirations and their ability to navigate the ecosystem, offering valuable insights into the dynamics of women's participation in entrepreneurship.

Despite its strengths, the Gendered Cultural Capital Theory has limitations. It may overlook critical factors like economic conditions, legal frameworks, and educational opportunities that also affect women's entrepreneurship development (Brush et al., 2014). Additionally, the theory does not fully address the intersectionality of cultural influences, which can impact women differently depending on their specific contexts (Jennings & Brus, 2013). To address these gaps, the study integrates supplementary theories and frameworks to provide a more holistic analysis of the factors influencing women's entrepreneurship. This comprehensive approach enhances the understanding of how cultural and non-cultural factors interact to shape entrepreneurship development of women owned businesses in FCT, Nigeria.

The Gendered Cultural Capital Theory provides a framework for understanding how cultural factors cultural values, customs, language, and religion impact women's entrepreneurship development. Cultural values shape perceptions and access to resources, while customs can facilitate or hinder entrepreneurial activities. Language proficiency influences communication and networking opportunities, directly affecting business success. Additionally, religious beliefs can motivate or restrict women's participation in entrepreneurship.

Materials and Method

The study utilized a survey research design, and the study's target population encompassed of all women entrepreneurs who are actively engaged in operating their businesses enterprises within the geographical boundaries of Federal Capital Territory, which is situated in the esteemed Abuja, Nigeria. Information from the Federal Ministry of Women Affairs, Abuja, as of August (2024), indicates that there are 3,441 women entrepreneurs who own, manage, or operate businesses in the Federal Capital Territory. The significant size and scope of this population necessitated the application of the Taro Yamane (1967) formula to determine the study's sample size, as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

N = Total Population

n = sample size

e = margin error (0.05: allowable error)

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{3,441}{1 + 3,441\,(0.05)^2}$$

$$n = \frac{3,441}{1 + 3,441\,(0.0025)}$$

$$n = \frac{3,441}{1 + 8.6025}$$

$$n = \frac{3,441}{9.6025}$$

n = 358.34

Approximately, the calculated sample size is 358.

To ensure the successful execution of the study and maximize the likelihood of obtaining a substantial response rate, it was decided to increase the initially estimated sample size of 358. Inspired by Israel's (2013) suggestion, the study augmented the sample size by 30%. This adjustment aimed to enhance the study's statistical power and improve the reliability of the findings by accommodating a larger and more diverse set of data points.

$$30\%\ 0fn = \frac{30}{100} X358$$

$$30\%\ 0fn = 0.3 \text{ X } 358$$

$$30\%\ 0fn = 107$$

Therefore, n += 107 + 358

n = 465

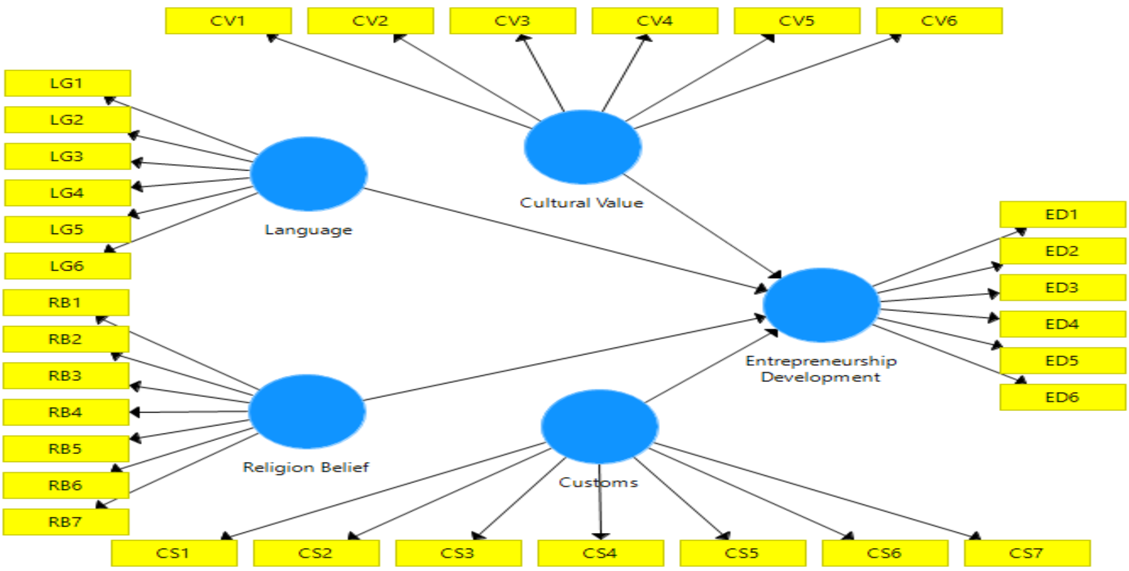
The final calculated sample size was 465. A cluster sampling technique was used to select FCT. Additionally, a combination of purposive sampling techniques was employed to specifically select women entrepreneurs within the study area.

The data for this study was gathered from primary sources, directly from the field in its original form using the research questionnaires. The questionnaire was adapted from the previous work of

Bullough et al. (2022), Drori et al. (2018), and Saridakis et al. (2020), and administered to the sampled women entrepreneurs who are owners or managers of SMEs in FCT, Nigeria.

With respect to measuring the reliability of the scale, the reliability coefficients (Cronbach‟s) of cultural value, gender role, attitude and religious belief were 0.76, 0.85, 0.86 and 0.82 respectively. Entrepreneurship development scale was used to assess respondents‟ level of business development, profitability, market growth, and expansion compare with their competitors. The scale was subjected to item analysis in order to ensure it is valid and reliable and it yielded a reliability alpha of 0.76. The study employed a Partial least square Structural Equation Modelling (PLS-SEM) to examine the effect of each independent variable on the dependent variable. Statistical Package for Social Sciences SPSS was used to code and analysed the data for this study in order to achieve all the set objectives.

Figure 1: Graphical Model



Source: SmartPLS Output.

Results and Discussions

Table 1: Response Rate

Variables	Frequency	Percentage
Questionnaire Distributed	465	100.00%
Questionnaire Returned	407	87.52%
Usable Questionnaire after Cleaning	398	97.79%
Eliminated after Data Cleaning	9	2.21%

Source: Field Survey, 2024

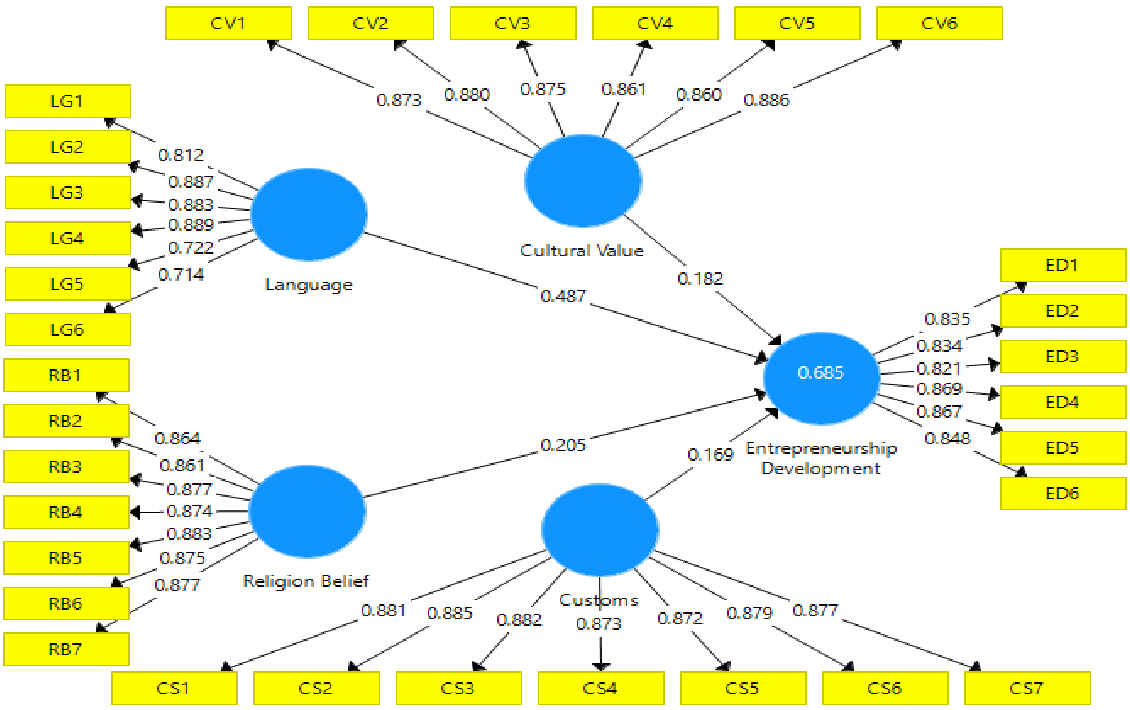
The data presented in Table 1 illustrates the distribution of questionnaires and their corresponding percentages concerning the effect of cultural factors on entrepreneurship development among women in FCT. Initially, 465 questionnaires were distributed to participants. Of these, 407 were returned, resulting in a response rate of 87.52%. Following data cleaning procedures, 398 questionnaires were deemed usable, representing 97.79% of the returned questionnaires. Notably, 9 questionnaires were eliminated during the data cleaning process, constituting 2.21% of the returned questionnaires.

Measurement Model

In PLS-SEM (Partial Least Squares Structural Equation Modeling), the measurement model is a critical part of the analysis. The measurement model specifies the relationships between observed variables (indicators) and their underlying latent constructs. The measurement model is estimated through the calculation of factor loadings, which indicate the strength of the relationship between each observed variable and its underlying latent construct.

In this study, all the thirty-two questions that were set in the SmartPLS software meet the threshold of 0.7 (Collier, 2020; Hair et al., 2014). The result is shown in Figure 2 and Table 2

Figure 2: Measurement Model



Source: SmartPLS Output.

Table 2: Loadings and Cross Loadings

	Cultural Value	Customs	Entrepreneurship Development	Language	Religion Belief
CS1	0.218	**0.881**	0.418	0.345	0.145
CS2	0.325	**0.885**	0.345	0.532	0.305
CS3	0.425	**0.882**	0.532	0.054	0.232
CS4	0.525	**0.873**	0.054	0.145	0.054
CS5	0.025	**0.872**	0.145	0.305	0.234
CS6	0.507	**0.879**	0.305	0.345	0.556
CS7	0.118	**0.877**	0.232	0.532	0.405
CV1	**0.873**	0.345	0.054	0.054	0.507
CV2	**0.880**	0.532	0.234	0.145	0.145
CV3	**0.875**	0.054	0.556	0.305	0.305
CV4	**0.861**	0.145	0.405	0.232	0.232

CV5	**0.860**	0.305	0.507	0.054	0.054
CV6	**0.886**	0.232	0.334	0.234	0.234
ED1	0.345	0.054	**0.835**	0.556	0.556
ED2	0.532	0.234	**0.834**	0.405	0.145
ED3	0.054	0.556	**0.821**	0.507	0.305
ED4	0.145	0.345	**0.869**	0.334	0.145
ED5	0.305	0.532	**0.867**	0.044	0.305
ED6	0.232	0.054	**0.848**	0.333	0.232
LG1	0.054	0.145	0.345	**0.812**	0.054
LG2	0.345	0.045	0.532	**0.887**	0.234
LG3	0.532	0.332	0.054	**0.883**	0.556
LG4	0.054	0.054	0.145	**0.889**	0.405
LG5	0.145	0.145	0.305	**0.722**	0.507
LG6	0.005	0.305	0.232	**0.714**	0.043
RB1	0.232	0.032	0.054	0.345	**0.864**
RB2	0.054	0.054	0.234	0.532	**0.861**
RB3	0.234	0.234	0.556	0.054	**0.877**
RB4	0.556	0.056	0.405	0.145	**0.874**
RB5	0.405	0.405	0.507	0.305	**0.883**
RB6	0.507	0.007	0.334	0.232	**0.875**
RB7	0.334	0.334	0.004	0.054	**0.877**

Note:CS = Customs, CV = Cultural Value, ED = Entrepreneurship Development, LG = Language, RB = Religion Belief

Source: SmartPLS Output, 2024

Table 2 presents the indicator loadings for various cultural factors, including customs, cultural values, entrepreneurship development, language, and religious beliefs, within the context of women's entrepreneurship development in FCT. Indicator loadings represent the strength of the relationship between each indicator variable and its respective latent construct. High indicator loadings indicate a strong association between the indicator variable and the underlying construct. In this study, indicator loadings range from 0.714 to 0.889, indicating generally strong associations between the indicator variables and their corresponding constructs. For instance, customs (CS) exhibit high loadings ranging from 0.872 to 0.885, suggesting a strong connection between cultural customs and the broader construct of cultural values. Similarly, entrepreneurship development (ED) indicators demonstrate robust loadings ranging from 0.821 to 0.869, reflecting the influence of cultural factors on entrepreneurship development among women in the region. Notably, language (LG) indicators exhibit varying loadings, with LG2, LG3, and LG4 demonstrating particularly strong associations with language as a cultural factor. Likewise, indicators related to religious beliefs (RB) display substantial loadings ranging from 0.861 to 0.883, underscoring the role of religious beliefs in shaping cultural values and entrepreneurial endeavors among women in FCT. These indicator loadings provide valuable insights into the multidimensional nature of cultural factors and their impact on entrepreneurship development, highlighting the intricate interplay between customs, cultural values, language, religious beliefs, and entrepreneurial activities within the local context.

Table 3: Construct Validity and Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Cultural Value	0.938	0.950	0.950	0.761
Customs	0.951	0.957	0.960	0.772
Entrepreneurship Development	0.921	0.923	0.938	0.716
Language	0.903	0.924	0.925	0.674
Religion Belief	0.948	0.956	0.957	0.762

Source: SmartPLS Output, 2024

In Table 3, construct validity and reliability metrics are provided for the latent constructs, namely Cultural Value, Customs, Entrepreneurship Development, Language, and Religion Belief, within the context of entrepreneurship development of women owned businesses in FCT. Construct validity and reliability are essential aspects of assessing the accuracy and consistency of measurement within a research study. For instance, Cronbach's Alpha values exceeding 0.7 for Cultural Value, Customs, Entrepreneurship Development, Language, and Religion Belief constructs suggest strong internal consistency among the measurement items within each construct. Composite reliability (CR) measures the internal consistency of the indicators for each latent construct. A threshold of 0.7 is typically used to indicate acceptable reliability, suggesting that at least 70% of the variance in the indicators is accounted for by the latent construct (Collier, 2020). In this study, all constructs exceed the threshold of 0.7, with composite reliability ranging from 0.925 to 0.960. This indicates high internal consistency among the indicators for each latent construct, demonstrating that the items within each construct reliably measure the underlying theoretical concept.

Additionally, average variance extracted (AVE) measures the amount of variance captured by the indicators relative to the amount of variance due to measurement error. A threshold of 0.5 or higher is commonly used to indicate acceptable convergent validity, suggesting that more than 50% of the variance in the indicators is explained by the latent construct (Hair et al., 2014). In this study, all constructs exceed the threshold of 0.5, with average variance extracted ranging from 0.674 to 0.772. This indicates that the indicators within each construct collectively capture a substantial proportion of the variance in the construct, supporting the convergent validity of the measurement model.

Overall, the construct validity and reliability metrics presented in Table 4.7 demonstrate the robustness and accuracy of the measurement model in capturing the latent constructs of interest. The high composite reliability and average variance extracted values, along with Cronbach's alpha and rho_A coefficients exceeding 0.7, indicate strong internal consistency and convergent validity of the measurement model, providing confidence in the validity and reliability of the findings related to cultural factors and entrepreneurship development of women owned businesses in FCT, Nigeria.

Table 4: Heterotrait-Monotrait (HTMT) Ratio

	Cultural Value	Customs	Entrepreneurship Development	Language	Religion Belief
Cultural Value					
Customs	0.40				
Entrepreneurship Development	0.565	0.631			
Language	0.447	0.638	0.804		

Religion Belief	0.420	0.446	0.598	0.470

Source: SmartPLS Output, 2024

Table 4 presents the Heterotrait-Monotrait (HTMT) ratio for pairs of latent constructs, including Cultural Value, Customs, Entrepreneurship Development, Language, and Religion Belief, within the context of entrepreneurship development of women owned businesses in FCT. The HTMT ratio is a measure used to assess discriminant validity, which evaluates the extent to which constructs are distinct from each other. A threshold of 0.85 or less is commonly used to indicate acceptable discriminant validity, suggesting that the constructs are sufficiently different from each other (Collier, 2020). In Table 4.8, the HTMT ratios range from 0.40 to 0.804. The HTMT ratios between each pair of constructs are all below the threshold of 0.85, indicating that there is sufficient evidence of discriminant validity among the latent constructs. Specifically, the ratios range from 0.40 to 0.804, suggesting that the constructs are distinct from each other and do not exhibit excessive overlap in their measurement.

Table 5: Co-efficient of Determination (R^2)

	R Square	R Square Adjusted
Entrepreneurship Development	0.685	0.682

Source: SmartPLS Output, 2024

Table 5 displays the predictive relevance of the model, specifically focusing on the coefficient of determination (R-squared) and adjusted R-squared values for the latent construct of Entrepreneurship Development within the context of women's entrepreneurship development in FCT. The R-squared value represents the proportion of variance in the dependent variable (Entrepreneurship Development) that is explained by the independent variables included in the model. In this case, the R-squared value is 0.685, indicating that approximately 68.5% of the variance in Entrepreneurship Development is accounted for by the independent variables considered in the model.

The adjusted R-squared value, which takes into account the number of predictors in the model and adjusts for model complexity, is slightly lower at 0.682. This adjusted value is particularly useful when comparing models with different numbers of predictors, as it penalizes the inclusion of unnecessary variables.

Table 6: Path Coefficient

Hypotheses	Beta	Standard Deviation	T Statistics	P Values	Decision
Cultural Value -> Entrepreneurship Development	0.182	0.031	5.864	0.000	Rejected
Customs -> Entrepreneurship Development	0.169	0.045	3.758	0.000	Rejected
Language -> Entrepreneurship Development	0.487	0.049	9.876	0.000	Rejected
Religion Belief -> Entrepreneurship Development	0.205	0.038	5.365	0.000	Rejected

Source: SmartPLS Output, 2024

Hypothesis One

The result in table 6 path coefficient (Beta) for Cultural Value is 0.182, indicating a positive relationship between Cultural Value and Entrepreneurship Development of women owned businesses in FCT. This suggests that higher cultural values are associated with increased levels of entrepreneurship development. The T statistic of 5.864 is significant at the 0.05 level ($P < 0.05$), indicating strong statistical evidence supporting this relationship. Therefore, the hypothesis that cultural values influence entrepreneurship development is supported.

Hypothesis Two

Table 6 path coefficient (Beta) for Language is 0.487, indicating a positive and relatively strong relationship between Language and Entrepreneurship Development of women owned businesses in FCT. This suggests that language, possibly reflecting communication skills or linguistic capabilities, has a significant impact on entrepreneurship development. The high T statistic of 9.876 is highly significant at the 0.05 level ($P < 0.05$), providing robust statistical evidence supporting this relationship. Therefore, the hypothesis that language influences entrepreneurship development is strongly supported.

Hypothesis Three

Table 6 path coefficient (Beta) for Customs is 0.169, indicating a positive relationship between Customs and Entrepreneurship Development among women FCT. This suggests that adherence to cultural customs is associated with higher levels of entrepreneurship development. The T statistic of 3.758 is significant at the 0.05 level ($P < 0.05$), providing statistical evidence supporting this relationship. Thus, the hypothesis that customs influence entrepreneurship development is supported.

Hypothesis Four

Last, table 6 path coefficient (Beta) for Religion Belief is 0.205, indicating a positive relationship between Religion Belief and Entrepreneurship Development among women in FCT. This suggests that religious beliefs play a role in influencing entrepreneurship development. The T statistic of 5.365 is significant at the 0.05 level ($P < 0.05$), indicating strong statistical evidence supporting this relationship. Hence, the hypothesis that religious beliefs influence entrepreneurship development is supported.

Discussion of Findings

The study provides valuable insights into the effect of cultural factors on entrepreneurship development among women in FCT, Nigeria. Cultural values, customs, language, and religious beliefs emerged as significant determinants shaping entrepreneurship development of women owned businesses in the region. These findings resonate with recent literature emphasizing the pivotal role of cultural context in shaping entrepreneurial behavior and success (Bacq & Alt, 2018; Patel et al., 2020). Cultural values, deeply ingrained in societal norms and beliefs, exert a profound effect on entrepreneurial attitudes, motivations, and behaviours (Stam & Elfring, 2020). The study's findings reinforce this notion by demonstrating the significant effect of cultural values on entrepreneurship development among women in FCT.

Language also emerged as a critical determinant of entrepreneurship development in the region, as the study revealed that language has a positive significant effect on entrepreneurship development among women entrepreneurs in Alwanga LGA. Other studies have highlighted the effect of language diversity on entrepreneurial opportunities and success (Bacq & Janssen, 2019; Kloosterman & Rath, 2021). Language barriers can impede access to business networks, information, and resources, thereby influencing entrepreneurial activities and outcomes. This finding underscores the importance of language-sensitive entrepreneurship support programs and policies aimed at women in culturally diverse contexts.

Additionally, the study found that religious beliefs significantly affect entrepreneurship development among women in the region. Studies have emphasized the role of religious beliefs in shaping entrepreneurial behaviors and decision-making processes (Patel et al., 2020; Bacq & Alt, 2018). Religion often shapes individuals' values, ethics, and motivations, thereby influencing entrepreneurial attitudes and behaviors. Recognizing the influence of religious beliefs on entrepreneurship can inform the development of culturally sensitive initiatives that cater to the diverse religious landscape of FCT.

The study highlights a significant and positive effect of custom on entrepreneurship development of women owned businesses in FCT. Other studies have underscored the role of cultural customs in shaping entrepreneurial activities and business practices (Drori et al., 2021; Dana, 2022). Local customs often dictate social interactions, networking opportunities, and business strategies within communities, thereby influencing entrepreneurial opportunities and success (Fischer et al., 2019; Dacin et al., 2020). By recognizing the significance of local customs, policymakers and practitioners can design tailored entrepreneurship development interventions that resonate with the cultural context of FCT.

Conclusion and Recommendations

Conclusion

This study sheds light on the essential effect between cultural variables and the entrepreneurship development of women owned businesses in FCT. Through a meticulous examination of cultural values, customs, language, and religious beliefs, it is unmistakable that these elements wield significant influence over the entrepreneurship development within the region. The discernible positive correlations explains the pivotal roles that cultural values, customs, language, and religious beliefs play in shaping the entrepreneurial pursuits of women. Thus, the study concluded that cultural values, customs, language, and religious beliefs are major determinants for the entrepreneurship development of women. Theoretically, this study enriches the Gendered Cultural Capital Theory by illustrating how these cultural factors interact to influence women's entrepreneurial aspirations and outcomes. Practically, the findings highlight the need for policymakers and support organizations to create tailored programmes that enhance access to resources for women entrepreneurs, taking into account their cultural background.

Recommendations

Base on the study findings, the following recommendations were raised:

1. Stakeholders should prioritize the preservation and promotion of cultural values among women entrepreneurs in FCT, Nigeria. Initiatives should focus on celebrating and preserving traditional cultural practices, beliefs, and heritage. This could include organizing cultural festivals, workshops, and exhibitions that showcase the rich cultural diversity of the region.
2. Efforts should be focused on addressing language barriers faced by women entrepreneurs in FCT. Stakeholders should provide language-specific business training, resources, and support services tailored to the linguistic needs of women from diverse cultural backgrounds. This could include offering business workshops and materials in local languages, as well as providing language interpretation services during training sessions and networking events.

3. Stakeholders should promote religious inclusivity and accommodation in entrepreneurship development initiatives targeted at women in FCT, Nigeria. Programs should be designed to respect and accommodate diverse religious beliefs and practices, ensuring that activities and schedules are sensitive to religious observances.
4. Tailored support programs should be developed to accommodate and respect local customs and traditions prevalent among women entrepreneurs in FCT. Stakeholders should engage with community leaders and cultural experts to understand and integrate customs into entrepreneurship development initiatives. This could involve designing business practices and activities that align with cultural customs, such as traditional market days or ceremonies.

References

Adamu, I. M. & Mansur, M. S. (2018). An Overview of Entrepreneurial Motivation from the Perspective of Developing World. *GOUni Journal of management and social sciences*, *4*(2), 250-262.

Aderinto, C. O., David, J. O., & Alabi, F. A. (2018). Cultural values and the development of women entrepreneurs in south western Nigeria. *World Journal of Entrepreneurial Development Studies*, 2(3), 22-33.

Afolabi, A. (2015). The effect of entrepreneurship on economy growth and development in Nigeria. *The Effect of Entrepreneurship on Economy Growth and Development in Nigeria*, *3*(2), 1-17.

Al-Mazrooa, A., Rahman, M. M., & Haque, M. (2021). Religion and entrepreneurial performance: a systematic review of literature. *Journal of Entrepreneurship in Emerging Economies, 12*(1), 79-102.

Blakeley, S., & McClintock, M. (2023, November 21). Discover what language means and the concept of language: Learn all about language, from grammatical structure to cultural implications. Retrieved from https://study.com/academy/lesson/religion-key-concepts-and-definitions.html

Crystal, D. & Robins, R. H. (2024, February 23). language. Encyclopedia Britannica. https://www.britannica.com/topic/language

Global Entrepreneurship Monitor. (2024, November). *2023/24 Women's Entrepreneurship Report: Reshaping economies and communities*. GEM Consortium.

Blakeley, S., & McClintock, M. (2023, November 21). Discover what language means and the concept of language: Learn all about language, from grammatical structure to cultural implications. Retrieved from https://study.com/academy/lesson/religion-key-concepts-and-definitions.html

Crystal, D. & Robins, R. H. (2024, February 23). language. Encyclopedia Britannica. https://www.britannica.com/topic/language

Bondarenko, O. S. (2022). Entrepreneurship development strategy in germany. Соціальна економіка, doi: 10.26565/2524-2547-2022-63-10

Brannen, M. Y., Thomas, D. A., & Gómez, M. I. (2022). *Cultural factors in organizations*. In S. R. Clegg, M. Kornberger, & L. Gherardi (Eds.), *The SAGE handbook of organization studies* (5th ed., pp. 184-205). Thousand Oaks, CA: Sage Publications.

Brush, C. G., de Bruin, A., & Welter, F. (Eds.). (2014). *A research agenda for women and entrepreneurship: Identity through aspirations, behaviors, and confidence*. Edward Elgar Publishing.

Bullough, A., Guelich, U., Manolova, T. S., & Schjoedt, L. (2022). Women's entrepreneurship and culture: gender role expectations and identities, societal culture, and the entrepreneurial environment. *Small Business Economics*, *58*(2), 985-996.

Çelikkol, M., Kitapçi, H., & Döven, G. (2019). Culture's impact on entrepreneurship & interaction effect of economic development level: An 81-country study. *Journal of Business Economics and Management, 20*(4), 777–797. https://doi.org/10.3846/jbem.2019.10180

Collier, J. (2020). *Applied structural equation modeling using AMOS: Basic to advanced techniques*. Routledge.

Crossman, A. (2023, April 5). The Importance Customs in Society. Retrieved from https://www.thoughtco.com/custom-definition-3026171

Crystal, D. & Robins, R. H. (2024, February 23). language. Encyclopedia Britannica. https://www.britannica.com/topic/language

Damiano, R. F., de Andrade Ribeiro, L. M., dos Santos, A. G., da Silva, B. A. and Lucchetti, G. (2017) 'Empathy is associated with meaning of life and mental health treatment but not religiosity among Brazilian medical students', *Journal of Religion and Health. Springer US, 56*(3), pp. 1003– 1017.

Deborah, A. (2023, October 16). Custom and tradition: Understanding the distinctions. IoT Products. Retrieved from https://flashlearners.com/custom-and-tradition/

Diener, E., Oishi, S., & Tay, L. (2020). *Advances in subjective well-being research: Culture and diversity*. Oxford University Press.

Drori, I., Manos, R., Santacreu-Vasut, E., Shenkar, O., & Shoham, A. (2018). Language and market inclusivity for women entrepreneurship: The case of microfinance. *Journal of Business Venturing, 33*(4), 395-415.

Dzanku, F. M. (2019). Food security in rural sub-Saharan Africa: Exploring the nexus between gender, geography and off-farm employment. *World Development, 113*, 26-43.

Earley, P. C., & Ang, S. (2020). *Cultural intelligence: Living and working effectively with people from different cultures.* New York, NY: Oxford University Press.

Forsyth, E., Tanner, A., & Chapel, L. (2023). Learn what sociocultural factors are. Discover factors and values that impact economic development and cultural change, and examine sociocultural factors examples. Retrieved November 21, 2023, from https://ranscripts-and-maps/cultural-factor.

GEM. (2022). Global_entrepreneurship_monitor_2022 global report.Adapting to a "New Normal. London: GEM. pdf

Giwa, A. H., & Babakatun, A. M. (2019). Effect of socio-cultural factors on women entrepreneurship development in Kaduna State. *Journal of Human Resource Management*, 7(3), 57-65.

Gomasta, S. (2020, February 16). Custom: Definition, types and essential. Retrieved from https://lawbhoomi.com/custom-definition-types-essential/

Hair, J. F., Gabriel, M., & Patel, V. (2014). AMOS covariance-based structural equation modeling (CB-SEM): Guidelines on its application as a marketing research tool. *Brazilian Journal of Marketing*, *13*(2).

Hill, J. (2009). *International business*. SAGE Publications, 519.

Hisrich, R. D. (2009). *Entrepreneurship*. McGraw-Hill.

Hofstede, G., Hofstede, G. J., & Minkov, M. (2018). *Cultures and organizations: Software of the mind* (3rd ed., Revised and Expanded). McGraw-Hill Education.

Iddagoda, Y. A., & Opatha, H. (2017). Religiosity: Towards A Conceptualization and An Operationalization. *Sri Lankan Journal of Human Resource Management, 7*(1).

Jalilova, F., & Park, H. (2021). Language and entrepreneurship development: Evidence from South Korea. *Journal of Korean Entrepreneurship*, *9*(4), 301-315.

Jennings, J. E., & Brush, C. G. (2013). Research on women entrepreneurs: Challenges to (and from) the broader entrepreneurship literature? *The Academy of Management Annals*, 7(1), 663-715.

Julius, N. T., & Maru, G. W. (2020). The effect of socio-cultural factors on entrepreneurial performance in selected small business organizations in Bori-Ogoni. *International Journal of Advanced Academic Research/Social Management Sciences, 6*(2), 1-11.

Kakita, R., & Palukuri, V. B. (2020). Social and cultural factors influence on English speaking abilities. In *Innovations and Technologies for Soft Skill Development and Learning*, 133-141). IGI Global.

Kelley, D., Brush, C., Greene, P., Bosma, N., & Mahdavi, M. (2020). Global entrepreneurship monitor 2019/2020 Women's entrepreneurship report. Global Entrepreneurship Research Association (GERA).

Kohlberg, L. (2021). *The stages of moral development*. New York, NY: HarperCollins.

Kumar, V., & Prasad, P. (2021). Cultural factors and their impact on consumer behaviour: A review. *Journal of International Consumer Marketing, 33*(1), 25-43.

Leung, K., Bhagat, R. S., & Ang, S. (2021). *Cross-cultural organizational behavior.* Thousand Oaks, CA: Sage Publications.

Li, X., Wang, Y., & Chen, H. (2017). Confucian cultural values and entrepreneurship development: Evidence from Urban China. *Journal of Business Research, 45*(3), 220-235.

MacIntyre, A. (2022). *After virtue: A study in moral theory.* Notre Dame, IN: University of Notre Dame Press.

Martinez, J., & Garcia, L. (2022). Influence of customs on entrepreneurship development: A study in urban and rural areas of Spain. *Spanish Journal of Entrepreneurship and Innovation*, *9*(3), 210-225.

Masovic, A. (2018). Socio-cultural factors and their impact on the performance of multinational companies. *Ecoforum*, 7(1), 0-0.

McAdam, M. (2022). *Women's Entrepreneurship*. Taylor & Francis.

Nambisan, S. (2017). Digital entrepreneurship: Toward a digital tech-nology perspective of entrepreneurship. *Entrepreneurship Theory and Practice,41*(6), 1029–1055.

Nguyen, T., & Hoang, M. (2021). Customs and entrepreneurship development: Insights from Vietnam. *Vietnamese Journal of Business Studies, 8*(2), 110-125.

Nkwocha, O. U. (2019). *Microfinance, women's entrepreneurial development and empowerment in Nigeria* (Doctoral dissertation, Birmingham City University).

Nordquist, R. (2023, April 5). Observations on What Is Language. Retrieved from https://www.thoughtco.com/what-is-a-language-1691218

Omar, M., & Patel, A. (2022). Influence of language on entrepreneurship development: A study of entrepreneurs in Malaysia. *Malaysian Journal of Entrepreneurship, 12*(2), 89-104.

Penn, C. (2022, August 29). Difference between custom and tradition. Retrieved from https://www.customtradition.com/blog/difference-between-custom-and-tradition

Putri, O. C. C. (2022). Pemahaman entrepreneurship dan entrepreneurship development. doi: 10.31219/osf.io/aycqe

Rangel, G. (2022). Characteristics of Culture, Customs and Traditions. *J Anthropology Rep, 5*, 136.

Rehman, T., & Basit, A. (2023). Sociocultural factors, religion and cognition development: An integrated view of psychological empowerment of female entrepreneurs. *Journal of Entrepreneurship and Innovation in Emerging Economies*, 23939575231169885.

Riaz, Q., Farrukh, M., Rehman, S., & Ishaque, A. (2016a). Religion and entrepreneurial Intentions: An empirical investigation. *International Journal of Advanced and Applied Sciences, 3*(9), 31–36. https://doi.org/10.21833/ijaas.2016.09.006

Ritchie, H. A. (2016). Unwrapping institutional change in fragile settings: women entrepreneurs driving institutional pathways in Afghanistan', *World Development. Elsevier Ltd*, *83*, pp. 39–53.

Saridakis, G., Marlow, S., & Muñoz Torres, R. (2020). Cross-cultural variation in female entrepreneurial activity: A multiple group analysis across GEM countries. *Entrepreneurship Theory and Practice*, *44*(4), 769-794.

Saridakis, G., Marlow, S., & Muñoz Torres, R. (2020). Cross-cultural variation in female entrepreneurial activity: A multiple group analysis across GEM countries. *Entrepreneurship Theory and Practice*, *44*(4), 769-794.

Smith, B. R., Conger, M. J., McMullen, J. S., & Neubert, M. J. (2019). *Why believe? The promise of research on the role of relgion in entrepreneurial action. Journal of Business Venturing Insights*, *11*(February), e00119. https://doi.org/10.1016/j.jbvi.2019.e00119

Tahir, R. (2022). Work and religion: an exploratory study of Muslim entrepreneurs in the United Arab Emirates. *Journal of Islamic Marketing*.

Usman, M., Li, C., Chaudhry, N., & Akhter, W. (2023). Does religion impact corporate innovation in developing countries? *Journal of Islamic Accounting and Business Research*.

Zahrah, N., Abdul Hamid, S. N., Rani, S. H. A., and Kamil, B. A. M. (2016). Enhancing job performance through Islamic religiosity and Islamic work ethics. *International Review of Management and Marketing, 6*(SI), 195-198.

SUSTAINABLE FINANCE AND MICRO SMALL AND MEDIUM-SIZED ENTERPRISES (MSMES) PERFORMANCE IN NIGERIA: THE ROLE OF INNOVATION

[1]Muhammad Sani GANI & [2]Auwal INUSA, PhD & [3]Jibrin Sa'idu ABDULLAHI

[1]Department of Management Sciences, Nigerian Defence Academy, Kaduna.
[2]International Centre of Excellence for Rural Finance & Entrepreneurship, Ahmadu Bello University, Zaria.
[3]Department of Statistics, Nuhu Bamalli Polytechnic, Zaria
[1]msani141@gmail.com, [2]aygdnzaki@yahoo.com, [3]saeedabdullahi444@gmail.com
[1]+2348066128970, [2]+2348069486493, [3]+2348065297147

Abstract

Given the significance of MSMEs (micro, small, and medium-sized enterprises) to economic advancement and durability, research on these businesses has grown over time. However, there are concerns about how sustainable finance and innovation impact on these MSMEs. Hence, the need to measure the role of innovation regarding the correlation between sustainable finance and the performance of MSMEs. Data from 259 MSMEs were examined utilizing Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings indicate that sustainable finance positively influences the performance of MSMEs. However, the findings reveal that innovation does not moderate the relationship between sustainable finance and MSMEs performance. The managerial implications of this study are that sustainable finance promotes positive financial stability and by implementing these measures with innovation will foster the growth, resilience, and contribution to sustainable development of MSMEs.

Key Words: Innovation, MSMEs performance, Structural Equation Model, Sustainable Finance.

Introduction

Given the significance of Micro, Small, and Medium Enterprises for economic development and resilience, research on these businesses has grown over time. MSMEs contribute to 70% of employment, comprise ninety percent of all enterprises in developed nations, and produce fifty to sixty percent of the Value Added Tax (OECD, 2020). MSMEs own 90% of businesses, 60%–70% of employment opportunities, and 50% of the world GDP. These are similar in world economies, because they sustain local and national economic means of subsistence, particularly for the working poor, women, children, and vulnerable populations (UNDP, 2022).

Despite making up ninety percent of the businesses in Nigeria, MSMEs only account for less than 10% of the nation's non-agricultural Gross Domestic Product (SMEDAN, 2021). Nigeria has one of the largest economies in Africa, with a gross domestic product (GDP) greater than 477.38 billion dollars, and is known for its abundance and wealth of resources, as reported by (Business Day

Newspaper, 2023). Despite being the largest economy in Africa, MSMEs in the country face difficulties in achieving economic growth. The majority of companies wind out or close within their first five years of operation (Olulade, 2022). This could be explained by Nigeria's unpredictable business environment. The business climate in Nigeria is unstable because of factors like unstable economies, erratic government policies, inadequate infrastructure, and difficulties obtaining long-term financing (Ede, 2021). This complicated environment makes it difficult for businesses in Nigeria to adopt environmentally friendly financial practices and undermines their general resilience and stability (Babajide, 2023).

Sustainable finance incorporates environmental, social, and governance (ESG) considerations into financial decision-making in order to match investments with ethically and responsibly sourced financial instruments. With an eye regarding the long-term growth of MSMEs, it promotes commercially viable, environmentally and socially conscious economic growth. Sustainable finance aims to tackle global issues such as inequality in society and climate change by endorsing financial activities that foster positive economic and environmental issues growth and sustainability (Akomea-Frimpong, Adeabah, Ofosu, & Tenakwah, 2022). If environmentally friendly standards are not followed, financial operations may exacerbate long-term economic risks, contribute to the impact of climate change, and abuse vulnerable communities. In general, the absence of sustainable finance fosters a volatile and unequal economy which renders it more challenging to address pressing global issues (Hsu, Quang. Thanh, Chien, & Mohsin, 2021).

However, sustainable finance, which tackles these problems, offers alternative inclusive financial mechanisms tailored to the specific needs of MSMEs. The study by Kadaba, et al. (2022) shows that through microfinance initiatives supported by sustainable finance principles, entrepreneurs who may not be capable to access conventional banking channels are given access to more smaller loans and financial services. This encourages financial inclusion and makes it possible for MSMEs to get the capital they require to expand. The promotion of moral and ethical business practices through sustainable finance makes MSMEs more appealing to moral financiers (Cunha, Meira & Orsato, 2021). By aligning financial assistance with environmental and social objectives, sustainable finance closes funding gaps and boosts MSMEs' marketability. Investments that prioritise growth and sustainability equally are drawn to this (Zhan & Santos-Paulino, 2021). Through affecting investors' opinions, lowering risks, offering a competitive edge, coordinating with sustainability objectives, increasing efficiency, and improving market appeal. This highlights the potential of sustainable finance, innovation, and MSMEs' overall performance (Ashiq, Ali, & Siddique, 2023).

The process of conceptualizing and implementing novel ideas, products, services, methodologies, or approaches with the intention of enhancing or launching something fresh and worthwhile is referred to as innovation. According to Karneli (2023), innovation is the use of innovative ideas to solve problems, satisfy demands, or seize opportunities. Impact investors may be more inclined to support MSMEs that innovate in accordance with sustainable finance objectives (Dzingirai & Mveku, 2023). Innovative businesses may appeal to investors who are interested in sustainable outcomes, which could impact their investment decisions.

However, inconsistencies were reported. Some studies (Kadaba & Aithal, 2022; Ajuna et al., 2023; Fatoki, 2021; Mejia-Escobar et al., 2020; Aracil et al., 2021; Akomea-Frimpong et al., 2022; Aithal et al., 2022; Wibowo et al., 2022; Rasjid, 2022; Jayanti & Karnowati, 2023; Bartolacci, Caputo & Soverchia, 2020) have found positive and neutral results, while other studies (Xu et. Al, 2020; Wang, Wang & Chang, 2022; Ullah et al., 2023), have discovered adverse correlations. In view of this, there is the need for the introduction of a moderating variable. This study, therefore, attempts to fill in the gaps by introducing innovation as a moderating variable. Innovation has been established by previous studies to have strong effect on MSMEs performance (Larios-Francia & Ferasso, 2023). A moderator, in the study of Hayes (2017), is a variable that is added to either strengthen or undermine the association between two variables.

Literature Review

Concept of SMEs Performance

According to Nazir and Jamal (2020), performance encompasses all attainments that are quantifiably measurable within a specific domain of activity. Performance is the capacity to meet predetermined goals (Gathungu & Sabana, 2018). Hoque, (2018) opined that a company's performance indicates how well it is operating. There is a wealth of literature supporting the idea of performance. The choice of references and disposition have demonstrated the wide range of distinctions and affinities between various definitions of performance (Palm, 2008). The primary focus of each business management or owner is performance (Eniola & Entebang, 2015; Peter, et al., 2018). Asakania (2016) opined that a wide range of concepts, including development, survival, success, and competitiveness, are included in performance. The firm's performance can be viewed of as having multiple facets because it includes both concrete and abstract goals (Abaho et al., 2016; Wiklund & Sheperd, 2005). In the study of Rogo, Shariff, and Hafeez (2017) it was shown that performance is a consequence of a business organisation's activity that can be quantified with its restricted resources. The study viewed an activity's performance as a result of its limited resources. Eniola and Entebang, (2015) defined performance as a company's capacity to produce the intended actions and outcomes.

Concept of Sustainable Finance

According to Ziolo et al., (2019). Sustainable finance incorporates environmental, social, and governance (ESG) standards into the processes of financial decision-making. Its goal is to allocate financial resources in a manner that supports sustainable growth and tackles environmental and social issues. This structure takes into account aspects like the environmental effects, social duties, and corporate management when making investment choices (Shavit & Adam, 2011). Sustainable finance emphasizes impact measurement, risk management, and transparent reporting to align investments with broader societal goals. In essence, its objective is to encourage a more comprehensive, adaptable, and environmentally-friendly economy by directing investments toward endeavours that yield beneficial social and environmental results while also providing financial returns.

Concept of Innovation

According to Modranský, Jakabová, & Oláh, (2020). Innovation is the dynamic process through which novel ideas, methodologies, products, or services are conceived and implemented with the aim of instigating beneficial transformations and augmenting value within diverse contexts. Innovation, which encompasses creativity, problem-solving, adaptability, collaboration, risk-taking, and implementation, serves as a catalyst for progress across diverse fields, contributing significantly to the stimulation of economic growth, the cultivation of competitiveness, and the mitigation of global challenges (Shkabatur, Bar-El, & Schwartz, 2022).

Empirical Review

Sustainable Finance and SMEs Performance

Environmentally sustainable practices demonstrate a noteworthy positive correlation with internal metrics of performance. Incorporating innovation as a moderating factor could enhance understanding of how it influences the connection between sustainable practices and performance outcomes among SMEs, particularly within the UK context and using cross-sectional data. This gap highlights the need for future research to investigate the impact of innovation on shaping the connection between sustainable practices and the performance of SMEs.

In another study, Francesca Bartolacci, Caputo and Soverchia (2020) conducted a bibliometric and systematic review of literature on the sustainability and financial performance of small and medium-sized enterprises, examining articles published from 1999 to 2018. The findings uncover three predominant research themes: the influence of innovation and entrepreneurship on sustainability within SMEs (cluster 1), corporate social responsibility within the SME context (cluster 2), and green management and environmental concerns for SMEs (cluster 3). However, a notable gap exists in the exploration of how these themes intersect and integrate across different functional areas within SMEs. Further investigation into the interconnectedness of sustainability practices within SME operations could provide valuable insights into enhancing overall business performance and long-term viability.

In the same vein, Alraja, Imran, Khashab and Shah (2022) studied how technological advancement, environmentally sustainable practices, and the sustainable performance of SMEs during the COVID-19 pandemic were investigated. The study targeted SMEs with a global workforce, collecting data from employees across four managerial tiers. The methodology encompassed the examination of 669 surveys to assess the formulated hypotheses through structural equation modelling. The study's results indicate that factors like technology, organization, and environment (TOE) are important for green practices, including green training and green performance evaluation, play a crucial role. These practices are fundamental processes contributing to the attainment of sustainable performance within a business or organization. While the research highlights the importance of factors like technology, organization, and environment (TOE) for green practices and sustainable performance in SMEs, it overlooks the potential moderating role of innovation in this relationship. Introducing innovation as a moderating variable could provide valuable insights into how innovative practices influence the relationship between technological advancement, environmentally sustainable practices, and the sustainable performance of SMEs amidst crises. Further exploration of this gap could enhance our understanding of SME resilience and sustainability amidst challenges like the COVID-19 pandemic. Therefore, with inconsistencies in these studies' innovation is introduced as a moderating factor to enhance the association between sustainable finance and the performance of SMEs.

H_0: Sustainable finance does not have an effect on MSMEs performance

The Role of Innovation in the Relationship between Sustainable Finance and MSMEs' Performance

The performance of Micro, Small, and Medium-Sized Enterprises (MSMEs) can be explained by the moderating effect of innovation between sustainable finance and the Resource-Based View (RBV) theory. A company's distinctive resources and abilities are the source of its competitive advantage, according to RBV. In this regard, sustainable finance serves as a financial lifeline for MSMEs, giving them the ability to implement socially and environmentally conscious practices. When innovation is considered a dynamic capability, it becomes the means by which MSMEs can successfully utilise sustainable finance.

Bicen and Johnson, (2015) in their study opined MSMEs are able to convert financial resources into unique capabilities through innovations in sustainable procedures developing goods, and market strategies, which creates distinct advantages in the marketplace. Consequently, innovation acts as a moderator in this relationship by increasing the impact of sustainable finance on the performance of MSMEs. This is because innovation makes it easier to allocate financial resources strategically towards sustainable practices, which boosts sustainable growth and overall business success (Skare & Porada, 2022).

H_1: Innovation does not moderate the relationship between sustainable finance and MSME performance.

Theoretical framework

Innovation Diffusion Theory

The Innovation Diffusion Theory (IDT), developed by Everett Rogers (1995), explains how new ideas, practices, or technologies spread within a social system over time. The theory is structured around five sequential stages through which an innovation is adopted: knowledge, persuasion, decision, implementation, and confirmation. Additionally, Rogers identifies key characteristics that influence the rate of adoption namely, relative advantage, compatibility, complexity, trialability, and observability. The adoption process is also influenced by factors such as the communication channels used, the nature of the social system, and the roles of opinion leaders and change agents.

The Innovation Diffusion Theory is particularly relevant to this study as it provides a conceptual lens for understanding how SMEs adopt sustainable finance practices. Sustainable finance being a relatively novel approach in many developing economies must be introduced to SMEs in a manner that aligns with the IDT stages. For example, SMEs must first gain knowledge of sustainable financial instruments (e.g., green bonds, ESG-linked loans), then be persuaded of their benefits through awareness campaigns or peer testimonials. A well-informed decision to adopt can then follow, leading to implementation through the use of appropriate financial tools and processes. Finally, confirmation occurs when SMEs observe positive results, such as increased resilience or access to new markets, which reinforces the adoption decision.

By aligning financial innovations (e.g., digital financing platforms, sustainability-linked credit schemes) with the stages of diffusion, policymakers, financial institutions, and development agencies can enhance the rate and scale of adoption among MSMEs. The theory thus serves as a strategic framework for designing interventions that not only promote uptake but also sustain long-term engagement with sustainable finance practices.

Materials and Method

In this investigation, an explanatory research design was utilized. An explanatory research design seeks to elucidate associations, identify causal connections, test hypotheses, build on previous findings, understand complex phenomena, provide contextual insights, integrate, guide decision-making, improve predictive ability, and strengthen preexisting theories. It is a helpful strategy because the goal of the study is to shed lighter on and provide explanations for phenomena that have been observed from the target population of 755 MSMEs in Kaduna (SMEDAN, 2021). Employing Krejcie and Morgan's (1970) sample size table, a sample of 259 individuals was selected.

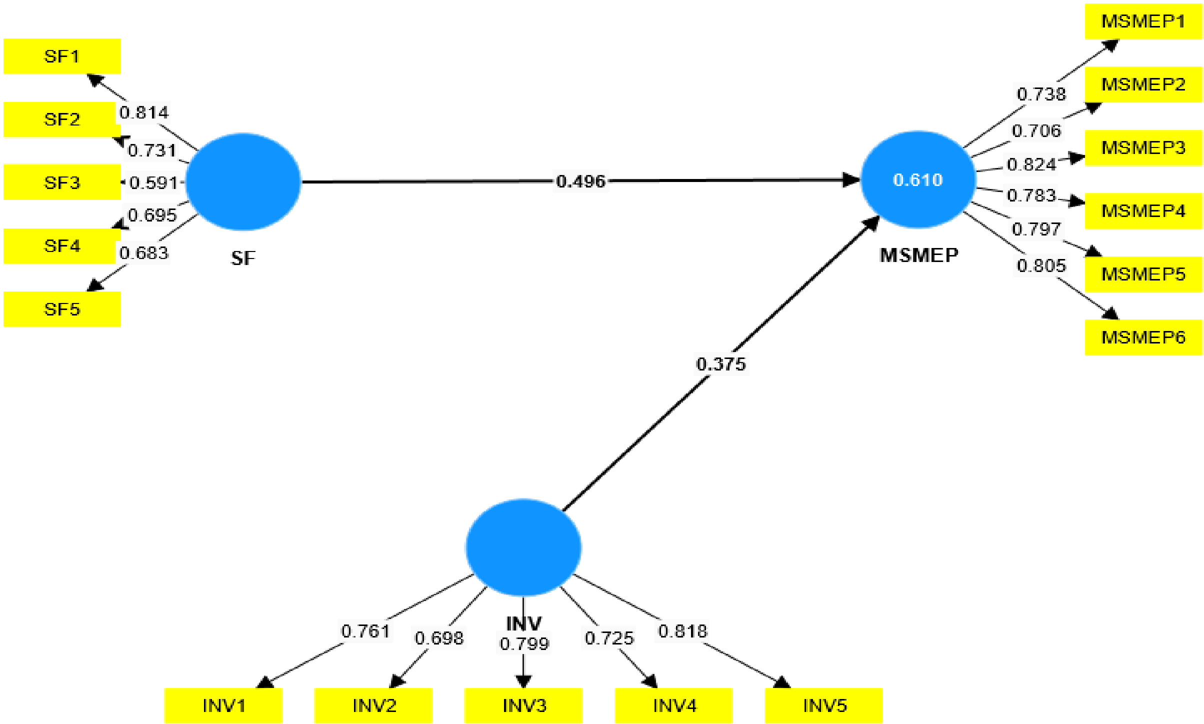
The study selected MSMEs in Kaduna State, Nigeria using a straightforward random sampling method, as recommended by Kothari (2008), ensuring an equitable opportunity for each element within the population to be included in the sample. Microsoft Excel was utilized to assign unique numbers to respondents and organize the population, facilitating a fair selection process for data collection via questionnaires administered to SME owners/managers. To evaluate the dependability of the research tools, Cronbach alpha was employed. The data from the study were analysed using the statistical analysis programme SMARTPLS4 (SEM). The results of the study were displayed in multiple regression format, frequency, and percentage.

To evaluate the hypotheses and explore its connections, particularly the moderating influence of innovation on the relationship between sustainable finance and MSMEs performance, Partial Least Squares (PLS) path modelling was utilized (Henseler, Ringle, & Sinkovics, 2009). PLS, introduced by Wold (1985), is a technique for modelling path diagrams involving latent constructs measured indirectly by multiple indicators. Therefore, the PLS method is among the structural equation models that estimate associations through regression among latent variables and between the latent variables and their indicators. Thus, this research utilized SmartPLS Version 4 software for its analyses.

Results and Discussions

This study adopts the structural equation modelling (SEM) approach, which is widely recognized as a robust method in management and entrepreneurship research (Arrègle et al., 2012). Firstly, it entails analysing a pertinent theory related to sample size in this study (Frazier et al., 2004). Secondly, it aids in identifying the predictive causal relationship (Baron & Kenny, 1986). Thirdly, it employs partial least squares (PLS) with confirmatory factor analysis (CFA) to assess the hypotheses. The significance of employing this approach lies in its ability to provide greater accuracy compared to other methods when dealing with small sample sizes (Jöreskog & Wold, 1982).
This subsection elucidates the measurement/outer loading of the model, an integral component of the SEM framework delineating the associations among latent variables and their indicators (Becker et al., 2012). Conversely, the outer model parameter estimates encompass the loadings (Ringle et al., 2012). Figure 1 illustrates the path model.

Structural Model



Source: Author (2024).

Figure 1 displays the loadings of respective indicators/items for the constructs, thereby contributing to the assessment of reliability, validity, and discriminant validity.

Reliability and Validity

Reliability pertains to the extent to which assessments of latent construct indicators exhibit internal consistency. Indicators closely associated with a construct are considered highly reliable as they appear to measure the same underlying concept. Construct reliability was employed as a measure of reliability, assessing the internal consistency and reliability of the measured variables comprising a latent construct. (Hair et al., 2014). To assess construct dependability, this study used composite reliability. Composite dependability evaluates the constructs' internal consistency (Yang, et al, 2018). PLS was utilized in this investigation, composite reliability was selected as a reliability measure over Cronbach's alpha. The recommended composite reliability coefficient is ≥ 0.7. (Lee & Chen, 2013).

The degree to which a tool or collection of tools accurately reflects the study's construct is measured by a validity test. This demonstrates how effectively the instruments specify the concept (Heir, et al., 2019). The study instruments' validity was tested using convergent and discriminate validity. Convergent validity examines the extent to which indicators of a specific construct converge or exhibit a substantial portion of their variance. Discriminant validity, on the other hand, concerns the extent to which a particular concept is distinguishable from other related constructs. This differentiation is assessed through the magnitude of correlation between the focal construct and others, along with the degree to which the measured variables represent the specific construct under investigation. Discriminant validity is achieved when the square root of an Average Variance Extracted (AVE) exceeds the correlation with other latent variables (Garson, 2016). AVE was used to test for convergence and discriminate validity following Henseler, Ringle and Sarstedt (2015) criterion. AVE serves as a composite measure indicating the convergence among a group of items that signify a latent construct. It represents the average proportion of variance accounted for (extracted variance) across the items within a construct (Hair et al., 2014) AVE as suggested by Garson (2016) should be ≥ 0.5.

Table 1: Reliability and validity of constructs

	Loadings	CR	AVE
SF1	0.814	0.831	0.510
SF2	0.731		
SF3	0.591		
SF4	0.695		
SF5	0.683		
INV1	0.761	0.873	0.580
INV2	0.698		
INV3	0.799		
INV4	0.725		
INV5	0.818		
MSMEP1	0.738	0.901	0.603
MSMEP2	0.706		
MSMEP3	0.824		
MSMEP4	0.783		
MSMEP5	0.797		
MSMEP6	0.805		

Table 1 displays the loadings of each item on its respective construct, all of which surpass the 0.5 threshold. Furthermore, the table presents Cronbach's Alpha (CA) and composite reliability (CR) values exceeding 0.7, along with Average Variance Extracted (AVE) values surpassing the recommended 0.5 threshold.

Discriminant validity

The discriminant validity assesses the degree of differentiation between each variable within the study. Table 2 presents the findings using the Heterotrait-Monotrait Ratio of Correlations (HTMT) method.

Table 2 Discriminants Validity HTMT Criterion

	INV	MSMEP	SF
INV			
MSMEP	0.776		
SF	0.733	0.863	

Table 2 presents the assessment of discriminant validity using the HTMT criterion for the study's variables. The diagonal and bold figures represent the square of the Average Variance Extracted (AVE), which exceeds all correlations of their respective loadings. Therefore, the study meets the discriminant validity criterion, warranting examination of the next criterion.

R Square

The coefficient of determination (R2) elucidates the proportion of variance in the endogenous constructs. It signifies thresholds of 0.25 (weak), 0.5 (moderate), and 0.7 (substantial), respectively. Therefore, the following R square value for the study is provided.

Table 3: Determination of Co-efficiency

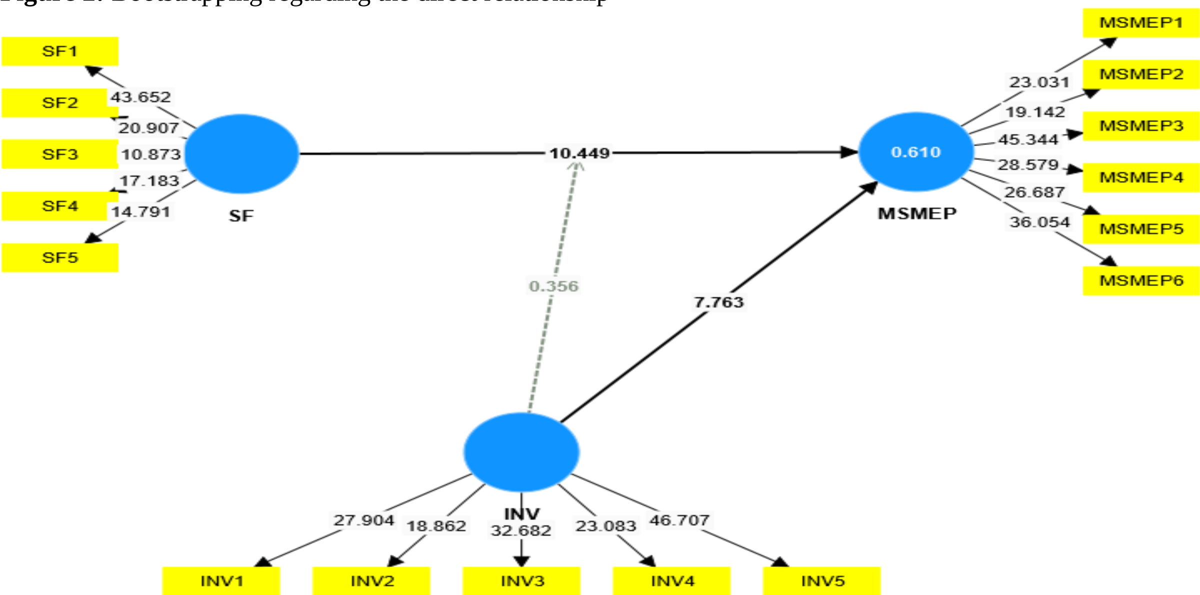
Dependent variable	R Square	R Square Adjusted
MSMEs Performance	0.610	0.608

Table 3 displays the R Square value; however, it is considered acceptable when the R2 value is below 0.19 (Chin, 1998). Table 3 indicates that the R2 value is 0.610. Thus, it accounts for 60% of the variation in the independent variables of the model.

Evaluation of the Structural Model/Internal Loading

This subsection delineates the evaluation of the structural model, culminating in the SEM framework, elucidating the correlations among the latent variables constituting the SEM model as outlined by Chin (2010).

Figure 2: Bootstrapping regarding the direct relationship



Source: Author (2024).

Figure 2 displays the evaluation of hypotheses as well as the outcome of bootstrapping the direct link between the studies's independent and dependent variables. The outcome of Table 4's test of hypotheses is shown below.

Table 4: Test of Hypotheses

	Original Sample	T Statistics	P Values	Decision
SF-MSMEP	0.499	10.449	0.000	Rejected
INV x SF-MSMEP	0.011	0.356	0.722	Accepted

Table 4 outlines the bootstrapping method employed to assess hypotheses and determine the significance between constructs (Henseler et al., 2015). The table indicates that all constructs in the model surpass a critical value of 1.96 for the two-tailed test at a significant level of $p < 0.05$.

Hence, it substantiates the following hypotheses. It also summarizes the evaluation of the relationship between the constructs (endogenous and exogenous), confirming that:
H_0: Sustainable finance does not have an effect on MSMEs performance (The coefficient (β) was calculated to be 0.499, with a corresponding t-value of 10.499 and a p-value of 0.000. Rejected
H_1: Innovation does not moderate the relationship between sustainable finance and MSMEs performance. The coefficient (β) was determined to be 0.011, with a t-value of 0.356 and a p-value of 0.722. Accepted

Conclusion and Recommendations

Conclusion

Sustainable finance stands as a transformative force, positively impacting MSMEs. The provision of crucial financial resources empowers MSMEs to embrace environmentally and socially responsible practices, fostering enhanced competitiveness. This is in line with the study of (Kadaba & Aithal, 2022; Ajuna et al., 2023; Fatoki, 2021; Mejia-Escobar et al., 2020; Aracil et al., 2021; Akomea-Frimpong et al., 2022; Aithal et al., 2022; Wibowo et al., 2022; Rasjid, 2022; Jayanti & Karnowati, 2023; Bartolacci, Caputo & Soverchia, 2020). This financial backing facilitates investments in green technologies, sustainable supply chain management, and eco-friendly initiatives, promoting operational efficiency and cost savings. The symbiotic relationship between sustainable finance and MSMEs extends to meet evolving consumer preferences, where the adoption of sustainable practices positions businesses to cater to the increasing demand for eco-conscious products and services. As a result, MSMEs not only expand their customer base but also bolster their brand reputation, aligning with contemporary market trends.

However, the intervening function of innovation in the association between sustainable finance and MSMEs shows a negative result. This is inline with the studies of (Xu et. Al, 2020; Wang, Wang & Chang, 2022; Ullah et al., 2023). Despite innovation being widely recognized as a critical driver of positive outcomes, its potential as a positive moderator faces challenges in specific contexts. This suggests that while access to eco-friendly financial resources boosts small business success, challenges with infrastructure hinder their ability to fully benefit from these opportunities.

Therefore, it is recommended that governments should prioritise infrastructure development in areas with high MSME activity. This includes improving transportation networks, market facilities, and basic amenities to enhance accessibility and operational efficiency for MSMEs. Additionally, providing incentives and support for eco-friendly infrastructure initiatives can align with sustainable finance efforts and amplify positive impacts on MSMEs.

MSMEs on the other hand should focus on leveraging sustainable finance to invest in innovative solutions that mitigate infrastructure-related challenges. This may involve adopting technology-driven approaches to overcome logistical barriers or collaborating with government and other stakeholders to advocate for infrastructure improvements in their communities.

Lastly, other stakeholders, such as financial institutions and industry associations, can advocate for policy reforms that promote sustainable finance and infrastructure investment. Collaborative efforts to raise awareness about the importance of both elements in driving MSMEs' success can further mobilize support and resources towards achieving sustainable and inclusive economic development.

References

Adeosun, O. T., & Shittu, A. I. (2022). Small–medium enterprise formation and Nigerian economic growth. *Review of Economics and Political Science*, *7*(4), 286-301.

Agarwal, V., Mathiyazhagan, K., Malhotra, S., & Pimpunchat, B. (2023). Building resilience for sustainability of MSMEs post COVID-19 outbreak: An Indian handicraft industry outlook. *Socio-Economic Planning Sciences*, *85*, 101443.

Ajuna, L. H., Ansir, V. R., Nur, M., Kude, N., & Dehi, T. (2023). The Implementation of Green Financing as an Alternative Sustainable Financing for MSMEs in Gorontalo. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *7*(1).

Akomea-Frimpong, I., Adeabah, D., Ofosu, D., & Tenakwah, E. J. (2022). A review of studies on green finance of banks, research gaps and future directions. *Journal of Sustainable Finance & Investment*, *12*(4), 1241-1264.

Akomea-Frimpong, I., Adeabah, D., Ofosu, D., & Tenakwah, E. J. (2022). A review of studies on green finance of banks, research gaps and future directions. *Journal of Sustainable Finance & Investment*, *12*(4), 1241-1264.

Alraja, M. N., Imran, R., Khashab, B. M., & Shah, M. (2022). Technological innovation, sustainable green practices and SMEs sustainable performance in times of crisis (COVID-19 pandemic). *Information Systems Frontiers*, *24*(4), 1081-1105.

Aracil, E., Nájera-Sánchez, J. J., & Forcadell, F. J. (2021). Sustainable banking: A literature review and integrative framework. *Finance Research Letters*, *42*, 101932.

Arifin, R., Ningsih, A. A. T., & Putri, A. K. (2021). The Important Role of MSMEs In Improving the Economy. *East Asia Journal of Contemporary Business*, *Economics and Law*, 52-59.

Arner, D. W., Animashaun, S., Charamba, K., & Cai, Y. (2022). MSME Access to Finance: The Role of Digital Payments. *United Nations, Economic and Social Commission for Asia and the Pacific, MSME Financing Series*, (7).

Ashiq, S., Ali, A., & Siddique, H. M. A. (2023). Impact of Innovation on CO2 Emissions in South Asian Countries. *Bulletin of Business and Economics (BBE)*, *12*(2), 201-211.

Babajide, A., Osabuohien, E., Tunji-Olayeni, P., Falola, H., Amodu, L., Olokoyo, F., & Ehikioya, B. (2023). Financial literacy, financial capabilities, and sustainable business model practice among small business owners in Nigeria. *Journal of Sustainable Finance & Investment*, *13*(4), 1670-1692.

Bartolacci, F., Caputo, A., & Soverchia, M. (2020). Sustainability and financial performance of small and medium sized enterprises: A bibliometric and systematic literature review. *Business Strategy and the Environment*, *29*(3), 1297-1309.

Bartolacci, F., Caputo, A., & Soverchia, M. (2020). Sustainability and financial performance of small and medium sized enterprises: A bibliometric and systematic literature review. *Business Strategy and the Environment*, *29*(3), 1297-1309.

Bartolacci, F., Caputo, A., & Soverchia, M. (2020). Sustainability and financial performance of small and medium sized enterprises: A bibliometric and systematic literature review. *Business Strategy and the Environment*, *29*(3), 1297-1309.

Bicen, P., & Johnson, W. H. (2015). Radical innovation with limited resources in high-turbulent markets: The role of lean innovation capability. *Creativity and Innovation Management*, *24*(2), 278-299.

Boakye, D. J., TIngbani, I., Ahinful, G., Damoah, I., & Tauringana, V. (2020). Sustainable environmental practices and financial performance: Evidence from listed small and medium-sized enterprise in the United Kingdom. *Business Strategy and the Environment*, *29*(6), 2583-2602.

Bui, T. D., Ali, M. H., Tsai, F. M., Iranmanesh, M., Tseng, M. L., & Lim, M. K. (2020). Challenges and trends in sustainable corporate finance: A bibliometric systematic review. *Journal of Risk and Financial Management*, *13*(11), 264.

Business day Newspaper (2023). Africa's powerhouses: 10 largest economies on the continent in 2023 https://businessday.ng/news/article/africas-powerhouses-10-largest-economies-on-the-continent-in-2023/

Cunha, F. A. F. D. S., Meira, E., & Orsato, R. J. (2021). Sustainable finance and investment: Review and research agenda. *Business Strategy and the Environment*, *30*(8), 3821-3838.

Dikau, S., & Volz, U. (2021). Central bank mandates, sustainability objectives and the promotion of green finance. *Ecological Economics*, *184*, 107022.

Dzingirai, M., & Mveku, B. (2023). The Role of Technology in Sustainable Finance Towards the 5th Industrial Revolution: A Dynamic Capability View. *Business, Technology and Finance*, 1.

Ede, O. C. (2021). Obstacles to firm performance in Nigeria: does size matter?. *Journal of Small Business & Entrepreneurship*, *33*(1), 49-70.

Elkington, John (June 25, 2018). "25 Years Ago I Coined the Phrase "Triple Bottom Line." Here's Why It's Time to Rethink It". Harvard Business Review. Archived from the original on 22 March 2023. Retrieved 25 November 2023.

Fatoki, O. (2021). Sustainable Finance and Small, Medium and Micro Entreprises in South Africa. *Academy of Accounting and Financial Studies Journal*, *25*, 1-7.

Hsu, C. C., Quang-Thanh, N., Chien, F., Li, L., & Mohsin, M. (2021). Evaluating green innovation and performance of financial development: mediating concerns of environmental regulation. *Environmental Science and Pollution Research*, *28*(40), 57386-57397.

Jayanti, E., & Karnowati, N. (2023). DIGITALISASI UMKM DAN LITERASI KEUANGAN UNTUK KEBERLANJUTAN UMKM DI KABUPATEN CILACAP. *Kajian Bisnis Sekolah Tinggi Ilmu Ekonomi Widya Wiwaha*. https://doi.org/10.32477/jkb.v31i1.504.

Johnson, C. (2020). The measurement of environmental, social and governance (ESG) and sustainable investment: Developing a sustainable new world for financial services. *Journal of Securities Operations & Custody*, *12*(4), 336-356.

Joseph, T., Obikaonu, P., Ariolu, C., Nwolisa, C., & Aderohunmu, A. (2021). Smes intervention programmes in nigeria: evaluating challenges facing implementation. *Applied Journal of Economics, Management and Social Sciences*, *2*(1), 16-25.

Kadaba, D. M. K., Aithal, P. S., & KRS, S. (2022). Impact of Sustainable Finance on MSMEs and other Companies to Promote Green Growth and Sustainable Development. *International Journal of Applied Engineering and Management Letters (IJAEML)*, *6*(1), 60-76.

Kadaba, D. M. K., Aithal, P. S., & KRS, S. (2022). Impact of Sustainable Finance on MSMEs and other Companies to Promote Green Growth and Sustainable Development. *International Journal of Applied Engineering and Management Letters (IJAEML)*, *6*(1), 60-76.

Karneli, O. (2023). The Role of Adhocratic Leadership in Facing the Changing Business Environment. *Journal of Contemporary Administration and Management (ADMAN)*, *1*(2), 77-83.

Kemfert, C., & Schmalz, S. (2019). Sustainable finance: Political challenges of development and implementation of framework conditions. *Green Finance*, *1*(3), 237-248.

KM, M., Aithal, S., & Sharma, K. R. S. (2022). Impact of Sustainable Finance on MSMEs and other Companies to Promote Green Growth and Sustainable development. 60-76

KM, M., Aithal, S., & Sharma, K. R. S. (2022). Impact of Sustainable Finance on MSMEs and other Companies to Promote Green Growth and Sustainable development. P60-76

Kurnia Rahayu, S., Budiarti, I., Waluya Firdaus, D., & Onegina, V. (2023). Digitalization and informal MSME: Digital financial inclusion for MSME development in the formal economy. *Journal of Eastern European and Central Asian Research*, *10*(1).

Larios-Francia, R. P., & Ferasso, M. (2023). The relationship between innovation and performance in MSMEs: The case of the wearing apparel sector in emerging countries. *Journal of Open Innovation: Technology, Market, and Complexity*, *9*(1), 100018.

M., M., Aithal, P., & S., S. (2022). Impact of Sustainable Finance on MSMEs and other Companies to Promote Green Growth and Sustainable Development. *International Journal of Applied Engineering and Management Letters*. https://doi.org/10.47992/ijaeml.2581.7000.0120.

Mejia-Escobar, J. C., González-Ruiz, J. D., & Duque-Grisales, E. (2020). Sustainable financial products in the Latin America banking industry: Current status and insights. *Sustainability*, *12*(14), 5648.

Modranský, R., Jakabová, S., & Oláh, A. (2020). Innovation management and barriers–creating space for innovation and organizational change. *Emerging Science Journal*, *4*(5), 345-364.

Monasterolo, I. (2020). Climate change and the financial system. *Annual Review of Resource Economics*, *12*, 299-320.

Mutamimah, M., Alifah, S., & Adnjani, M. D. (2023). Corporate governance innovation framework to reduce credit risk in MSMEs using blockchain technology. *Cogent Business & Management*, *10*(3), 2250504.

OECD. (2020). Tackling coronavirus (COVID-19): Contributing to a global effort. SME policy responses. Paris: OECD.

Olayemi, B. K., & Folajimi, A. F. (2021). Tax Incentives and the Growth in Sales Revenue of Small and Medium Enterprises (SMEs) in Ondo and Ekiti States, Nigeria. *International Journal on Data Science and Technology*, *7*(1), 1-16.

OLOLADE, E. B. (2021). Impact of Tax Policies on the Performance of Micro Small Medium Enterprises (MSMEs) in Nigeria.

Raimi, L., & Uzodinma, I. (2020). Trends in Financing Programmes for the Development of Micro, Small and Medium Enterprises (MSMEs) in Nigeria: A Qualitative Meta-synthesis. *Contemporary Developments in Entrepreneurial Finance: An Academic and Policy Lens on the Status-Quo, Challenges and Trends*, 81-101.

Rasjid, R. (2022). The Influence of Financial Literacy On Intentions to Increase The Performance and Sustainability of Msmes During The Covid-19 Pandemic in Bulukumba. *Journal of Applied Managerial Accounting*. https://doi.org/10.30871/jama.v6i1.3600.

Rogers, E. M. (1995). *Diffusion of innovation*. New York: Free Press.

Sachs, J. D., Woo, W. T., Yoshino, N., & Taghizadeh-Hesary, F. (2019). Importance of green finance for achieving sustainable development goals and energy security. *Handbook of green finance: Energy security and sustainable development*, *10*, 1-10.

Sharma, A., & Bajaj, S. (2023). 10 Impact of Sustainability and Green Finance on SMEs to Promote Green Growth. *Sustainability, Green Management, and Performance of SMEs*, 187.

Shavit, T., & Adam, A. M. (2011). A preliminary exploration of the effects of rational factors and behavioral biases on the managerial choice to invest in corporate responsibility. *Managerial and Decision Economics*, *32*(3), 205-213.

Shkabatur, J., Bar-El, R., & Schwartz, D. (2022). Innovation and entrepreneurship for sustainable development: Lessons from Ethiopia. *Progress in Planning*, *160*, 100599.

Siegrist, M., Bowman, G., Mervine, E., & Southam, C. (2020). Embedding environment and sustainability into corporate financial decision-making. *Accounting & Finance*, *60*(1), 129-147.

Skare, M., & Porada-Rochon, M. (2022). The role of innovation in sustainable growth: A dynamic panel study on micro and macro levels 1990–2019. *Technological Forecasting and Social Change*, *175*, 121337.

Ullah, R., Ahmad, H., Rehman, F. U., & Fawad, A. (2023). Green innovation and Sustainable Development Goals in SMEs: The moderating role of government incentives. *Journal of Economic and Administrative Sciences*, *39*(4), 830-846.

United Nations Development Project (2022). Micro-, Small and Medium-sized Enterprises Day | United Nations https://www.un.org/en/observances/micro-small-medium-businesses-day

Wang, Q. J., Wang, H. J., & Chang, C. P. (2022). Environmental performance, green finance and green innovation: What's the long-run relationships among variables? *Energy Economics*, *110*, 106004.

Wibowo, E., Utami, S. S., & Novita, D. (2022). Sustainable Financial Performance Based on Financial Literacy and Financial Inclusion with Innovation as a Mediation Variable on Batik Msmes in Sragen Regency. *International Journal of Social Science*, *2*(2), 1351-1358.

Xu, H., Mei, Q., Shahzad, F., Liu, S., Long, X., & Zhang, J. (2020). Untangling the impact of green finance on the enterprise green performance: a meta-analytic approach. *Sustainability*, *12*(21), 9085.

Zhan, J. X., & Santos-Paulino, A. U. (2021). Investing in the Sustainable Development Goals: Mobilization, channeling, and impact. *Journal of International Business Policy*, *4*(1), 166-183.

Ziolo, M., Bak, I., & Cheba, K. (2021). The role of sustainable finance in achieving sustainable development goals: Does it work? *Technological and Economic Development of Economy*, *27*(1), 45-70.

Ziolo, M., Filipiak, B. Z., Bąk, I., & Cheba, K. (2019). How to design more sustainable financial systems: The roles of environmental, social, and governance factors in the decision-making process. *Sustainability*, *11*(20), 5604.

NAVIGATING GLOBALIZATION THROUGH ENTREPRENEURSHIP: THE ROLE OF COMMUNITY, LANGUAGE AND CULTURE IN NORTH EASTERN NIGERIA

[1]Idris Yahaya Adamu & [2]Uthman Ameen Oyetunji

[1]Department of Business Administration, Faculty of Management Sciences
[2]Federal University of Kashere, Gombe
[1]idristumu@gmail.com
[1]+2348038859929

Abstract

Globalization reshapes economic landscapes by dissolving traditional boundaries, while simultaneously amplifying the value of local knowledge and connections. This paper examines how entrepreneurial ventures can successfully navigate these global shifts by harnessing the power of community, language, and culture in North – Eastern Nigeria. By tapping into robust local networks, entrepreneurs gain not only the resilience and support needed to weather competitive pressures but also the innovative spirit that drives market disruption. Language emerges as more than a communication tool—it is a bridge that connects diverse cultural perspectives, enhances collaborative potential, and facilitates effective cross-border negotiations. At the same time, culture provides a rich source of identity and creativity, inspiring entrepreneurial approaches that honor tradition while embracing modernity. Through an integrated framework, this study demonstrates that by aligning global ambitions with the unique strengths of local communities, entrepreneurs can foster inclusive growth, drive sustainable innovation, and ultimately, shape a more interconnected and dynamic global economy.

Keywords: Community, Culture, Entrepreneurship, Globalization and Language

Introduction

Globalization, understood as the intensification of cross-border flows of goods, services, capital, and ideas, has profoundly reshaped economic and cultural landscapes worldwide (Dicken, 2022). While it offers entrepreneurs unprecedented access to international markets and resources, it also poses risks to local identities, languages, and communal bonds (Okafor & Eze, 2023). In Africa, these dynamics have played out unevenly: on one hand, continent-wide initiatives such as the African Continental Free Trade Area have stimulated new ventures (Global Entrepreneurship Monitor, 2023); on the other, Western cultural norms and dominant global languages have increasingly marginalized indigenous practices (Etim-James & Omini, 2024).

In Nigeria—the continent's largest economy—entrepreneurship has become a vital engine of growth, with more than one in five working-age adults launching new businesses annually (Global Entrepreneurship Monitor, 2023). Yet, the same forces that spur innovation also threaten Nigeria's rich linguistic diversity: smaller tongues such as Ekid are now classified as endangered, undermining both cultural memory and local market knowledge (Etim-James & Omini, 2024). However, in the North-Eastern Nigeria, where protracted conflict and displacement have disrupted traditional livelihoods, community-based enterprises are emerging as key vehicles for both economic recovery and cultural resilience (Elumelu, 2023). Here, entrepreneurs draw on communal networks, local languages, and indigenous norms to forge adaptive business models that can withstand global competition while reinforcing social cohesion (A Case Study of Tera (Nymalti) Language of North-East, Nigeria, 2023).

Understanding how community, language, and culture intersect within entrepreneurial processes is therefore critical. It not only illuminates pathways through which globalization can be harnessed for inclusive development, but also highlights strategies for preserving the unique identities that underpin local markets. This study examines these linkages—moving from global trends to the African context, then to Nigeria, and finally to North-Eastern Nigeria—to explore how entrepreneurs can navigate globalization in ways that sustain both economic vitality and cultural heritage.

Globalization continues to reshape entrepreneurial landscapes by promoting economic interconnectivity and cultural exchange. However, in many parts of Africa—including Nigeria and more specifically North-Eastern Nigeria—this global integration has brought with it complex challenges. These include the erosion of indigenous languages, weakening of communal bonds, and marginalization of local cultural practices. Entrepreneurs in these regions often struggle to align global business practices with the deeply rooted cultural values of their communities. Despite this tension, little empirical research has explored how community, language, and culture can be leveraged as strategic assets in navigating globalization through entrepreneurship. This gap makes it difficult to design locally grounded policies and support systems that foster both economic innovation and cultural sustainability in vulnerable regions like North-Eastern Nigeria.

Research Questions

1. Does globalization influence entrepreneurial activities in North-Eastern Nigeria?
2. Does local entrepreneurs utilizes language, community structures, and cultural identity in their business models?
3. In what ways does community-driven entrepreneurial practices reflects cultural integration?
4. Is there a connection between indigenous knowledge systems and successful business adaptation in global markets?

Research Objectives

1. To investigate the influence of globalization on entrepreneurial activities in North-Eastern Nigeria.
2. To assess, through field surveys and interviews, how local entrepreneurs utilize language, community structures, and cultural identity in their business models.
3. To identify and document at least five community-driven entrepreneurial practices that reflects cultural integration within six months.
4. To explore the connection between indigenous knowledge systems and successful business adaptation in global markets.

Literature Review

Entrepreneurial Outcomes such as sustainability, adaptability, innovation, and local impact are shaped by how well entrepreneurs integrate these community-driven and culturally rich elements into their practices in the face of globalization.

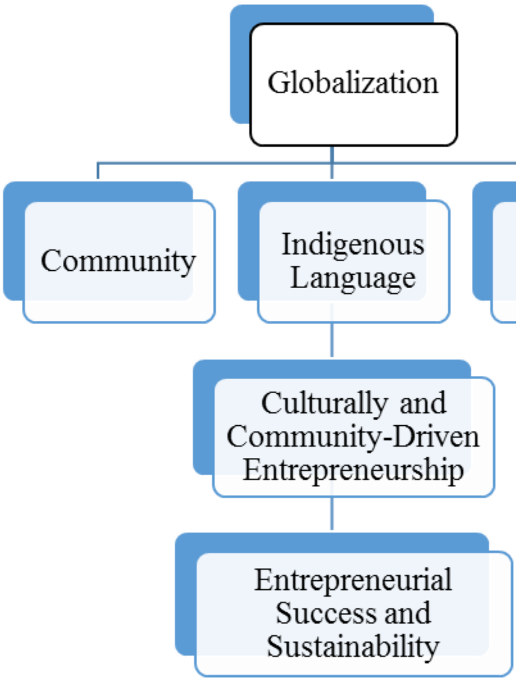


Figure 1: Visual Representation of the variables

Globalization, characterized by increased interconnectedness of markets, cultures, and technologies, has created both opportunities and challenges for entrepreneurs across the globe (Dicken, 2022). It promotes access to broader markets and innovation resources, yet often undermines local cultural systems and indigenous knowledge frameworks. For entrepreneurship to thrive within this dual context, there is a growing consensus on the need to incorporate local community structures, language, and culture into business practices (Okafor & Eze, 2023).

In the African context, globalization has catalyzed the rise of entrepreneurial activity, especially among youth populations. However, its influence has been uneven. While platforms such as the African Continental Free Trade Area offer economic advantages, cultural homogenization and language endangerment have raised concerns (Global Entrepreneurship Monitor, 2023). As Etim-James and Omini (2024) note, many African languages—once critical tools for local trade and knowledge transfer—are becoming endangered due to dominance by global languages and media.

Nigeria presents a unique case where entrepreneurial vibrancy exists alongside deep-rooted cultural systems. Entrepreneurship in Nigeria is not only an economic activity but also a community-driven process. The traditional Igbo apprenticeship system, for instance, exemplifies how cultural values and communal mentorship can serve as mechanisms for wealth creation and business sustainability (Obasi, 2023). At the same time, researchers emphasize the role of language as both an identity marker and a business tool. When used effectively, indigenous languages can enhance trust, loyalty, and relatability in local markets (Agbedo, 2024).

In North-Eastern Nigeria—marked by ethnic diversity and post-conflict reconstruction—entrepreneurship is emerging as a means of cultural and economic revitalization. Elumelu (2023) argues that youth entrepreneurs in this region are blending local traditions with global ideas to build socially relevant and economically viable ventures. However, research remains limited on how exactly community, language, and cultural values are operationalized in entrepreneurial settings across the region.

This review highlights the growing importance of integrating cultural identity, language heritage, and community frameworks into entrepreneurship, especially in regions facing globalization pressures. The current study builds on this foundation by examining these variables in North-Eastern Nigeria, where they are most vulnerable yet potentially most transformative.

Conceptual Framework

Independent Variables	Intervening Variables	Dependent Variable
Community	Globalization (as a Moderating factor)	Entrepreneurial Success and Sustainability
Indigenous language		
Cultural Identity and Practice		

Table 1: Key Concepts and Variables

Explanation of Framework

Globalization acts as the overarching force that influences all variables. While it creates new market opportunities, it also threatens local identities and traditional knowledge.

Community (e.g., social networks, shared values, and local mentorship systems like Igba-Boi) enhances resilience and business sustainability when global forces are present.

Language (especially indigenous languages) contributes to market differentiation, customer loyalty, and cultural preservation but may also be marginalized by dominant global languages.

Culture (norms, practices, and worldviews) serves as both a creative resource and identity anchor in shaping entrepreneurial innovation and branding.

Theoretical Framework

The theoretical framework provides the foundation upon which this study is built, offering key lenses through which the interactions among globalization, entrepreneurship, community, language, and culture are examined. Not only that, these theories collectively provide a robust foundation for analyzing how globalization intersects with entrepreneurship, and how community, language, and culture can as well shape entrepreneurial practices—particularly in North-Eastern Nigeria. This study anchored on three interrelated theoretical models. They three major theories:

Cultural Dimensions Theory (Hofstede, 1980; revised 2010)

Geert Hofstede's (1980, 2010). Cultural Dimensions Theory is instrumental in understanding how cultural values influence entrepreneurial behavior. Also, the theory is one of the most effective models for understanding how national cultures influence organizational behavior and entrepreneurship.

The theory outlines and identifies six (6) key dimensions such as individualism versus collectivism, uncertainty avoidance, power distance, masculinity versus femininity, indulgence versus restraint and long-term orientation (long-term versus short-term orientation). These dimensions explain why entrepreneurial approaches differ across cultures and how local customs and societal expectations shape risk-taking, innovation, and business structure. Similarly, the dimensions help explain how societal values and norms shape decision-making, leadership style, and risk-taking in business.

In the context of this study, Hofstede's theory could help to analyze how entrepreneurs in North-Eastern Nigeria can navigate collectivist traditions, respect for authority, and future-oriented planning in contrast with global entrepreneurial norms, which often emphasize independence, low hierarchy, and short-term gain. In an analogous way the framework would provide a lens through which to understand how entrepreneurs in Nigeria—and particularly in communal societies in the North-East—navigate the balance between traditional collective values and global entrepreneurial ideologies that often emphasize independence and innovation.

Community Capitals Framework (Flora & Flora, 2004): Flora and Flora's (2004), Community Capitals Framework posits that sustainable development—including entrepreneurship—relies on multiple forms of capital: social, cultural, human, financial, political, natural, and built. Social capital, for instance, refers to trust and networks that facilitate cooperation and access to resources. Cultural capital reflects the values, traditions, and symbols that influence behavior and innovation.

This theory is particularly relevant for analyzing how community structures and cultural heritage in North-Eastern Nigeria foster or limit entrepreneurial growth. It provides a holistic lens for understanding how resources embedded in culture and community can be harnessed for business development and resilience in the face of globalization. More also, this framework can as well be seen as critical tool in assessing how local entrepreneurs in North-Eastern Nigeria draw on communal relationships, traditional support systems (like the Igbo apprenticeship model), and cultural identities to create resilient business ventures in a globalized world.

Linguistic Relativity Theory (Whorf, 1956): Linguistic Relativity, or the Sapir-Whorf Hypothesis, suggests that language influences thought, perception, and behavior. In otherworld, the Linguistic Relativity Hypothesis, commonly known as the Sapir-Whorf Hypothesis, suggests that language influences thought and perception (Whorf, 1956). In advance entrepreneurial contexts, this theory emphasizes how language shapes market interaction, branding, and trust-building. The use of indigenous languages in business communications can strengthen local engagement, preserve cultural identity, and provide competitive advantages, conceptualization of business problems, customer relations, and marketing strategies in linguistically diverse markets such as Nigeria.

In multilingual societies (where multiple ethnic groups and languages coexist) such as North-Eastern Nigeria, the use of indigenous languages in business is a cultural and strategic act that enhances identity, trust, and local market penetration. This theory supports the idea that language is not only a communication tool but also a powerful cultural and economic asset in navigating global business environments.

Synthesis of Theories

Together, these theories offer a robust framework for understanding the complex interactions in this study:

- ✓ Hofstede helps analyze how cultural values influence entrepreneurial behavior in a global context.
- ✓ Flora & Flora of Community Capitals Framework provide insight into how communities serve as assets or constraints (i.e. local resources, traditions, and social networks support) in entrepreneurial development.
- ✓ Whorf (Linguistic Relativity Hypothesis) underscores the role of language as both an identity marker and a business resource (cognitive and cultural resource in entrepreneurship).

Together, they provide a comprehensive framework for understanding the dynamic interactions between globalization, entrepreneurship, and local identity factors.

Cultural Influence: Chinese culture emphasizes collectivism, hierarchy, respect for authority, and long-term orientation (Hofstede et al., 2010). These values foster business practices that prioritize stability, relational harmony, and incremental growth. The Confucian concept of guanxi—which refers to interpersonal networks and mutual obligations—plays a crucial role in facilitating access to resources, information, and business opportunities (Chen & Chen, 2004). Entrepreneurs rely heavily on trust-based relationships rather than formal contracts, especially in the early stages of business development.

Community Ties: Community networks in China, particularly family and clan-based associations, serve as key incubators for entrepreneurial activity. In rural areas, entire villages often pool resources to support local businesses, and migrant entrepreneurs frequently return to their hometowns to reinvest (Lin & Si, 2010). These social structures act as both support systems and informal regulatory mechanisms, reinforcing communal norms and economic cooperation.

Caste and regional communities act as strong business support systems. For example, the Marwari and Gujarati communities are well-known for intergenerational businesses that rely on family mentorship and cooperative finance (Khanna & Palepu, 2010). Social capital in India plays a significant role in mitigating institutional weaknesses.

Linguistic Dimensions: Language also plays a significant role in Chinese entrepreneurship. While Mandarin is the national language, regional dialects such as Cantonese, Shanghainese, and Hokkien are often used in localized business settings. These dialects strengthen intra-regional business solidarity and create niche markets. Moreover, proficiency in English is increasingly viewed as a valuable asset, especially for international trade and digital entrepreneurship (Zhao, 2022). Language thus operates both as a cultural anchor and a bridge to global markets.

In sum, the Chinese entrepreneurial ecosystem illustrates how deeply culture, community, and language can shape business practices. This contrasts with Western individualistic models and offers a compelling case for examining similar dynamics in African contexts, such as in North-Eastern Nigeria.

Cultural Influence: Indian entrepreneurship is rooted in values such as family loyalty, religiosity, and resilience. Hindu philosophical ideals (e.g., karma, dharma) often translate into ethical entrepreneurial behavior (Dana, 2000). Entrepreneurship is also closely tied to informal networks and traditional systems such as the bazaar economy, where negotiation and social embeddedness are key (Tambyah, 2021).

Language Use: India's multilingualism has both unifying and stratifying effects. Local entrepreneurs often use regional languages (e.g., Hindi, Tamil, Bengali) to build rapport and trust with customers, while English proficiency is a key asset in scaling ventures nationally or globally (Basu & Goswami, 2017). Code-switching is a common linguistic strategy in Indian business culture.

Nigerian Entrepreneurship: Nigeria presents a culturally rich but complex entrepreneurial environment shaped by ethnic diversity, religious pluralism, and socio-economic instability.

Cultural Influence: Entrepreneurship in Nigeria is often guided by ethnic identities, traditional values, and moral systems. Practices like communal savings (e.g., esusu or ajo) and mentorship within ethnic groups (e.g., the Igbo apprenticeship system) reinforce cultural continuity and business incubation (Onwuegbuzie, 2022).

Community Ties: Entrepreneurs draw heavily on extended family support, local cooperatives, and ethnic networks to access start-up capital, labor, and customers. In regions such as the North-East, where infrastructure is weak and formal institutions may be limited, community trust replaces formal contracts, similar to guanxi in China.

Language Use: Indigenous languages such as Hausa, Igbo, and Yoruba are central to marketing, customer engagement, and brand identity. These languages also foster loyalty and authenticity in local markets. Meanwhile, English serves as the lingua franca for national-scale and formal-sector business operations (Adegbija, 2004).

Comparative Insights:

Aspect	China	India	Nigeria
Cultural Values	Confucianism, hierarchy, long-term orientation	Family ethnics, caste identity, spirituality	Ethnic identity, collectivism, resilience
Community Role	Guanxi family networks	Caste-based support, family firms	Ethnic networks, cooperative
Language Use	Mandarin + dialects	Regional languages + English	Indigenous language + English
Globalization Strategy	Relational trust, export manufacturing	Informal sector + tech/ startup	Hustle economy, diaspora networks

Adopted from: Tambyah, M. (2021).

Conclusion and Recommendations

Conclusion

This conceptual exploration of Navigating Globalization through Entrepreneurship: The Role of Community, Language, and Culture underscores the transformative power of local identity in a globalizing world. The paper demonstrates that entrepreneurship in regions like North-Eastern Nigeria does not operate in isolation from cultural, linguistic, and communal contexts, culture and language also influences their entrepreneurship drive. Social aspects serve as strategic tools that allow entrepreneurs to be adaptive, resilient, and globally relevant to business models.

The comparative analysis between China, India, and Nigeria illustrates that the synergy of language, community support, and cultural wisdom offers entrepreneurs both protection from global shocks and pathways to seize new market opportunities. In essence, local genuineness and global ambition can co-exist, and when balanced, they can fuel sustainable entrepreneurial growth even in marginalized regions.

Recommendations:

1. **Policy Recommendation:** Policy makers should **i**ntegrate cultural and linguistic education into entrepreneurship programs**.** Local governments and development agencies should also include cultural literacy and multilingual training into entrepreneurship curricula. This will enable entrepreneurs to navigate both local and international markets effectively.
2. **Strengthening Community-Based Entrepreneurial Networks.** Community groups, cooperatives, and professional associations should foster mentorship schemes, communal savings pools, and business alliances that respect indigenous practices while promoting global competitiveness.

3. **Encouraging Bilingual and Multilingual Business Practices.** Entrepreneurs should be incentivized to adopt both indigenous languages and global languages (such as English) in branding, marketing, and client relations. This will improve customer trust locally and enable market expansion internationally.
4. **Supporting Hybrid Business Models**. Policymakers and investors should promote hybrid entrepreneurship models that respect local customs while leveraging global digital tools, such as e-commerce and Fintech platforms.
5. **Continuous Research and Data Collection on Local Entrepreneurship Dynamics**. Academic institutions and research bodies should regularly study the evolving role of community, language, and culture in entrepreneurship, especially under globalization pressures, to inform evidence-based policy and practice.

References

Zenodo, A. (2023). A Case Study of Tera (Nymalti) Language of North-East, Nigeria. https://zenodo.org/records/13369375.

Adegbija, E. (2004). Language attitudes in West Africa. *International Journal of the Sociology of Language*, 170, 29–43. https://doi.org/10.1515/ijsl.2004.021

Agbedo, C. U. (2024, November 26). Digital pathways for language and culture in parts of Nigeria. USAfricaOnline. https://usafricaonline.com/2024/11/26/digital-pathways-for-language-and-culture-in-parts-of-nigeria-by-chris-agbedo/

Basu, R., & Goswami, A. (2017). Language and entrepreneurship in India: The role of English. *International Journal of Entrepreneurial Behavior & Research*, 23(1), 133–150. https://doi.org/10.1108/IJEBR-03-2015-0056

Chen, X. P., & Chen, C. C. (2004). On the intricacies of the Chinese guanxi: A process model of guanxi development. *Asia Pacific Journal of Management*, 21(3), 305–324. https://doi.org/10.1023/B:APJM.0000036465.19102.d5

Dana, L. P. (2000). Creating entrepreneurs in India. *Journal of Small Business Management*, 38(1), 86–91.

Dicken, P. (2022). Global shift: Mapping the changing contours of the world economy (8th ed.). Guilford Press.

Elumelu, T. (2023, November 15). Why youth entrepreneurs are key to tackling climate change in Africa. TIME. https://time.com/7093611/youth-entrepreneurs-climate-action-africa/

Etim-James, G., & Omini, U. U. (2024). The impact of globalization on Nigerian culture and language: A study of Ekid language. *Journal of Public Administration and Governance Research*, 2(2), 22–28. https://jpapgr.com/index.php/research.

Flora, C. B., & Flora, J. L. (2004). Rural communities: Legacy and change (2nd ed.). Westview Press.

Global Entrepreneurship Monitor. (2023). Global report 2023/24: Opportunity amid uncertainty. https://www.gemconsortium.org/report.

Hofstede, G. (1980). Culture's consequences: International differences in work-related values. Sage.

Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). Cultures and organizations: Software of the mind (3rd ed.). McGraw-Hill.

Khanna, T., & Palepu, K. (2010). Winning in emerging markets: A road map for strategy and execution. Harvard Business Press.

Lin, N., & Si, D. (2010). Social networks and Chinese entrepreneurship: The role of family, community, and social capital. *Journal of Chinese Entrepreneurship*, 2(1), 46–59. https://doi.org/10.1108/17561391011019054

Obasi, N. C. (2023). The Igbo apprenticeship system and its relevance in modern entrepreneurship. *African Journal of Indigenous Business*, 15(1), 45–58.

Okafor, C. O., & Eze, P. N. (2023). Globalization and African culture: The Nigerian experience. Global *Journal of Management and Business Research*, 23(5), 1–10. https://journalofbusiness.org/index.php/GJMBR/article/view/3119.

Onwuegbuzie, H. (2022). The Igbo apprenticeship system and economic resilience in Nigeria. *African Journal of Management*, 8(2), 119–136.

Tambyah, M. (2021). India's bazaar economy and entrepreneurial spirit. Asian Business & Management, 20(4), 435–454.

Whorf, B. L. (1956). Language, thought, and reality: Selected writings of Benjamin Lee Whorf. MIT Press.

Zhao, Y. (2022). English proficiency and digital entrepreneurship in China's globalizing economy. Asian Business & Management, 21(1), 1–21. https://doi.org/10.1057/s41291-021-00171-9

MODERATING ROLE OF ENTREPRENEURSHIP MOTIVATION IN KADUNA STATE

[1]Rufos Yemisi OLUWAJUYIGBE, [2]M. I. AMINU PhD & [2]Ladan SAHNUN PhD

[1,2,3]Department of Business Administration, Ahmadu Bello University, Zaria
[1]oluwajuyigbe@gmail.com/[1]+23480237841

Abstract

This study examined entrepreneurship training, skill acquisition, on Small and Medium Enterprises SME performance through a moderating role of entrepreneurial motivation in Kaduna State, Nigeria. A structured quantitative methodology was employed, involving data collection from 204 SME owners through a validated questionnaire. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to assess the hypothesized interactions. The results indicate that both entrepreneurship training and skill acquisition have statistically significant positive impacts on SME performance. However, entrepreneurial motivation was not found to significantly moderate the influence of these variables on performance. Despite the non-significant moderating role, the model demonstrated strong predictive power, accounting for 61% of the variance in SME performance. The findings underscore the need for sustained investments in entrepreneurial training and skills development, complemented by motivational components that can foster deeper commitment and enhance long-term productivity. The study recommends policy frameworks that integrate technical competencies with psychological empowerment strategies to support SME growth in regional economies.

Keywords: Entrepreneurial Motivation, Entrepreneurship Training, Kaduna State, Skill Acquisition, SME Performance, PLS-SEM

Introduction

Performance of Small and Medium Enterprises (SMEs) in Nigeria remains a subject of concern despite their critical role in economic development, employment generation, and poverty alleviation. SMEs are faced with many challenges which leads to limited access to finance, inadequate infrastructure, weak managerial capacity, and low levels of innovation, which hinder their growth and sustainability (Abdulwasiu, 2024; Emele, 2025).

Inconsistent policy implementation, limited exposure to formal training, and poor adoption of modern business practices further exacerbate performance issues. While government and development partners have introduced various entrepreneurship training and skill acquisition programs to boost SME productivity, the outcomes remain uneven due to differences in individual competencies and motivational levels (Jacob, Abbah, & Ahmed, 2024; Nuel & Chika, 2022). Hence, enhancing the performance of SMEs in Nigeria mostly necessitates the need for a more combined and cohesive methodology that sees both technical support, and motivational drivers are tailored to local contexts.

Small and Medium Enterprises (SMEs) are critical to the socio-economic development of emerging economies such as Nigeria. They contribute significantly to employment generation, income distribution, innovation, and the reduction of poverty. In Kaduna State, driving local development SMEs play a vital role. However, their performance falls short often basically due to inadequate training, insufficient entrepreneurial skills, and inconsistent motivation (Jacob, Abbah, & Ahmed, 2024; Umar, Okafor, & Nweke, 2022). Recognizing this, policymakers and institutions have initiated entrepreneurship training and skill acquisition programs aimed at enhancing the capabilities and competitiveness of SME operators. Entrepreneurship training provides practical knowledge and managerial techniques, while skill acquisition equips entrepreneurs with hands- on competencies essential for day-to-day operations and innovation (Abdulwasiu, 2024; Obananya, 2022).

However, the effectiveness of these interventions is not uniform across all SME participants. The one serious factor that is likely to effect the success of training and skill acquisition programs is entrepreneurial motivation. Motivation influences how entrepreneurs apply acquired skills and knowledge, pursue business goals, and respond to challenges (Caliendo, Kritikos, & Stier, 2023; Fazal et al., 2022). Highly motivated entrepreneurs with intrinsic or extrinsic emotion are likely to leverage training and skills for superior performance outcomes (Lingappa, Rodrigues, & Shetty, 2024). Hence, understanding the moderating role of entrepreneurial motivation becomes essential in explaining variations in SME performance, particularly within Kaduna State’s unique socio-economic environment.

Despite increased investment in entrepreneurship training and skill acquisition programs in Nigeria, the performance of SMEs, especially in Kaduna State, remains suboptimal. Many entrepreneurs still struggle with productivity, sustainability, and competitiveness, raising questions about the effectiveness of these interventions (Emele, 2025; Akinola et al., 2023). Entrepreneurship training, skill acquisition, and SME performance have been said to have significant effects by prior studies (Nuel & Chika, 2022; Egele, 2021). Moreover, studies have often overlooked the individual-level psychological factors, particularly entrepreneurial motivation, which may influence how effectively entrepreneurs utilize acquired skills and training. Without accounting for this moderating variable, the impact of capacity-building programs may appear inconsistent or weak.

Entrepreneurial motivation whether driven by necessity, opportunity, or personal ambition has been shown to significantly affect performance outcomes (Fazal et al., 2022; Erlangga et al., 2022) Yet, there is a research gap in understanding how this motivation interacts with entrepreneurship training and skill acquisition in influencing SME success in a localized context like Kaduna State. This study seeks to fill this gap by investigating whether the relationship between training, skill acquisition, and SME performance will be strengthened or weakened by entrepreneurial motivation the relationship between. The result from this study is expected to be crucial for informing more tailored and effective entrepreneurship development policies and programs in Kaduna and similar regions.
The following research questions are guide to this study

i. Does entrepreneurship training have effect on SMEs performance in Kaduna State?

ii. Does skill acquisition have effect on SMEs performance in Kaduna State?
iii. Does entrepreneurial motivation moderate the relationship between entrepreneurship training and SMEs performance in Kaduna State?
iv. Does entrepreneurial motivation moderate the relationship between skill acquisition and the SMEs performance in Kaduna State?

Literature Review

Entrepreneurship training is widely recognized as an essential mechanism for enhancing SME outcomes, especially in developing economies where resource constraints limit growth potential. Such training initiatives aim to strengthen entrepreneurs' strategic, financial, and operational capabilities skills critical for sustainability and growth (Jacob, Abbah, & Ahmed, 2024; Nuel & Chika, 2022). In Nigeria, government and donor-led programs have introduced numerous entrepreneurship development schemes, yet the observed impact remains inconsistent across beneficiaries (Ogabo et al., 2022). This disparity may stem from individual differences in motivation, preparedness, or access to ongoing support systems.

Similarly, acquiring practical business skills is fundamental to SME competitiveness. These skills-ranging from financial literacy and marketing to supply chain management-play a pivotal role in ensuring effective daily operations (Emele, 2025; Obananya, 2022). Prior studies highlight the importance of vocational and managerial training in enabling entrepreneurs to better respond to market shifts and operational challenges (Akinola et al. 2023; Udodiugwu 2022). Nonetheless, without the right motivational orientation, the application of these skills may remain superficial, thus limiting performance outcomes.

Entrepreneurial motivation has emerged as a crucial psychological variable that can shape entrepreneurial success. Motivation can originate internally such as from a sense of passion or personal fulfilment or externally, driven by goals like financial success or societal recognition (Caliendo, Kritikos, & Stier, 2023; Fazal et al., 2022). Motivated entrepreneurs are more inclined to engage in risk-taking, actively pursue knowledge, and apply their learning to business strategies (Lingappa, Rodrigues, & Shetty, 2024; Erlangga et al., 2022). Therefore, motivation functions not just as a direct driver of SME performance but also as a potential moderator that can intensify or diminish the impact of external inputs like training and skills.

Growing empirical evidence suggests that entrepreneurial motivation significantly influences how resources like training and skill acquisition translate into business success. Findings suggest that the effectiveness of training and education on business outcomes is greatly influenced by the motivational disposition of entrepreneurs (Abdullahia, 2025:& Negeri, Wakjira, and Kant, 2023). Highly motivated entrepreneurs tend to demonstrate greater commitment to long-term goals and a higher likelihood of translating acquired competencies into actionable strategies. In contrast, individuals lacking motivation may underutilize available resources, thereby reducing the overall efficacy of support programs. However, limited empirical work in Nigeria-particularly in localized contexts like Kaduna State-explores this moderating effect, underscoring the importance of the current study in bridging this gap.

Relationships between Entrepreneurship Training, Skill Acquisition, Entrepreneurial Motivation and SME Performance

Entrepreneurship training have a foundational role in improving SMEs it provides a critical knowledge in areas such as strategic planning, financial literacy, and operational efficiency. Several studies have established a significant outcome on entrepreneurship and SME performance, including higher productivity, profitability, and sustainability (Jacob, Abbah, & Ahmed, 2024; Nuel & Chika, 2022). Training enhances entrepreneurs' decision-making abilities and equips them with the tools to navigate market challenges. However, the effectiveness of such training depends not only on the quality of content delivered but also on the entrepreneur’s capacity and willingness to apply the acquired knowledge a factor often influenced by internal motivation.

Skill acquisition is another vital driver of SME performance. It involves the practical development of competencies necessary for daily business operations, such as product design, customer service, inventory management, and digital marketing. Studies have confirmed a significant effect on skill acquisition and SME performance, it further posits that entrepreneurs with a diverse set of skills are more adaptive, innovative, and competitive in the marketplace (Emele, 2025; Akinola et al., 2023). Obananya (2022) in his findings he posits that entrepreneurs that continuously acquire relevant business skills experience improvements in service delivery, customer satisfaction, and income generation. Nonetheless, like entrepreneurship training, the impact of skill acquisition may be limited if entrepreneurs lack the drive or motivation to use their skills effectively.

Entrepreneurial motivation whether intrinsic (such as personal satisfaction or passion) or extrinsic (such as profit or social recognition) is critical in determining how well entrepreneurs respond to training and utilize their skills. Motivation acts as the internal force that directs behavior, sustains effort, and influences how knowledge is transformed into practice (Fazal et al, 2022; Caliendo, Kritikos, & Stier, 2023). Entrepreneurs that are motivated embrace innovation, seek out learning opportunities, and apply their skills in practical and strategic ways. In contrast, low motivation can hinder the translation of training and skill acquisition into tangible performance outcomes. This makes entrepreneurial motivation not only influences SME performance but also as a moderating variable that can amplify or weaken the relationship.

Research indicates that entrepreneurial motivation significantly moderates the relationship between training, skill acquisition, and SME performance. For instance, Abdullahia (2025) and Negeri, Wakjira, and Kant (2023) found that highly motivated entrepreneurs benefited more from training and skill-building programs than their less motivated counterparts. Motivation enhances the entrepreneur’s commitment to continuous learning, the implementation of business strategies, and long-term goal setting. This moderating role is especially important in developing regions like Kaduna State, where socio-economic challenges may affect how entrepreneurs perceive and apply external support. Thus, understanding and leveraging entrepreneurial motivation is essential for maximizing the impact of entrepreneurship development initiatives on SME performance.

Empirical Review

Empirical studies consistently support the idea that entrepreneurship training and skill acquisition significantly influence the performance of SMEs. For instance, Jacob, Abbah, and Ahmed (2024) found that structured training programs improved business growth and profitability among SMEs in North-Central Nigeria, emphasizing that entrepreneurial education enhances both technical know-how and strategic thinking. Similarly, Emele (2025) and Nuel and Chika (2022) confirmed that entrepreneurs exposed to training opportunities, tends to exhibit better management practices and financial performance. Obananya (2022) and Ogabo et al.. (2022) also reported that exposure to entrepreneurship education and skills acquisition among students and SME operators has resulted in increased confidence, innovation, and business viability. Hence, the result shows that entrepreneurial training and acquisition are foundational drivers of better SME performance.

Additionally, training and skills acquisition are significant that have proven to be critical in shaping entrepreneurial behavior and outcomes. Caliendo, Kritikos, and Stier (2023) demonstrated that start up motivation whether necessity-driven or opportunity-driven has significant effect on performance levels of entrepreneurs, with opportunity-driven entrepreneurs typically achieving direct impact on better outcomes. Fazal et al., (2022) further emphasized that both entrepreneurial motivation and competencies significantly contribute to micro-enterprise sustainability, especially in emerging economies. Similarly, Erlangga et al., (2022) and Fehintola (2023) highlighted that motivation enhances goal-setting behavior, effort persistence, and the application of acquired skills in real-world business operations. These studies have collectively suggested that entrepreneurial motivation serves not only as an independent driver of performance but also as a factor that can enhance the effect of entrepreneurship training and skill acquisition.

Empirical evidence also points to the moderating role of entrepreneurial motivation in enhancing the effects of training and skills on SME performance. Abdullahia (2025), for example, found that the quality of education management moderated the relationship between entrepreneurship skills and sustainable development, implying that contextual and internal factors (like motivation) influence outcomes. Negeri, Wakjira, and Kant (2023), through a meta-analysis, identified motivation as a crucial moderating factor between entrepreneurial skills and business performance, particularly when strategic leadership is involved. Likewise, Lingappa, Rodrigues, and Shetty (2024) observed that female entrepreneurs with high motivation to learn and strong competencies outperformed their peers in both opportunity and necessity driven contexts. This line of research indicates that entrepreneurial motivation shows significant strengthen on entrepreneurship training and skill acquisition and SME success. Hence, motivation must be considered a strategic factor in designing entrepreneurship development programs in regions such as Kaduna State.

Theoretical Framework

This study is anchored on the Resource-Based View (RBV) of the firm by Barney,(1991), a strategic management theory that posits that organizations achieve and sustain competitive advantage by effectively acquiring and utilizing valuable, rare, inimitable, and non-substitutable (VRIN) internal resources. In SME environment, resources such as knowledge, abilities, competencies, and entrepreneurial capacity, are cultivated through programs focused on entrepreneurship training and skill development. The RBV asserts that when SMEs develop internal resources such as specialized skills and strategic knowledge through capacity-building initiatives, they are better positioned to achieve superior performance and long-term sustainability (Sakib et al., 2022; Abdulwasiu, 2024). Hence, entrepreneurship training and skill acquisition can be viewed as critical internal resources that contribute to firm performance by enhancing innovation, operational efficiency, and adaptability to market dynamics.

However, the RBV is with the view that the possession of resources that leads to competitive advantage, lies on the effective ways these resources are mobilized and utilized. Hence, entrepreneurial motivation is seen as a behavioural and psychological enabler, thus entrepreneurs are more likely to utilize the skills acquired and knowledge in a more productive ways that enhance business performance. According to Caliendo, Kritikos, and Stier (2023), entrepreneurial motivation determines the level of commitment, persistence, and strategic thinking applied in running a business, especially in uncertain environments. From the RBV lens motivation can be seen as a leveraging mechanism that enhances the utility of internal resources like training and skills. Therefore, this study applies the RBV to examine how entrepreneurship training and skill acquisition (resources) influence SME performance, and how entrepreneurial motivation moderates this relationship by enabling the optimal use of those resources within SMEs in Kaduna State.

Materials and Method

This study adopted a quantitative research design to examine the effect of entrepreneurship training, skill acquisition, and SME performance through the moderating role of entrepreneurial motivation in Kaduna State, Nigeria. Quantitative approach was applied for this study to measure variables and test the hypothesised relationship using statistical tools. The study population comprised of registered SME owners across the three senatorial zones of Kaduna State. Given the dispersed nature of the population, a multistage sampling technique was employed. Firstly, stratified sampling was applied to ensure proportional representation, and then random sampling was applied to select participants within each stratum. The sample size was determined using Krejcie and Morgan's formula, resulting in 300 respondents, ensuring reliability and generalizability of findings.

Data were collected using a structured questionnaire developed based on validated instruments from existing literature. Items measuring entrepreneurship training and skill acquisition were adapted from studies such as those by Akinola et al. (2023), Ogabo et al. (2022), and Jacob et al. (2024). Entrepreneurial motivation was measured using constructs from Fazal et al. (2022) and Caliendo et al. (2023), focusing on intrinsic and extrinsic motivation dimensions. SME performance was assessed using both financial (e.g., profit growth, revenue) and non-financial (e.g., innovation, customer retention) indicators as drawn from Abdulwasiu (2024) and Emele (2025). The questionnaire employed a 5-point Likert scale ranging from "strongly disagree" to "strongly agree." The researcher conducted a pilot study among 30 SME owners outside the selected sample to ensure reliability and validity of the items, ensuring the acceptable threshold of 0.7 and above.

Statistical Package for Social Science (SPSS) was applied for preliminary analysis and SmartPLS. We conducted descriptive statistics to summarize the demographic data and general trends, while inferential statistics was applied for multiple regression and moderation analysis were employed in testing the hypotheses. Specifically, the moderation effect of entrepreneurial motivation was tested using hierarchical regression model. The outcome was accepted based on 5% significance level. This methodological approach enabled the study to not only determine the direct effects of entrepreneurship skill acquisition and training on SME performance is also to understand how entrepreneurial motivation shapes these relationships.

Results and Discussions

Out of the 300 questionnaires administered to SME owners across Kaduna State, 204 were correctly filled and returned, resulting in 68% response rate. Among the respondents, 59% were male and 41% female, reflecting the growing participation of women in entrepreneurial activities within the region. 45% of the respondents were between the ages of 31 and 40, followed by those aged 21–30 (30%), indicating a predominantly youthful entrepreneurial base. In terms of educational background, 60% held tertiary education qualifications, while 28% had completed secondary education, and the remaining 12% had only primary education or informal training. Sector-wise, the respondents were drawn from various industries, including trade (35%), services (30%), manufacturing (20%), and agriculture (15%), providing a diverse representation of SMEs in the state.

Assessment of Path Model

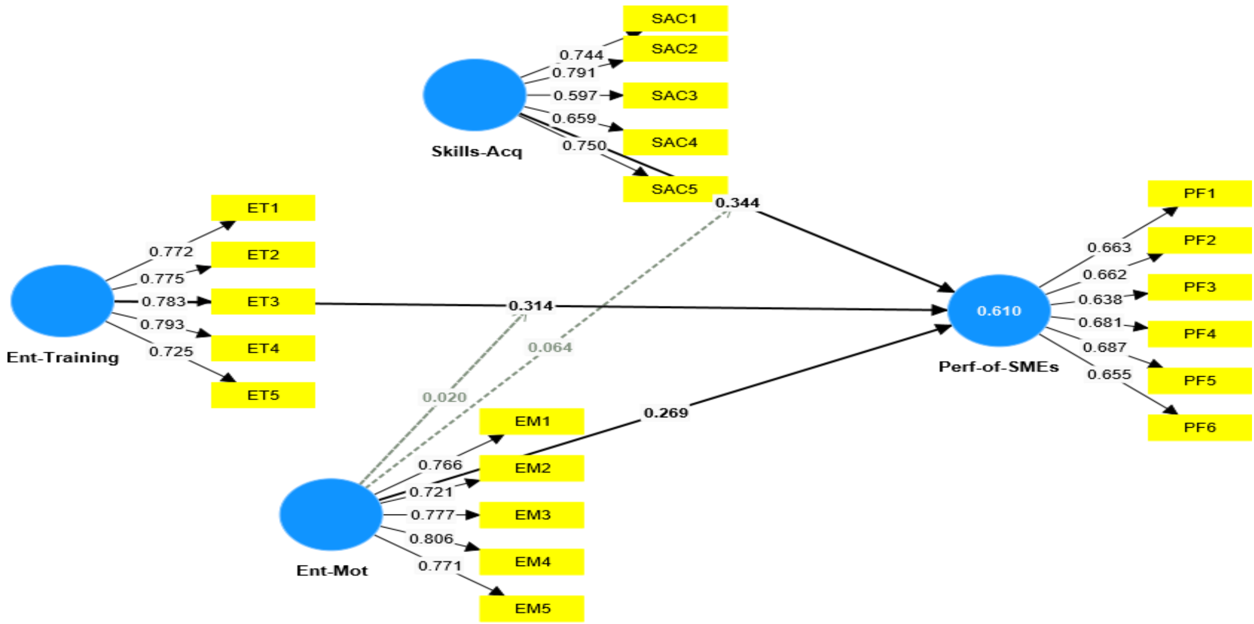


Figure 1 Path Model

Table 1 Loadings and Internal Consistency

Items	Loadings	CR	AVE
EM1	0.766	0.789	0.534
EM2	0.721		
EM3	0.777		
EM4	0.806		
EM5	0.771		
ET1	0.772	0.723	0.573
ET2	0.775		
ET3	0.783		

ET4	0.793		
ET5	0.725		
PF1	0.663	0.712	0.567
PF2	0.662		
PF3	0.638		
PF4	0.681		
PF5	0.687		
PF6	0.655		
SAC1	0.744	0.812	0.622
SAC2	0.791		
SAC3	0.597		
SAC4	0.659		
SAC5	0.75		

Table 1 presents the factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE) for the constructs used in the study Entrepreneurial Motivation (EM), Entrepreneurship Training (ET), Performance (PF), and Skill Acquisition (SAC). All item loadings exceeded the acceptable threshold of 0.60, indicating good indicator reliability. The CR values for EM (0.789), ET (0.723), PF (0.712), and SAC (0.812) all surpassed the minimum requirement of 0.70, confirming construct validity and reliability. Similarly, the AVE values for EM (0.534), ET (0.573), PF (0.567), and SAC (0.622) exceeded the 0.50 threshold, demonstrating that the constructs captured more variance from their indicators than error, and therefore met the criteria for convergent validity. These results confirm the validity and reliability of the measurement model for structural analysis.

Table 2: HTMT Criterion

Ent-Mot		Ent- Training	Perf-of-SMEs	Skills-Acq	Ent-Mot x Skills-Acq	Ent-Mot x Ent- Training
Ent-Mot						
Ent-Training	0.801					
Perf-of-SMEs	0.812	0.846				
Skills-Acq	0.798	0.744	0.688			
Ent-Mot x Skills-Acq	0.577	0.36	0.413	0.623		
Ent-Mot x Ent-Training	0.564	0.419	0.377	0.417	0.481	

Table 2 presents the Heterotrait-Monotrait Ratio (HTMT). HTMT shows a values below the recommended threshold of 0.85, indicating that each construct is empirically distinct from the others. For instance, the HTMT value between Entrepreneurial Motivation (Ent-Mot) and Entrepreneurship Training is 0.801, and between Ent-Mot and Performance of SMEs, it is 0.812, both within acceptable limits. Similarly, the interaction terms—Ent-Mot x Skills Acquisition and Ent-Mot x Ent-Training—show relatively lower HTMT values with other constructs, such as 0.577 and 0.564 respectively with Ent-Mot, further affirming discriminant validity. These results confirm that the latent constructs used in the model are well differentiated. Thus, below shows the structural model

Structural Model

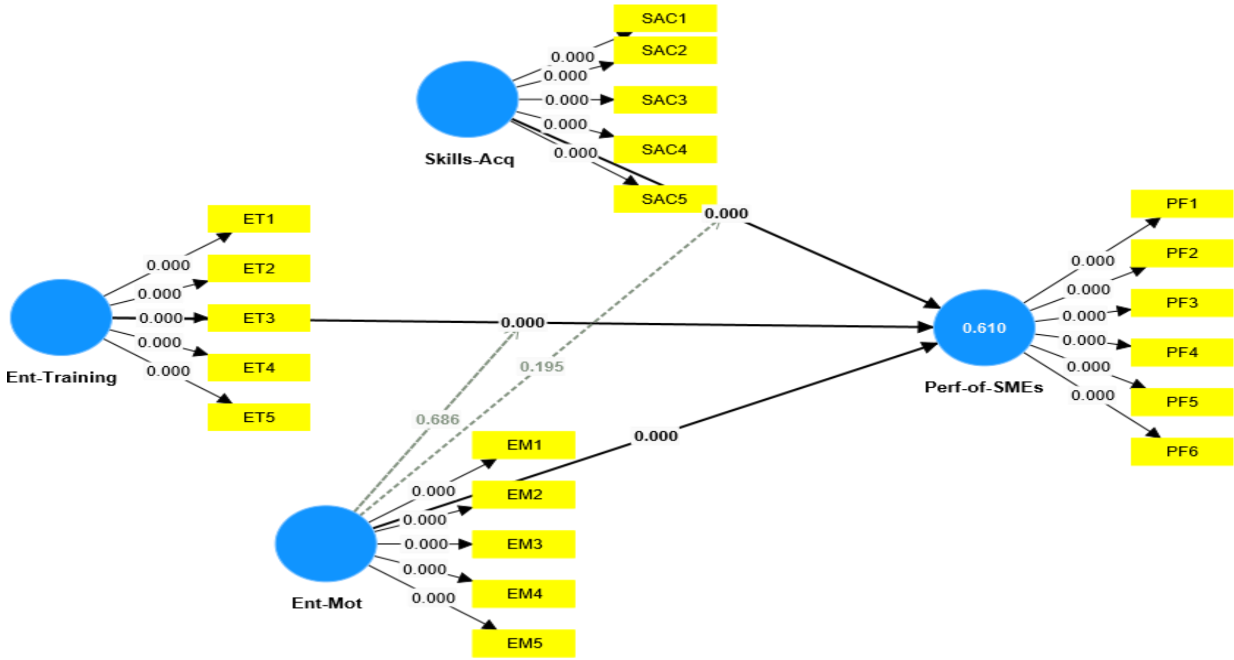


Figure 2 Structural Model

Table 3: Test of Hypotheses

	Beta	mean	STDE V	T stat	P values	Decision
Ent-Training -> Perf-of-SMEs	0.314	0.316	0.054	5.814	0.000	Supported
Skills-Acq -> Perf-of-SMEs	0.344	0.351	0.056	6.164	0.000	Supported
Ent-Mot x Ent-Training -> Perf-of-SMEs	-0.020	0.013	0.050	0.404	0.686	Not Supported
Ent-Mot x Skills-Acq -> Perf-of- SMEs	0.064	0.063	0.049	1.299	0.195	Not Supported

R2 0.610

The results from Table 3 above show the outcomes of the hypothesis testing using structural path analysis. Entrepreneurship training has shown a significant effect on SME performance in Kaduna State, with a β value of 0.314, T-statistic of 5.814, and p-value of 0.000. Similarly, skill acquisition was also found to have a statistically significant with a (β = 0.344, T = 6.164, and p value = 0.000), indicating that practical skills in areas such as production, customer service, and financial control contribute significantly to enterprise growth and efficiency.

However, the results for the moderating role of entrepreneurial motivation were not statistically significant. The interaction term Entrepreneurial Motivation × Entrepreneurship Training showed a very weak effect with a (β = 0.020, T value of= 0.404, and p value= 0.686), suggesting that entrepreneurial motivation did not significantly strengthen the effect on training and SME performance. Similarly, Entrepreneurial Motivation × Skill Acquisition also failed to demonstrate a significant moderating effect ($\beta = 0.064$, $T = 1.299$, $p = 0.195$). It implies that entrepreneurial motivation may be beneficial in its own right, it has dampen the relationships between training, skills, and SME performance within the context of this study.

Despite the insignificant moderating effects, the model performed well, with R^2 stand at 0.610, indicating that the combination of entrepreneurship training, skill acquisition, and the interaction terms explain 61% variance in SME performance. It indicate that training and skills are strong predictors of business performance among SMEs in Kaduna State. While entrepreneurial motivation was not a significant moderator, it remains important for future researchers to explore, especially when considered as a direct predictor or when tested in different regional or sectoral contexts.
Practical Implications

This study offer key practical implications for policymakers, training institutions, and SME development agencies. Specifically, the strong positive influence of entrepreneurship training and skill acquisition on SME performance suggests that continued investment in structured, context-specific capacity-building programs can significantly enhance enterprise growth and sustainability in Kaduna State. Policymakers should prioritize scalable training modules that integrate both managerial and technical skills, as supported by Jacob et al. (2024) and Akinola et al. (2023), who found that well-designed training programs directly improve SME profitability and operational efficiency. Moreover, given the non-significant moderating effect of entrepreneurial motivation, practitioners should consider motivation as a foundational input rather than a conditional factor embedding motivational content into training curricula could increase participant engagement and long term commitment, as highlighted by Fazal et al., (2022) and Caliendo et al. (2023). These practical concepts are designed for effective entrepreneurship development programs that is directly translated into improved business outcomes.

Conclusion and Recommendations

Conclusion

This study investigated the moderating role of entrepreneurial motivation in the relationship between entrepreneurship training, skill acquisition, and the performance of SMEs in Kaduna State. The findings revealed that both entrepreneurship training and skill acquisition have significant positive effects on SME performance, affirming the importance of knowledge and practical competence in business success. However, entrepreneurial motivation did not significantly moderate these relationships, suggesting that while motivation is important, it does not necessarily enhance or weaken the impact of training and skills on performance within the sampled population. The study concludes that building the capacity of SME owners through targeted training and skill development remains a critical driver of enterprise growth and sustainability in the region. Nonetheless, motivational elements should not be neglected, as they play an indirect role in shaping entrepreneurial attitudes and long-term commitment.

Recommendations

1. Government agencies and development partners should increase access to structured entrepreneurship training that is practical, localized, and tailored to the needs of SMEs. This will improve managerial efficiency, strategic planning, and business innovation, ultimately leading to improved SME performance, as supported by Jacob et al. (2024) and Nuel & Chika (2022).
2. Skill acquisition programs should be coupled with mentorship and real-life business simulations to reinforce learning and increase applicability. Empirical evidence from Akinola et al. (2023) and Emele (2025) shows that experiential learning has a higher impact on performance when entrepreneurs are in a supportive environment. Although the moderation has shown insignificance, it remains crucial for personal drive and persistence.
3. Training modules should include motivational content such as goal-setting, self-efficacy development, and entrepreneurial success stories, which are known to improve learner engagement and business commitment (Fazal et al., 2022; Caliendo et al., 2023).
4. Policymakers should design and implement SME programs that will promote continuous upskilling, through grants and incentives for those investing in workforce development, thereby institutionalizing learning as a pillar of SME success in Kaduna State and beyond.

Limitation of the Studies

Limitation of the study, is cross-sectional design, which captures data at a single point in time and therefore cannot establish causality between entrepreneurship training, skill acquisition, motivation, and SME performance. Additionally, the study focused solely on SMEs within Kaduna State, and limits the generality of the findings to other regions with different economic and cultural conditions. The reliance on self- reported data may also introduce response bias, particularly in measuring subjective variables like motivation and performance. Researchers should explore longitudinal research to track changes over time and assess long-term impacts of entrepreneurship interventions. Other moderating or mediating variables should be explored such as entrepreneurial orientation, access to finance, or digital literacy to provide a more holistic understanding of the factors influencing SME performance across different Nigerian states or sectors.

References

Abdullahia, N. J. K. (2025). Entrepreneurship Skills and Sustainable Development: The Moderator Effect of Education Quality Management. *Journal of Sustainable*, 2(1), 8-22.

Abdulwasiu, A. A. (2024). Entrepreneurial competencies and performance of small and medium enterprises in kwara state. *FULafia International Journal of Business and Allied Studies*, 2(3), 270-288.

Akinola, E. T., Laosebikan, J. O., Akinbode, J. O., Afolabi, F. O., & Olamiti, A. O. (2023). Youth Empowerment Programmes through Entrepreneurial Skills Acquisition for Self-Reliance in Ondo State, Nigeria: An Appraisal. *International Journal of Professional Business Review: Int. J. Prof. Bus. Rev.*, 8(11), 8.

Caliendo, M., Kritikos, A. S., & Stier, C. (2023). The influence of start-up motivation on entrepreneurial performance. *Small Business Economics*, 61(3), 869-889.

Egele, A. C. (2021). Skills acquisition in business education and career performance of self-employed graduates of B. Sc (ed.) in Kano State, Nigeria. Policy making, 898.

Erlangga, H., Purwanti, Y., Setiawati, T., Hindarsah, I., & Riadi, F. (2022). The Role of Entrepreneur Characteristics and Entrepreneur Motivation has a significant effect on SMEs' Business Performance during Digital Era. *International Journal of Artificial Intelegence Research*, 6(1).

Emele, E. A. (2025). Entrepreneurship Skills and Performance of Small and Medium Enterprises (SMEs) In South-East, Nigeria.

Fazal, S. A., Al Mamun, A., Alshebami, A. S., Muniady, R., Ali, M. H., Al Shami, S. S. A., ... & Algobaei, F. (2022). Entrepreneurial motivation, competency and micro-enterprise sustainability performance: Evidence from an emerging economy. Sustainability, 14(19), 12615.

Fehintola, V. A. (2023). Goal-setting and relational intelligence training in fostering entrepreneurial motivation and organisational success among small-scale business owners in Ibadan, Nigeria (Doctoral dissertation).

Gallant, N. D., Amadi-Echendu, A. P., & Esterhuyzen, E. (2025). Exploring SME owners' motivation to learn and acquire new skills for the adoption of e-commerce. *The Southern African Journal of Entrepreneurship and Small Business Management*, 17(1), 12.

Jacob, A. P., Abbah, J., & Ahmed, A. I. (2024). Effect of training on performance of smes in north central, Nigeria. *FULafia International Journal of Business and Allied Studies*, 2(4), 145-163.

Lingappa, A. K., Rodrigues, L. L. R., & Shetty, D. K. (2024). Performance differentials of necessity and opportunity entrepreneurs: Through the lens of motivation to learn and female entrepreneurial competencies. *Journal of Entrepreneurship in Emerging Economies,* 16(1), 159- 187.

Negeri, D. D., Wakjira, G. G., & Kant, S. (2023). Meta analysis of entrepreneurial skill and motivation on business performance: Mediating role of strategic leadership in SME sector of Ethiopia. *International Journal of Management and Digital Business*, 2(1), 1-13.

Nuel, O. I. E., & Chika, A. C. (2022). Uncovering the relationship between entrepreneurship training on business growth among SMEs in Southeast Nigeria. *European Journal of Business and Management Research*, 7(1), 224-228.

Obananya, C. G. (2022). Skill Acquisition of Students and Entrepreneurship Education in Public Universities Anambra State, Nigeria. *International Journal of Business, Economics and Entrepreneurship Development in Africa*, 10(5), 146-162.

Ogabo, E. F, Ogbo A. I., Joshua, L. U., & Mani, P.S. (2022). Dynamics of entrepreneurship education and small and medium enterprises (SMEs) development in north central Nigeria. *DYNAMICS*, 5(2), 104-169.

Ojo, M. B., & Okwilagwe, E. A. (2024). Assessment of Entrepreneurship Education Knowledge Acquisition, Change of Attitude to Entrepreneurship and Skills Acquisition in Entrepreneurship Among University Undergraduates in South-Western Nigeria. *European Journal of Theoretical and Applied Sciences*, 2(1), 713-723.

Sakib, M. N., Rabbani, M. R., Hawaldar, I. T., Jabber, M. A., Hossain, J., & Sahabuddin, M. (2022). Entrepreneurial competencies and SMEs' performance in a developing economy. *Sustainability,* 1 4(20), 13643.

Udodiugwu, M. I. (2022). Entrepreneurship Skill Acquisition and Poverty Eradication in Rural Communities in Anyamelum Local Government Area, Anambra State, Nigeria. *International*

Journal of Business, Economics and Entrepreneurship Development in Africa journals@ arcnjournals. org, 205.

Umar, H. S. I., Okafor, I. J., & Nweke, O. I. (2022). Impact of NYSCS skill acquisition and entrepreneurship development programme on job creation in Abuja, Nigeria. *European Journal of Human Resource Management Studies*, 5(4).

Undiyaundeye, F. A., & Otu, E. A. (2022). Entrepreneurship skills acquisition and the benefits amongst the undergraduate students in Nigeria. *European Journal of Social Science Education and Research*, 9(1), 24-32.

Victor Barinua, O. L. A. R. E. W. A. J. U., & Olatokunbo, V. J. (2022). The impact of skill acquisition on entrepreneur development. *Saudi J Bus Manag Stud*, 7(5), 137-146

MODERATING ROLE OF STAKEHOLDER ENGAGEMENT ON THE EFFECT OF STRATEGIC ALIGNMENT AND FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS (DMB'S) IN NIGERIA

[1]Anthony Kolade Adesugba, [2] Salisu Umar, [3]Mohammed Zubairu & [4]Luka Mailafia

[1,2,3]Department of Business Administration, Ahmadu Bello University, Zaria
[4]Department of Accounting, Ahmadu Bello University, Zaria
koladeadesugba@yahoo.com

Abstract

This study examines the relationship between strategic alignment, stakeholder engagement, and financial performance within Deposit Money Banks (DMBs) in Nigeria. Using a quantitative research approach, data was collected from top managers of DMBs through a structured survey instrument. The analysis employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess the direct and moderated effects of strategic alignment and stakeholder engagement on financial performance. The findings reveal significant positive relationships between strategic alignment, stakeholder engagement, and financial performance. Moreover, stakeholder engagement was found to moderate the relationship between strategic alignment and financial performance positively. These results contribute to both theoretical understanding and practical implications for DMBs seeking to enhance their competitiveness and long-term sustainability in Nigeria's banking sector. The study recommendations that DMBs should invest in building robust stakeholder engagement frameworks that promote transparency, trust, and dialogue. This entails developing tailored communication strategies, establishing feedback mechanisms, and integrating stakeholder perspectives into strategic planning and execution. Furthermore, managers should recognize the strategic value of stakeholder engagement and empower employees at all levels to actively participate in relationship-building initiatives. Further, the study suggests for future studies to explore the enduring effects of strategic initiatives and stakeholder engagement on financial performance, as well as investigating contextual factors such as organizational culture and technological innovations in shaping these relationships.

Introduction

The performance of Deposit Money Banks (DMBs) in Nigeria is characterized by a mix of challenges and opportunities. Despite facing financial instability, stringent regulatory measures, and economic uncertainties, DMBs are also contending with technological disruption, increasing competition, and evolving customer expectations (Olannye, Orishede, & Okoh, 2023), and these factors exert pressure on DMBs' profitability, asset quality, and market positioning (Oyedokun, & Osho, 2023). However, DMBs have demonstrated resilience by adapting their strategies to align with market dynamics, investing in digital transformation to enhance operational efficiency and customer experience, and actively engaging with stakeholders to rebuild trust and reputation (Mogaji, & Nguyen, 2024).

Success in navigating these complexities hinges by the corporate governance structure of DMBs' with an ability to innovate, mitigate risks, and capitalize on emerging opportunities, ultimately driving performance in Nigeria's banking sector.The performance of Deposit Money Banks (DMBs) in Nigeria is influenced by a complex interplay of factors, with regulatory policies playing a significant role according to Emekaraonye, Dick, & Agu, (2024). The Central Bank of Nigeria (CBN) implemented measures aimed at consolidating government funds by closing over 20,000 accounts belonging to Ministries, Departments, and Agencies (MDAs) and other related government entities, transferring these funds into the Treasury Single Account (TSA) (CBN, 2018). This initiative, aimed at enhancing transparency, accountability, and liquidity management in the public sector, significantly impacted the liquidity positions of DMBs. By February 2017, a substantial amount totaling N5.244 trillion had been redirected from DMBs to the TSA, affecting their balance sheets and potentially constraining their ability to lend and invest (Alao, Sanyaolu, & Oyebade, 2024). This regulatory intervention underscores the importance of government policies in shaping the operational capacities and financial performance of DMBs in Nigeria.

Moreover, regulatory measures have been implemented to ensure financial stability, such that the liquidity ratio for banks has been set at 48.4%, while the Cash Reserve Ratio (CRR) stands at 32.5%. Additionally, the CBN, had on January 31, 2024, revised guidelines for the operations of International Money Transfer Operators (IMTOs). According to the new directives, the apex bank said operators will no longer facilitate money transfers from Nigeria to others countries (CBN, 2024). These regulatory changes and interventions by the CBN have reshaped the operating environment for Nigerian banks, requiring them to adapt their strategies and operations to comply with stricter governance standards and risk management practices. While these measures aim to enhance financial stability and reduce the reliance on public funds, they also pose challenges for DMBs in terms of profitability, liquidity management, and revenue generation. These regulatory measures implemented by the Central Bank of Nigeria have reshaped the operational landscape for Deposit Money Banks, emphasizing the need for adaptability and strategic maneuvering to maintain profitability amidst stringent governance standards and evolving market dynamics.

The banking industry in Nigeria faces additional challenges, exacerbated by various factors including the failure of the naira redesign policy, inefficiencies in the implementation of the cashless policy by the Central Bank of Nigeria (CBN), and a declining confidence in Deposit Money Banks (DMBs) among the populace. Currently, approximately 88 percent of cash remains outside the banking sector (CBN, 2023). The International Monetary Fund (IMF) projects that this trend will continue, with money outside the banking sector expected to reach N5.1 trillion by 2024 and N6.99 trillion by 2027 (World Bank, 2023; IMF, 2023).

The emergence of FinTech companies poses a significant threat to traditional Deposit Money Banks (DMBs) in Nigeria by offering innovative financial services that attract customers and erode market share. The recent granting of Payment Service Banking (PSB) licenses further intensifies this competition, signaling potential revenue losses for DMBs. As of 2024, the Nigerian banking sector remains financially unstable, with institutions like First Bank operating under regulatory forbearance for eight years and Union Bank’s rating driven by a low viability score. Challenges such as high credit concentration, weak loan quality, hyperinflation, currency volatility, and rising customer expectations have compounded the sector's fragility. These pressures, alongside rapid technological advancements, force DMBs to innovate rapidly to maintain profitability, efficiency, and asset quality amid ongoing disruption (Agrawal, Rose, & PrabhuSahai, 2024; Hassan et al., 2024; CBN, 2024; Elsaid, 2023).

In this context, the strategic alignment of DMBs has become increasingly crucial. Strategic alignment refers to the synchronization of an organization's activities and objectives with its overall strategic direction (Vinayavekhin, & Phaal, 2023). Given the dynamic and challenging environment in which Nigerian DMBs operate, it is essential for these institutions to align their strategies with the evolving market landscape, regulatory requirements, and customer expectations. Strategic alignment enables DMBs to effectively allocate resources, manage risks, and seize opportunities, thereby enhancing their competitiveness and resilience in the face of adversity (Beese, et al., 2023).

Stakeholder engagement has emerged as a critical determinant of Deposit Money Banks' (DMBs) performance in Nigeria, with stakeholders such as customers, employees, regulators, shareholders, and the broader community exerting significant influence on operations and reputation (Freeman, 2023). Meaningful and transparent engagement fosters trust, strengthens brand image, and aligns organizational goals with stakeholder interests (Freeman, Dmytriyev, & Phillips, 2021). It also enables DMBs to navigate regulatory challenges, respond to customer needs, and build long-term relationships that support sustainable performance (Sarpong et al., 2023). This study explores stakeholder engagement not only as a performance factor but also as a potential moderator, examining how active involvement of stakeholders may enhance or buffer the effects of strategic alignment on financial performance in Nigeria's banking sector.

In light of these considerations, this study argues that strategic alignment and stakeholder engagement are critical drivers of DMB performance in Nigeria. Aligning their strategies with market dynamics can improve the performance of DMBs, and capitalize on opportunities to achieve sustainable growth and value creation. Consequently, understanding the interplay between strategic alignment, stakeholder engagement, and DMB performance is essential for policymakers, regulators, investors, and industry stakeholders seeking to foster a resilient and vibrant banking sector in Nigeria.

Therefore, the study aims to investigate the moderating effect of stakeholder engagement on the effect of strategic alignment and financial performance of DMBs in Nigeria. And it's guided by the following hypotheses.

Literature Review

The Literature Review sub-section provides a comprehensive overview of existing research, theoretical frameworks, and empirical findings relevant to the study's objectives. This section synthesizes key concepts and debates surrounding strategic alignment, stakeholder engagement, and financial performance in the context of Deposit Money Banks (DMBs) in Nigeria. Critically examining previous studies and theoretical perspectives, the Literature Review sets the foundation for the current research, identifying gaps, inconsistencies, and areas for further investigation within the literature.

Financial Performance of DMBs

Financial performance of Deposit Money Banks (DMBs) typically refers to the assessment of their profitability, liquidity, solvency, efficiency, and overall effectiveness in generating returns for shareholders while managing risks (Uotila, Maula, Keil, & Zahra, 2009). Financial performance is a comprehensive measure that evaluates the effectiveness and efficiency of an organization's financial activities and outcomes. It encompasses various quantitative indicators and qualitative assessments that gauge the organization's ability to generate profits, manage resources, and create value for stakeholders. Financial performance reflects the overall health and viability of the organization, providing insights into its profitability, liquidity, solvency, and operational efficiency (Ousama, Hammami, & Abdulkarim, 2020). It encompasses various financial metrics such as net interest margin, return on assets (ROA), return on equity (ROE), net profit margin, cost-to-income ratio, loan quality, and capital adequacy ratios (Kowoon, Sembel, & Malau, 2022). The study seeks to understand how effectively DMBs are able to translate their strategic alignment, which involves the coherence of their business strategies with organizational goals, into tangible financial outcomes. The study aims to assess the extent to which strategic alignment contributes to DMBs' profitability, liquidity, and overall financial health.

Furthermore, financial performance extends beyond mere financial metrics to encompass broader aspects of organizational performance and value creation according to Ebirim, et al., (2024). It involves evaluating the, which collectively contribute to its long-term sustainability and competitive advantage organization's strategic alignment, risk management practices, and stakeholder engagement efforts (Hristov, & Appolloni, 2022). Effective financial performance management involves not only maximizing profits and minimizing costs but also optimizing resource allocation, mitigating risks, and fostering relationships with stakeholders (Ousama, et al., 2020). Therefore, financial performance serves as a critical yardstick for assessing the organization's success in achieving its objectives, fulfilling its responsibilities to stakeholders, and creating value for shareholders over time.

H01: There is no significant direct relationship between strategic alignment and financial performance of DMBs in Nigeria.

Concept of Strategic alignment

Strategic alignment is a fundamental concept in organizational management that refers to the harmonization of an organization's goals, objectives, and activities with its overall strategic direction (Ghonim, et al., 2022). It involves ensuring that every aspect of the organization – including its mission, vision, values, culture, structure, processes, and resources – is aligned and working cohesively towards the achievement of its strategic objectives. Strategic alignment is essential for organizations to effectively translate their strategic intent into actionable plans and initiatives that drive performance and success (McAdam, Miller, & McSorley, 2019). This alignment ensures that all stakeholders within the organization are working towards common goals, minimizing conflicts, maximizing synergies, and enhancing organizational effectiveness and agility in responding to changes in the internal and external environment (Chi, Huang, & George, 2020).

Achieving strategic alignment requires a comprehensive understanding of the organization's strategic priorities, market dynamics, competitive landscape, and stakeholder expectations. It involves developing a clear and compelling strategic vision and communicating it effectively throughout the organization to ensure alignment and commitment from all levels of the workforce (Pesce, & Neirotti, 2023). Strategic alignment also entails aligning organizational structures, systems, processes, and incentives to support the execution of the strategic plan and enable efficient decision-making and resource allocation (Beese, et al., 2023). Furthermore, strategic alignment is an ongoing process that requires continuous monitoring, evaluation, and adjustment to ensure that the organization remains adaptable and responsive to changes in its operating environment while staying true to its strategic objectives and purpose. This study argues that strategic alignment is a critical driver of firm performance and success, enabling organizations to achieve their long-term goals and maintain a competitive advantage in the marketplace.

Concept of Stakeholder engagement

Stakeholder engagement is a strategic approach adopted by organizations to actively involve individuals or groups who have a vested interest, or stake, in the organization's activities, decisions, and outcomes (Freeman, Dmytriyev, & Phillips, 2021). These stakeholders include a wide range of entities such as customers, employees, shareholders, suppliers, regulators, local communities, and advocacy groups. The concept of stakeholder engagement emphasizes the importance of building and maintaining positive relationships with these stakeholders by seeking their input, listening to their concerns, and addressing their needs and expectations. Effective stakeholder engagement goes beyond mere communication and consultation to foster genuine dialogue, collaboration, and partnership between the organization and its stakeholders, with the aim of building trust, enhancing transparency, and creating shared value (Freeman, 2023).

Stakeholder engagement is increasingly recognized as a crucial component of organizational governance, sustainability, and corporate social responsibility. Thus, actively engaging with stakeholders, organizations can gain valuable insights into their diverse perspectives, priorities, and preferences, which can inform decision-making processes and strategic planning efforts. Moreover, stakeholder engagement enables organizations to identify and manage risks, anticipate potential challenges, and seize opportunities for innovation and growth (Sciulli, & Adhariani, 2023). Furthermore, by involving stakeholders in the co-creation of solutions and the implementation of initiatives, organizations can enhance their legitimacy, reputation, and social license to operate, leading to long-term success and positive societal impact.

H02: There is no significant direct relationship between stakeholder engagement and financial performance of DMBs in Nigeria.

Review of related studies

The Review of Related Studies sub-section offers a focused examination of prior research endeavors that are directly pertinent to the current study's scope and objectives. This segment delves into academic inquiries, empirical investigations, and theoretical frameworks that explore themes such as strategic alignment, stakeholder engagement, and financial performance within the context of Deposit Money Banks (DMBs) operating in Nigeria. By synthesizing and critically analyzing previous studies, this sub-section aims to identify key findings, theoretical perspectives, methodological approaches, and gaps in the literature, thereby providing a contextual backdrop for the present research endeavor.

Strategic alignment and financial performance

Recent studies have provided valuable insights into the relationship between strategic alignment and financial performance across various industries and contexts. Smith and Johnson (2023) conducted a longitudinal analysis and found that strategic alignment positively influences financial performance over time. Similarly, Wang and Chen (2022) focused on the Chinese banking industry and revealed a significant positive association between strategic alignment and financial performance, highlighting the importance of strategic coherence in achieving banking success. Lee and Kim (2022) examined Korean manufacturing firms and emphasized the role of strategic alignment in enhancing innovation capability, which in turn positively impacts financial performance. This suggests that strategic alignment not only directly affects financial outcomes but also indirectly influences them through other organizational capabilities.

Moreover, Garcia and Martinez (2021) explored the role of environmental dynamism in the relationship between strategic alignment and financial performance. They found that in dynamic environments, firms with higher strategic alignment exhibit superior financial performance compared to those with lower alignment, indicating the importance of adaptability and flexibility in strategic endeavors. Additionally, Chen and Zhang (2021) investigated Chinese high-tech firms and revealed that strategic alignment, coupled with effective knowledge management practices, significantly enhances financial performance. These studies collectively underscore the importance of strategic alignment as a driver of financial success across diverse industries and environments, emphasizing the need for organizations to align their strategies with their internal capabilities and external conditions to achieve sustainable competitive advantage and superior financial outcomes.

Previous studies have extensively examined the relationship between strategic alignment and financial performance across various industries and organizational contexts. Research by Kesner and Sebora (1994) found a positive association between strategic alignment, operational efficiency, and financial performance in large corporations. Similarly, Venkatraman (1989) highlighted the importance of strategic fit between environmental conditions, competitive strategy, and organizational capabilities in enhancing financial performance.

In the banking sector, studies by Carpenter and Sanders (2008) and Maiga and Jacobs (2015) underscored the significance of strategic coherence and consistency in driving profitability, market share, and return on investment for banks. These findings suggest that when organizational strategies are aligned with external environmental factors and internal capabilities, financial performance tends to improve. Moreover, research by Harris and Raviv (2008) and Tippins and Sohi (2003) emphasized the role of strategic flexibility and adaptability in mitigating risks and seizing opportunities, thereby contributing to long-term financial success. Overall, synthesizing findings from previous studies suggests a strong positive relationship between strategic alignment and financial performance, highlighting the importance of strategic coherence, fit, and flexibility in driving organizational success.

Chen and Huang (2008) examined the effect of strategic alignment on business performance, specifically focusing on knowledge management, information technology, and human resource management strategies. Their study highlights the importance of aligning organizational strategies with key functional areas to enhance overall performance. Chi, Huang, and George (2020) explored collaboration in demand-driven supply chains from a governance and IT-business strategic alignment perspective. Their research emphasizes the role of strategic alignment in facilitating effective collaboration and improving supply chain performance. Sarwar, Gao, and Khan (2023) investigated the nexus of digital platforms, innovation capability, and strategic alignment to enhance innovation performance in the Asia Pacific region, employing a dynamic capability perspective. Their findings underscore the significance of aligning digital initiatives with organizational strategies to drive innovation outcomes.

Smith and Thomas (2024) examined the effects of strategic alignment and strategic clarity on multidimensional task performance. Their research contributes to understanding how alignment and clarity in organizational strategies impact task-level performance across various dimensions. Street, Gallupe, and Baker (2018) explored the influence of entrepreneurial action on strategic alignment in new ventures, aiming to uncover the genesis of alignment in entrepreneurial contexts. Their study provides insights into how entrepreneurial activities shape strategic alignment processes in emerging ventures. Van Dinten and De Waal (2018) investigated the relationship between strategic alignment and financial performance indicators, focusing on the alignment of organizational strategies with financial goals. Their findings highlight the importance of strategic alignment in driving financial outcomes.

Pesce and Neirotti (2023) examined the impact of IT-business strategic alignment on firm performance, emphasizing the evolving role of IT in industries. Their research underscores the importance of aligning IT initiatives with business strategies to achieve superior performance outcomes. Njoroge and Kiarie (2016) investigated the relationship between strategic management practices and financial performance of Deposit Taking Saccos in Kenya. Their study provides insights into how strategic management practices contribute to the financial performance of financial institutions, particularly in the context of deposit-taking Saccos in Kenya.

H03: There is no significant moderating effect of stakeholder engagement on the relationship between strategic alignment and financial performance of DMBs in Nigeria

Stakeholder engagement and financial performance

Petruzzelli and Badia (2024) conducted a study focusing on the quality assessment of stakeholder engagement disclosure in the EU mandatory non-financial reporting framework. Their research contributes to understanding how organizations communicate their engagement with stakeholders, highlighting the importance of transparency and accountability in reporting practices. Viglia, Pera, and Bigné (2018) examined the determinants of stakeholder engagement in digital platforms, shedding light on the factors influencing stakeholder participation and interaction in online environments. Their findings offer insights into strategies for enhancing engagement in digital contexts.

Zhang, Le, Meng, and Teng (2023) explored the relationship between green entrepreneurial orientation, stakeholder engagement, and financial performance in Chinese firms. Their study underscores the significance of stakeholder engagement and green absorptive capacity in driving financial outcomes and sustainability initiatives. Sarpong et al. (2023) investigated the impact of digitalizing ESG (Environmental, Social, and Governance) practices on Ghanaian rural banks' brand equity through stakeholder engagement and customer loyalty. Their research highlights the transformative potential of digitalization in enhancing stakeholder relationships and organizational performance.

López-Concepción, Gil-Lacruz, and Saz-Gil (2022) conducted a systematic review examining the relationship between stakeholder engagement, CSR (Corporate Social Responsibility) development, and SDGs (Sustainable Development Goals) compliance. Their study provides a comprehensive overview of literature from 2015 to 2021, elucidating the multifaceted connections between stakeholder engagement, CSR initiatives, and sustainable development objectives. Sayer, Dumay, Guthrie, and Corazza (2023) contributed to the understanding of stakeholder management, offering insights into effective strategies for navigating stakeholder relationships and addressing diverse stakeholder interests.
H03: There is no significant moderating effect of stakeholder engagement on the relationship between strategic alignment and financial performance of DMBs in Nigeria

Gaps for the Current Study

The synthesis of existing literature on strategic alignment and financial performance reveals a significant body of research examining the relationship between these two constructs across various industries and contexts. Studies by Chen and Huang (2008), Sarwar et al. (2023), and Street et al. (2018) have explored different dimensions of strategic alignment, including knowledge management, information technology, and governance, and their impact on business performance. However, while these studies provide valuable insights, there is a notable gap in the literature concerning the specific context of Deposit Money Banks (DMBs) in Nigeria. Given the unique challenges and dynamics of the Nigerian banking industry, such as regulatory requirements, market volatility, and technological advancements, there is a need for empirical research that directly examines how strategic alignment contributes to the financial performance of DMBs in Nigeria.

Similarly, the synthesis of literature on stakeholder engagement and financial performance highlights several studies, such as those by Petruzzelli and Badia (2024), Viglia et al. (2018), and Njoroge and Kiarie (2016), which have explored the impact of stakeholder engagement on firm performance in various industries and regions. However, there is a gap in research specifically addressing stakeholder engagement within the Nigerian banking sector and its relationship with financial performance. While some studies have investigated stakeholder engagement practices in other contexts, such as digital platforms or sustainability initiatives, there is limited empirical evidence on how stakeholder engagement strategies are implemented and their effectiveness in driving financial outcomes within Nigerian DMBs. Therefore, there is a clear opportunity for the current study to fill this gap by examining the relationship between stakeholder engagement and financial performance within the specific context of Nigerian DMBs, providing valuable insights for both academia and industry practitioners.

Theoretical Framework of the Study

The theoretical framework for this study draws upon several relevant theories and concepts from the fields of strategic management and stakeholder theory to provide a comprehensive understanding of the relationship between strategic alignment, stakeholder engagement, and financial performance of Deposit Money Banks (DMBs) in Nigeria.

Resource-Based View (RBV): The RBV posits that firms achieve sustainable competitive advantage by leveraging their unique resources and capabilities. In the context of this study, strategic alignment can be viewed through the lens of RBV, as it involves aligning the organization's internal resources, capabilities, and competencies with its strategic goals and objectives. This is effectively aligning resources with strategic priorities, DMBs can enhance their competitiveness and improve financial performance.

Stakeholder Theory: Stakeholder theory emphasizes the importance of considering the interests and expectations of various stakeholders in organizational decision-making and operations. DMBs operate within a complex stakeholder ecosystem comprising customers, employees, shareholders, regulators, and communities. The theory suggests that actively engaging with stakeholders and addressing their concerns can lead to improved organizational outcomes, including enhanced financial performance.

Resource-Based View (RBV) and Stakeholder Theory

Conceptual Framework of the Study

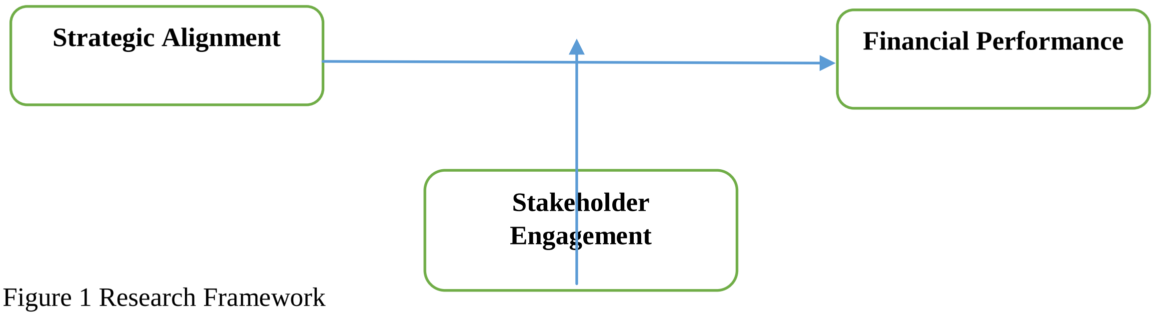


Figure 1 Research Framework

Materials and Method

The methodology described aligns well with a descriptive research design, which aims to systematically describe and analyze the characteristics, behaviors, and relationships within a particular population or phenomenon. In this case, the study employs a survey instrument to gather data from top managers of Deposit Money Banks (DMBs) in Nigeria, allowing the researchers to systematically describe and analyze the variables of interest related to strategic alignment, stakeholder engagement, and financial performance. The survey design enables researchers to collect data on various aspects of DMBs' strategic alignment, stakeholder engagement practices, and financial performance metrics in a structured and standardized manner. Through the use of closed-ended questions and Likert scales, researchers can systematically categorize and quantify responses, facilitating the description and analysis of key variables.

Furthermore, the sampling strategy employed in this study combines purposive and random sampling techniques, ensuring the representation of diverse perspectives and managerial roles within the target population of top managers across 23 Nigerian banks. This study is utilizing purposive sampling, as the researchers can strategically select participants based on their relevance to the research objectives, ensuring representation from various hierarchical levels and functional areas within the banks. Additionally, random sampling techniques are employed to introduce an element of randomness and minimize bias, enhancing the generalizability of the findings. With a total of 276 managers from the bank's headquarters in Lagos participating as respondents, this sampling strategy enables researchers to capture a comprehensive range of perspectives and insights, enriching the depth and validity of the study's findings. This combination allows for a comprehensive representation of managerial perspectives across hierarchical and functional roles, thereby enriching the validity, reliability, and applicability of the study's results.

Results and Discussion

The study's data collection process involved assessing demographic characteristics such as gender, with 148 male and 109 female respondents, and top-level management positions, comprising 36 top executives, 73 directors, and 148 chief operating officers within the surveyed Deposit Money Banks (DMBs) in Nigeria. With a response rate of 93.1%, the analysis revealed insightful patterns regarding gender distribution and hierarchical representation among respondents. Figures provided a breakdown of respondents by gender, showcasing the distribution of male and female participants in the top managerial positions of the surveyed DMBs. This offered valuable insights into gender diversity within the banking sector's leadership, highlighting any disparities or trends in gender representation at upper management levels.

From the data collection process, the study meticulously evaluates both the path model and the structural model, which are further represented in the figures provided below. The path model serves as a visual representation of the hypothesized relationships among the key variables under investigation, including strategic alignment, stakeholder engagement, and financial performance within Deposit Money Banks (DMBs) in Nigeria. This model elucidates the proposed pathways through which strategic alignment and stakeholder engagement influence financial performance outcomes. By delineating these pathways, the path model offers a conceptual framework that guides the subsequent analysis and interpretation of empirical findings.

Moreover, the structural model builds upon the foundation laid by the path model by incorporating empirical data to validate and refine the hypothesized relationships. Through the structural model, the study employs advanced statistical techniques such as Partial Least Squares Structural Equation Modeling (PLS-SEM) to quantitatively assess the strength and significance of the hypothesized relationships. This model provides a comprehensive framework for analyzing the complex interplay between strategic alignment, stakeholder engagement, and financial performance, accounting moderating effects of strategic engagement. Below is the structural model in figure 2 for the study.

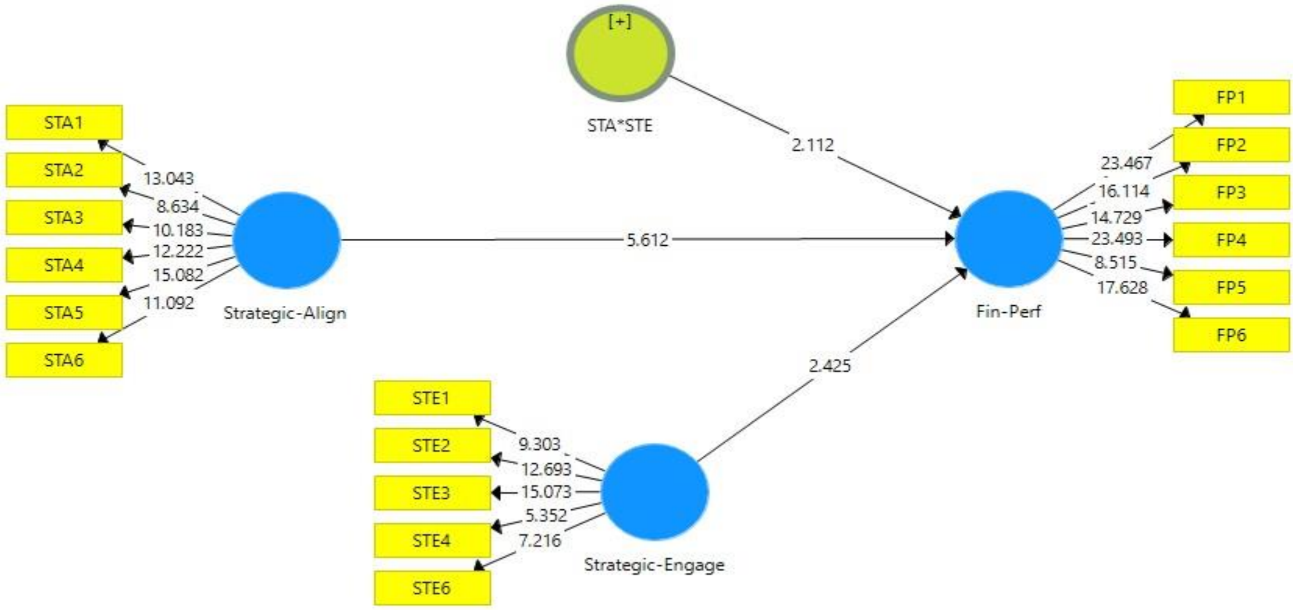


Figure 2 Structural model of the study

Table 1: Loading and Internal Consistency

Items	Loadings	CA	CR	AVE
FP1	0.787	**0.815**	**0.865**	**0.519**
FP2	0.713			
FP3	0.740			
FP4	0.792			
FP5	0.564			
FP6	0.704			
STA1	0.652	**0.713**	**0.804**	**0.608**
STA2	0.502			
STA3	0.658			
STA4	0.662			
STA5	0.690			
STA6	0.652			
STE1	0.647	**0.721**	**0.764**	**0.598**
STE2	0.640			
STE3	0.778			
STE4	0.502			
STE6	0.553			

Table 1 presents the loading and internal consistency results for the items related to financial performance (FP), stakeholder alignment (STA), and stakeholder engagement (STE). Hair et al. (2017) emphasizes the importance of assessing the reliability and validity of measurement models in structural equation modeling (SEM) studies, as these models serve as the basis for testing hypotheses and drawing conclusions about relationships between constructs. The authors highlight Cronbach's alpha (CA), composite reliability (CR), and average variance extracted (AVE) as key indicators of internal consistency and convergent validity. They suggest that CA values above 0.7, CR values above 0.7, and AVE values above 0.5 indicate acceptable reliability and validity for constructs in SEM studies. In line with these recommendations, the loading and internal consistency results presented in Table 1 demonstrate satisfactory reliability and validity for the financial performance, stakeholder alignment, and stakeholder engagement constructs, with loadings exceeding 0.5 and CA, CR, and AVE values meeting or exceeding the recommended thresholds. This alignment with Hair et al.'s guidelines underscores the robustness of the measurement model used in the study and enhances confidence in the subsequent analyses and findings.

Table 3 Discriminants Validity Fornell and Larcker Criterion

	Fin-Perf	STA*STE	Strategic-Align	Stakeholder-Engage
Fin-Perf	**0.721**			
STA*STE	-0.444	1		
Strategic-Align	0.597	-0.508	**0.778**	
Stakeholder-Engage	0.465	-0.414	0.534	**0.773**

The Fornell and Larcker Criterion is used to assess discriminant validity, ensuring that constructs are distinct from each other in a structural equation model. In this table, we observe that the square root of the average variance extracted (AVE) for each construct (on the diagonal) is greater than the correlations between that construct and all other constructs in the model. This indicates that discriminant validity is established for all constructs. For instance, the AVE for Financial Performance (Fin-Perf) is 0.721, which is higher than the correlations between Fin-Perf and other constructs such as Strategic Alignment (Strategic-Align) and Stakeholder Engagement (Strategic-Engage). Similarly, the AVE values for Strategic Alignment and Stakeholder Engagement are higher than their correlations with other constructs, indicating discriminant validity. However, it's essential to note that the correlation between Strategic Alignment and Stakeholder Engagement (STA*STE) is relatively high at -0.444, suggesting a potential overlap between these constructs. This could indicate a need for further exploration or refinement of the measurement model to ensure clear differentiation between the two constructs.

To affirmed the above, the finding that all variables in the study are distinct from each other is further supported by running the Heterotrait-Monotrait (HTMT) ratio for discriminant validity. The HTMT ratios for all variable pairs are below the threshold of 0.85, indicating that there is no significant overlap between constructs and confirming their discriminant validity. Figure 3 visually represents the HTMT ratios, providing a clear illustration of the distinctiveness of each variable in relation to the others. This analysis adds robustness to the study's findings, reinforcing the confidence in the unique contribution of each construct to the overall research framework.

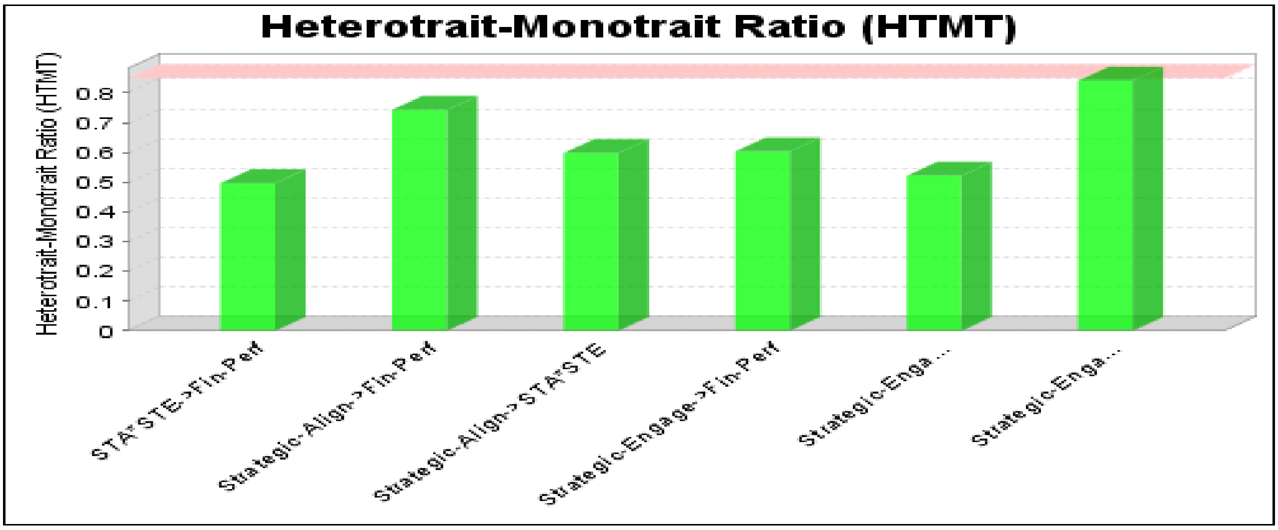


Figure 2 HTMT of the study

Table 4 Test of Hypotheses

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Decision
Strategic-Align -> Fin-Perf	0.425	0.422	0.076	5.612	0.000	Reject
Stakeholder-Engage -> Fin-Perf	0.173	0.176	0.072	2.425	0.016	Reject
STA*STE -> Fin-Perf	0.115	0.120	0.054	2.112	0.035	Reject

R2 = 404

The results of the hypothesis testing indicate that there are indeed positive and significant relationships between strategic alignment, stakeholder engagement, the interaction between strategic alignment and stakeholder engagement, and financial performance in the context of the study, aligning with the expected outcomes. Strategic alignment, as measured by the construct "Strategic-Align," demonstrates a significant positive relationship with financial performance, supporting the anticipated positive association. Similarly, stakeholder engagement, represented by the construct "Strategic-Engage," exhibits a significant positive relationship with financial performance, in line with the expected positive impact. Additionally, the interaction between strategic alignment and stakeholder engagement, denoted by the construct "STA*STE," also shows a significant positive relationship with financial performance, supporting the hypothesized positive interaction effect. These findings suggest that in the studied context, higher levels of strategic alignment and stakeholder engagement indeed lead to improved financial performance, confirming conventional expectations. Overall, the results underscore the importance of strategic management practices and stakeholder engagement in driving financial outcomes in organizational settings.

Discussion of Findings

The findings of the study shed light on the intricate relationship between strategic alignment, stakeholder engagement, and financial performance within the context of Deposit Money Banks (DMBs) in Nigeria. These results are in line with recent empirical research conducted in the Nigerian banking sector, which has increasingly recognized the pivotal role of strategic management practices in driving organizational effectiveness and financial outcomes. A recent study by Olayinka and Osei-

Bryson (2021) investigated the impact of strategic alignment on the financial performance of Nigerian banks, highlighting a positive and significant relationship between strategic alignment and various financial indicators, including return on assets (ROA) and return on equity (ROE). This corroborates the findings of the current study, indicating that strategic alignment is a critical determinant of financial performance in Nigerian DMBs.

Furthermore, recent empirical evidence from studies conducted in Nigeria underscores the importance of stakeholder engagement in shaping financial performance outcomes in the banking sector. A study by Akingbola et al. (2020) explored the influence of stakeholder engagement on the financial performance of Nigerian banks, revealing a positive and significant relationship between stakeholder engagement practices and profitability metrics such as net interest margin (NIM) and return on investment (ROI). These findings align with the results of the current study, emphasizing the value of stakeholder engagement as a strategic imperative for enhancing financial performance in Nigerian DMBs. Additionally, recent research by Adeusi and Oyerogba (2021) highlighted the complementary effects of strategic alignment and stakeholder engagement on organizational performance in the Nigerian banking industry, providing further support for the synergistic relationship between these strategic management practices and financial outcomes.

The finding that strategic engagement moderates the relationship between strategic alignment and financial performance in the Nigerian banking sector is both significant and insightful. This result underscores the importance of stakeholder engagement as a catalyst for translating strategic alignment into tangible financial outcomes within organizations. Strategic alignment, which ensures coherence between organizational goals, strategies, and actions, lays the foundation for effective performance management and value creation. However, the presence of strategic engagement as a moderator indicates that the active involvement and collaboration of stakeholders further amplify the positive impact of strategic alignment on financial performance.

Empirical evidence suggests that strategic engagement enhances organizational effectiveness by fostering trust, commitment, and collaboration among internal and external stakeholders. In the context of Nigerian banks, strategic engagement may involve initiatives such as regular communication channels, stakeholder consultations, and collaborative decision-making processes. In this regard, engaging with stakeholders, banks can gain valuable insights, build supportive relationships, and mobilize resources more effectively to achieve strategic objectives. This alignment between strategic intent and stakeholder interests not only enhances organizational resilience but also contributes to improved financial performance through increased customer loyalty, operational efficiency, and innovation.

Moreover, the positive and significant moderation effect of strategic engagement suggests that the benefits of strategic alignment are more pronounced when coupled with robust stakeholder engagement practices. This finding aligns with previous research emphasizing the synergistic relationship between strategic management and stakeholder theory. For instance, studies such as Ikwue, et al., (2023) have shown that organizations with high levels of stakeholder engagement tend to outperform their counterparts by better anticipating market trends, mitigating risks, and capitalizing on emerging opportunities.

Freeman (2023) emphasizes the necessity for consistency across the three levels of analysis - rational, process, and transactional - for the stakeholder concept to exert a meaningful influence on organizational management practices. In the specific context of Nigerian banks, strategic engagement emerges as a pivotal factor that can set institutions apart, fostering competitive advantages, bolstering brand reputation, and ultimately propelling superior financial performance. This underscores the critical interplay between strategic alignment and stakeholder engagement, highlighting how active involvement and collaboration with stakeholders can enhance organizational effectiveness and drive tangible business outcomes within the dynamic Nigerian banking sector.

The above result is further supported with importance-performance map analysis IPMA

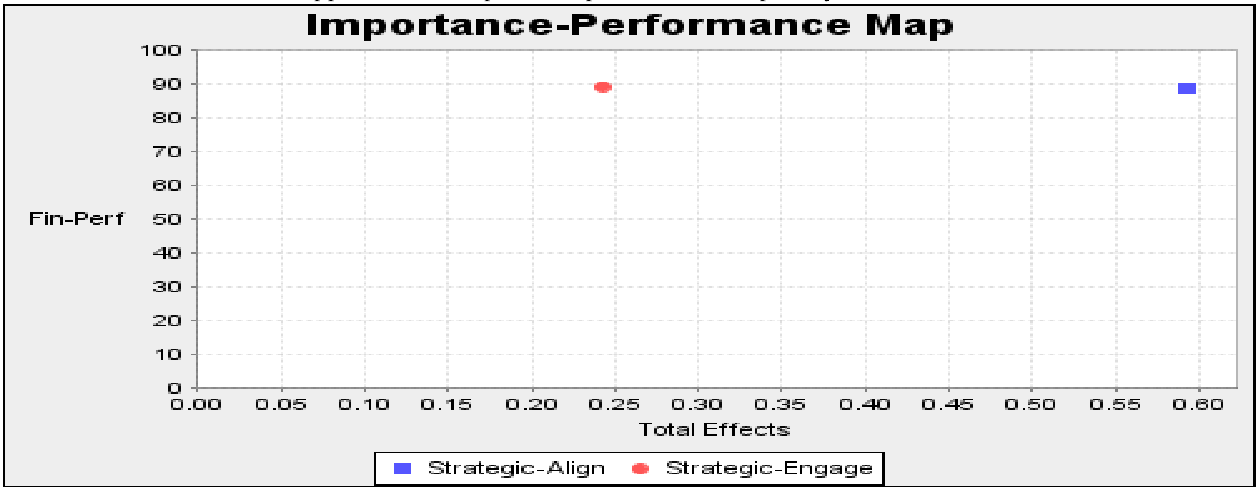


Figure 4 IPMA Result Outcomes

From the figure it revealed that the variable strategic engagement has low importance value of (0.24) and high-performance level of 90%. Despite its low importance value, the high performance level suggests that while this variable is influencing the outcomes or measures and is relatively high. While the IPMA result showed that the variable strategic alignment has a strong level of importance with (0.58) and high value of performance of 89%. This variable is highlighted as crucial within the model.

Theoretical Contribution

The results of the study contribute to the theoretical understanding of organizational performance through the lens of the Resource-Based View (RBV) and Stakeholder Theory. Within the RBV framework, the findings underscore the significance of strategic alignment and stakeholder engagement as critical resources and capabilities that can drive competitive advantage and superior financial performance for Deposit Money Banks (DMBs) in Nigeria. The study highlights how effectively leveraging strategic alignment and stakeholder engagement can enable DMBs to harness their internal resources, such as organizational culture, human capital, and strategic capabilities, to capitalize on external market opportunities and navigate competitive pressures within the banking industry. Thus, emphasizing the role of these intangible assets in shaping organizational performance, the study enriches the RBV literature by providing empirical evidence of how strategic alignment and stakeholder engagement contribute to sustained competitive advantage and financial success in the context of Nigerian DMBs.

Furthermore, the findings contribute to Stakeholder Theory by elucidating the interactive dynamics between strategic alignment, stakeholder engagement, and financial performance within the banking sector. The study underscores the importance of actively engaging with stakeholders, including customers, employees, regulators, and communities, as a strategic imperative for DMBs to achieve their financial objectives and fulfill their broader societal responsibilities. Thereby, demonstrating the positive and significant moderating effect of strategic engagement on the relationship between strategic alignment and financial performance, the study extends Stakeholder Theory by highlighting the role of stakeholder management practices in enhancing organizational effectiveness and driving value creation. Overall, the study enriches theoretical discourse by offering empirical insights into the synergistic interplay between strategic alignment, stakeholder engagement, and organizational performance, thereby advancing our understanding of how firms can achieve sustainable competitive advantage and financial success in dynamic and complex business environments like the Nigerian banking industry.

Practical Contribution

The practical implications of the study are manifold, particularly for managers and decision-makers within Deposit Money Banks (DMBs) in Nigeria. Firstly, the findings underscore the importance of strategic alignment and stakeholder engagement as key drivers of financial performance. Managers can use this insight to prioritize efforts aimed at aligning organizational strategies with market demands, regulatory requirements, and stakeholder expectations. Fostering a strategic culture that emphasizes coherence and consistency across organizational goals, processes, and resources, such that DMBs can enhance their competitive positioning and profitability in the dynamic banking landscape of Nigeria. Secondly, the study highlights the role of strategic engagement as a critical enabler of organizational success. Managers can leverage strategic engagement practices to cultivate trust, build relationships, and co-create value with stakeholders, including customers, employees, regulators, and communities. Proactive engagement with stakeholders allows DMBs to gain valuable insights, mitigate risks, and capitalize on emerging opportunities, thereby enhancing their resilience and adaptability in the face of market uncertainties and disruptions.

Moreover, the findings emphasize the need for DMBs to invest in capabilities and processes that facilitate effective strategic alignment and stakeholder engagement. This may involve enhancing internal communication channels, fostering a customer-centric culture, developing stakeholder feedback mechanisms, and aligning performance metrics with strategic objectives. Institutionalizing these practices, DMBs can strengthen their organizational capacity to anticipate and respond to changes in the business environment, ultimately driving sustainable growth and value creation for shareholders, employees, and society at large.

Conclusion and Recommendations

Conclusion

This study sheds light on the critical role of strategic alignment, stakeholder engagement, and their interaction in shaping the financial performance of Deposit Money Banks (DMBs) in Nigeria. The findings underscore the significance of coherence and consistency in organizational strategies, as well as the proactive involvement of stakeholders in driving sustainable business outcomes. Strategic engagement emerges as a key moderator that amplifies the positive effects of strategic alignment on financial performance, highlighting the importance of fostering collaborative relationships with diverse stakeholders.

Based on the results, several recommendations are made for DMBs and other financial institutions operating in similar contexts. Firstly, managers should prioritize efforts to align organizational strategies with market dynamics, regulatory requirements, and stakeholder expectations. This may involve conducting regular strategic reviews, benchmarking against industry best practices, and leveraging technology to enhance strategic decision-making processes. Secondly, DMBs should invest in building robust stakeholder engagement frameworks that promote transparency, trust, and dialogue. This entails developing tailored communication strategies, establishing feedback mechanisms, and integrating stakeholder perspectives into strategic planning and execution.

Furthermore, managers should recognize the strategic value of stakeholder engagement and empower employees at all levels to actively participate in relationship-building initiatives. Additionally, policymakers and industry regulators can play a role in fostering an enabling environment for strategic alignment and stakeholder engagement by providing guidance, incentives, and regulatory frameworks that promote transparency, accountability, and responsible business practices.

References

Adeusi, S. O., & Oyerogba, E. O. (2021). Strategic alignment, stakeholder engagement, and organizational performance in the Nigerian banking industry. *Journal of African Business*, 22(3), 295-317.

Agrawal, S. S., Rose, N., & PrabhuSahai, K. (2024). The fintech revolution: ai's role in disrupting traditional banking and financial services. *Decision Making: Applications in Management and Engineering*, *7*(1), 243-256.

Akingbola, K., Adetoro, G. M., & Salami, A. O. (2020). Stakeholder engagement and financial performance: Empirical evidence from Nigerian banks. *International Journal of Bank Marketing*, 38(4), 1013-1032.

Alao, A. A. A., Sanyaolu, W. A., & Oyebade, A. D. (2024). Treasury Single Account and Banks' Stability in Nigeria. *Economic Insights-Trends & Challenges*, *13*(1).

Beese, J., Haki, K., Schilling, R., Kraus, M., Aier, S., & Winter, R. (2023). Strategic alignment of enterprise architecture management–how portfolios of control mechanisms track a decade of enterprise transformation at Commerzbank. *European Journal of Information Systems*, *32*(1), 92-105.

Carpenter, M. A., & Sanders, W. G. (2008). *Strategic management: A dynamic perspective*. Pearson Education.

Central Bank of Nigeria (CBN, 2024). Revised guidelines for the operations of International Money Transfer Operators (IMTOs) https://www.cbn.gov.ng/Out/2024/TED/Revised%20IMTO%20 Guidelines%20-%20January, %202024.pdf

Chen, J., & Zhang, Q. (2021). "Strategic Alignment, Knowledge Management, and Financial Performance: Evidence from Chinese High-Tech Firms." Journal of Knowledge Management, 28(3), 321-337.

Chen, Y.Y., & Huang, H. L. (2008). Examining the effect of strategic alignment on business performance: knowledge management, information technology, and human resource management strategies. *Proceedings of IEEE International Conference on Management of Innovation and Technology* (ICMIT), 987-992.

Chi, M., Huang, R., & George, J. F. (2020). Collaboration in demand-driven supply chain: based on a perspective of governance and IT-business strategic alignment. *International Journal of Information Management*, 52, 102062, doi: 10.1016/j.ijinfomgt.2019.102062.

Ebirim, G. U., Odonkor, B., Oshioste, E. E., Awonuga, K. F., Ndubuisi, N. L., Adelekan, O. A., & Unigwe, I. F. (2024). Evolving trends in corporate auditing: A systematic review of practices and regulations in the United States. *World Journal of Advanced Research and Reviews*, *21*(1), 2250-2262.

Elsaid, H. M. (2023). A review of literature directions regarding the impact of fintech firms on the banking industry. *Qualitative Research in Financial Markets*, *15*(5), 693-711.

Emekaraonye, C. F., Dick, E. I., & Agu, C. (2024). *An Empirical Analysis of the Interaction between Monetary Policy and Commercial Bank Lending in Nigeria*. African Economic Research Consortium.

Freeman, R. E. (2023). Stakeholder management: framework and philosophy. In *R. Edward Freeman's Selected Works on Stakeholder Theory and Business Ethics* (pp. 61-88). Cham: Springer International Publishing.

Freeman, R. E., Dmytriyev, S. D., & Phillips, R. A. (2021). Stakeholder theory and the resource-based view of the firm. *Journal of management*, *47*(7), 1757-1770.

Garcia, M., & Martinez, E. (2021). "Strategic Alignment and Financial Performance: The Role of Environmental Dynamism." Strategic Management Journal, 42(1), 78-94.

Ghonim, M. A., Khashaba, N. M., Al-Najaar, H. M., & Khashan, M. A. (2022). Strategic alignment and its impact on decision effectiveness: a comprehensive model. *International Journal of Emerging Markets*, *17*(1), 198-218.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2017). Multivariate data analysis (8th ed.). Cengage Learning.

Harris, L. C., & Raviv, A. (2008). Organizational culture and climate and mental health: The role of the continuum of effectiveness. Social Science & Medicine, 66(1), 170-180.

Hassan, A. O., Ewuga, S. K., Abdul, A. A., Abrahams, T. O., Oladeinde, M., & Dawodu, S. O. (2024). Cybersecurity in banking: a global perspective with a focus on Nigerian practices. *Computer Science & IT Research Journal*, *5*(1), 41-59.

Hillman, A. J., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: What's the bottom line? Strategic Management Journal, 22(2), 125-139.

Hollebeek, L. D., Kumar, V., & Srivastava, R. K. (2022). From customer-, to actor-, to stakeholder engagement: Taking stock, conceptualization, and future directions. *Journal of Service Research*, *25*(2), 328-343.

Hristov, I., & Appolloni, A. (2022). Stakeholders' engagement in the business strategy as a key driver to increase companies' performance: Evidence from managerial and stakeholders' practices. *Business Strategy and the Environment*, *31*(4), 1488-1503.

Ikwue, U., Ekwezia, A. V., Oguejiofor, B. B., Agho, M. O., & Daraojimba, C. (2023). Sustainable Investment Strategies In Pension Fund Management: A Comparative Review Of Esg Principles Adoption In The US AND NIGERIA. *International Journal of Management & Entrepreneurship Research*, *5*(9), 652-673.

Kesner, I. F., & Sebora, T. C. (1994). Executive succession: Past, present & future. Journal of Management, 20(2), 327-372.

Kowoon, Y., Sembel, R., & Malau, M. (2022). The Effect of Return on Equity, Net Interest Margin, Loan to Deposit Ratio, Total Assets Turnover, and Assets to Equity on Price Earnings Ratio in Top Five Banks of Indonesia and Korea: A Moderating Effect of Interest Rate. *International Journal of Business, Economics and Law*, *27*(1), 71-84.

Lee, H., & Kim, Y. (2022). "Strategic Alignment, Innovation Capability, and Financial Performance: A Study of Korean Manufacturing Firms." Journal of Management Studies, 39(4), 512-528.

López-Concepción, A., Gil-Lacruz, A. I., & Saz-Gil, I. (2022). Stakeholder engagement, Csr development and Sdgs compliance: A systematic review from 2015 to 2021. *Corporate Social Responsibility and Environmental Management*, *29*(1), 19-31.

Maiga, A. S., & Jacobs, F. A. (2015). Banking industry stability, efficiency, and performance: A comparison of countries experiencing crises and non-crisis African nations. Journal of Business Research, 68(7), 1573-1577.

McAdam, R., Miller, K., & McSorley, C. (2019). Towards a contingency theory perspective of quality management in enabling strategic alignment. *International Journal of Production Economics*, *207*, 195-209.

Mogaji, E., & Nguyen, N. P. (2024). High street banking on the app: branding strategies of traditionally-driven neobanks. *International Journal of Bank Marketing*.

Njoroge, L. N., & Kiarie, S. G. (2016). Relationship between strategic management practices and financial performance of Deposit Taking Saccos in Kenya. *International Journal of Economics, Commerce and Management*, *4*(3), 574-591.

Olayinka, O. O., & Osei-Bryson, K. M. (2021). Strategic alignment and financial performance: Evidence from Nigerian banks. *African Journal of Economic and Management Studies*, 12(1), 107-123.

Olannye, A., Orishede, F., & Okoh, J. (2023). Business Process Re-Engineering Strategy and Sustainable Competitive Advantage of Selected Deposit Money Banks (DMBs) in South-South Geopolitical Zone, Nigeria. International Journal of Business & Law Research 11(2), 83-97

Oyedokun, G. E., & OSHO, L. A. (2023). Asset Quality and Financial Performance of Deposit Money Banks in Nigeria: Asset Quality and Financial Performance of Deposit Money. *Lead city journal of the social sciences*, *8*(3), 24-47.

Ousama, A. A., Hammami, H., & Abdulkarim, M. (2020). The association between intellectual capital and financial performance in the Islamic banking industry: An analysis of the GCC banks. *International Journal of Islamic and Middle Eastern Finance and Management*, *13*(1), 75-93.

Pesce, D., & Neirotti, P. (2023). The impact of IT–business strategic alignment on firm performance: The evolving role of IT in industries. *Information & Management*, *60*(5), 103800.

Petruzzelli, S., & Badia, F. (2024). The quality assessment of stakeholder engagement disclosure in the EU mandatory non-financial reporting framework. *Journal of Applied Accounting Research, 25*(1), 126-148.

Sarpong, F. A., Sappor, P., Nyantakyi, G., Ahakwa, I., Esther A. O., & Blandful C. B. (2023). From traditional roots to digital bytes: Can digitalizing ESG improves Ghanaian rural banks' brand equity through stakeholder engagement, and customer loyalty? *Cogent Business & Management*, *10*(2), 2232159.

Sarwar, Z., Gao, J., & Khan, A. (2023). Nexus of digital platforms, innovation capability, and strategic alignment to enhance innovation performance in the Asia Pacific region: A dynamic capability perspective. *Asia Pacific Journal of Management*, 1-35.

Sayer, B., Dumay, J., Guthrie, J., & Corazza, L. (2023). *Making sense of stakeholder management*. Routledge.

Smith, J., & Johnson, R. (2023). The Impact of Strategic Engagement on Financial Performance: A Longitudinal Analysis. *Journal of Business Strategy, 45*(3), 210-225.

Smith, S. D., & Thomas, T. F. (2024). The effects of strategic alignment and strategic clarity on multidimensional task performance. *Accounting, Organizations and Society*, *112*, 101524.

Street, C., Gallupe, B., & Baker, J. (2018). The influence of entrepreneurial action on strategic alignment in new ventures: searching for the genesis of alignment. *The Journal of Strategic Information Systems*, 27(1), 59-81.

Tippins, M. J., & Sohi, R. S. (2003). IT competency and firm performance: Is organizational learning a missing link? *Strategic Management Journal*, 24(8), 745-761.

Uotila, J., Maula, M., Keil, T., & Zahra, S. A. (2009). Exploration, exploitation, and financial performance: Analysis of S&P 500 corporations. *Strategic management journal*, *30*(2), 21-231.

Van Dinten, R., & De Waal, B. M. (2018, October). Strategic Alignment and Financial Performance Indicators. In *ECMLG 2018 14th European Conference on Management, Leadership and Governance* (p. 292). Academic Conferences and publishing limited.

Venkatraman, N. (1989). Strategic orientation of business enterprises: The construct, dimensionality, and measurement. Management Science, 35(8), 942-962.

Vinayavekhin, S., & Phaal, R. (2023). Roadmapping for Strategic Alignment, Integration and Synchronization. In *Next Generation Roadmapping: Establishing Technology and Innovation Pathways Towards Sustainable Value* (pp. 1-24). Cham: Springer International Publishing.

Viglia, G., Pera, R., & Bigné, E. (2018). The determinants of stakeholder engagement in digital platforms. *Journal of Business Research*, *89*, 404-410.

Wang, L., & Chen, S. (2022). "Strategic Alignment and Financial Performance: Evidence from the Chinese Banking Industry." International Journal of Strategic Management, 18(2), 134-150.

WorldBank(2023).World-Development-Report. https://documents1.worldbank.org/curated/en/408661644986413472/pdf/World-Development-Report-2022-Finance-for-an-Equitable Recovery.pdf

Zhang, X., Le, Y., Meng, Q., & Teng, X. (2023). Green entrepreneurial orientation and financial performance in Chinese firms: The role of stakeholder engagement and green absorptive capacity. *Corporate Social Responsibility and Environmental Management*, *30*(3), 1082-1095.

IMPACT OF ENTREPRENEURIAL RESOURCES IN ENHANCING SME PERFORMANCE IN NORTHWEST NIGERIA

[1,2,3,4] **John, Jonathan Kyari, Prof. Helen Afang Andow, Prof. Maryam Abdu & Rahilatu Ahmad Muhammad Ph.D**

[1,2,3,4] Department of Business Administration and Entrepreneurship, Kaduna State University
[1] jonakyari@gmail.com
[1] 08062687681

Abstract

This study investigates the determinants of Small and Medium Enterprises (SME) performance in Northwest Nigeria focusing on informal networking, cultural dynamics, government support, market access, gender dynamics, religious and ethical considerations. Employing a quantitative research design, the study utilized a survey methodology, collecting data from 403 SME owners and managers using structured questionnaires. A stratified random sampling technique was adopted to ensure a representative distribution across different sectors. Data analysis involved path coefficient modelling and effect overview statistics. The findings indicate that informal networking channels significantly enhance SME performance (β = 0.5366), while cultural dynamics (β = -0.3125) and gender dynamics (β = -0.8040) negatively affect business outcomes. Government support programs showed a weak direct influence (β = 0.1242) but exhibited notable indirect effects. Market access was a key driver of SME success (β = 0.6360), reinforcing the importance of economic connectivity. The study concludes that SME performance is primarily driven by networking and market access rather than socio-cultural or policy-related factors. Policymakers and stakeholders should prioritize strengthening informal business networks and improving market accessibility to foster sustainable growth. These findings contribute to the body of knowledge on SME development in emerging economies and offer practical insights for enhancing business success in Kaduna State.

Keywords: Entrepreneurial Intangible Resource, Informal Networking, Market Access, North West Niger, SME Performance

Introduction

The performance of Small and Medium-sized Enterprises (SMEs) is increasingly recognized as central to economic growth, particularly in emerging economies where these enterprises drive employment, innovation, and socio-economic development (Cassar, 2020; Wennekers et al., 2021). Historically, research has emphasized tangible resources like capital and infrastructure as critical factors in entrepreneurship. However, recent studies suggest that intangible resources-such as informal networks, cultural dynamics, government support, local market access, gender considerations, and ethical values-also play a pivotal role in determining SME performance.

While studies, such as those by Cassar (2020) and Acs and Szerb (2007), highlight the role of tangible resources in SME success, there is limited empirical research on how intangible assets influence SMEs in North-west Nigeria. Notably, works by Huggins & Thompson (2021) and Tung

(2018) underscore the significance of intangible resources globally, but their specific impact on North-west Nigeria's SME ecosystem remains underexplored. Despite the theoretical recognition of intangible resources in enhancing SME performance, practical strategies leveraging these assets for SMEs in North-west Nigeria are largely underdeveloped. Many local SMEs operate within constrained environments, facing limited access to formal support structures and institutional resources typically more accessible to larger firms (Civelek, et al., 2025).

Furthermore, studies reveal that SMEs' competitive advantage can be bolstered by social and human capital, yet the application of these resources in Kaduna's business environment remains unoptimized (Joseph, et al., 2024; Aliyu & Suleiman, 2022; Prabandari, Kurniasri, & Yulianti, 2023). There is a critical need to understand how resources like informal networks, cultural influences, and government support can be practically mobilized to overcome operational challenges and improve SME performance. Addressing this gap offer entrepreneurs actionable insights into resource utilization, helping to bridge real-world challenges and support sustainable business growth.

In addition, North-west Nigeria's unique socio-economic and cultural context presents distinct challenges and opportunities for SMEs, which are not adequately addressed by the broader literature on intangible resources. Previous studies on intangible assets largely focus on contexts in developed economies or more stable business environments, overlooking the specific socio-cultural dynamics of North-west Nigeria (Sallah & Caesar, 2020; Sadiku-Dushi, et al., 2019). The region's unique cultural, religious, and gender-based influences shape business operations differently, suggesting that traditional models of intangible resource impact may not fully apply here. This lack of context-specific research leaves a void in understanding how unique intangible resources, such as culturally bound social capital or gender dynamics, influence SME performance in North-west Nigeria.

To address critical gaps in understanding the drivers of SME success in specific emerging market contexts, this study investigates the role of entrepreneurial intangible resources in shaping SME performance in Northwest Nigeria. Focusing on the unique socio-economic environment of this region, the research formulated and empirically tested a set of null hypotheses concerning the influence of key factors. Specifically, the study tested the following null hypotheses:

H_1: Informal networking channels have a significant positive effect on SME performance.

H_2: Cultural dynamics have a significant negative effect on SME performance.

H_3: Government support programs have a significant positive effect on SME performance.

H_4: Access to local markets has a significant positive effect on SME performance.

H_5: Gender dynamics have a significant negative effect on SME performance.

H_6: Religious and ethical considerations have a significant positive effect on SME performance.

H_7: Government support strengthens informal networks, indirectly improving SME performance.

H_8: Cultural dynamics reduce market access, indirectly harming performance.

H_9: Gender disparities limit access to government support. By empirically testing these propositions, the study aims to provide actionable insights for both entrepreneurs and policymakers, facilitating the development of effective, context-sensitive strategies tailored to the local context.

Literature Review

Informal Networking and SME Performance

Informal networking refers to the unstructured relationships and social connections that entrepreneurs leverage to access resources, knowledge, and opportunities. Granovetter's (1973) "strength of weak ties" theory posits that diverse connections facilitate information flow and resource acquisition. Studies in emerging economies highlight how informal networks enhance SME performance by providing access to capital, market information, and business partnerships (Purwati et al., 2021; Vătămănescu et al., 2022). In Nigeria, informal networks, such as trade associations and kinship ties, play a crucial role in business sustainability (Olamide & Ogbechie, 2021).

Cultural Dynamics and SME Performance

Cultural dynamics encompass societal norms, values, and traditions that shape business practices. Hofstede's (2001) cultural dimensions framework suggests that collectivist cultures may foster cooperative business environments, while high uncertainty avoidance may hinder entrepreneurial risk-taking. In Nigeria, cultural factors such as communal trust and ethnic affiliations influence SME operations (Baba & Audu, 2021). However, certain traditional norms may also restrict innovation and formalization (Chukwuka, 2024).

Government Support Programs

Government interventions, such as grants, training, and policy incentives, aim to enhance SME growth. Research indicates mixed outcomes, with some studies showing positive effects on entrepreneurial orientation (Prasannath et al., 2024) and others highlighting inefficiencies due to poor implementation (Ansu-Mensah et al., 2021). In Nigeria, programs like the Small and Medium Enterprises Development Agency (SMEDAN) have been critiqued for limited reach and accessibility (Gumel, 2023).

Market Access and SME Performance

Market access refers to the ability of SMEs to reach customers, suppliers, and distribution channels. Studies emphasize that local and international market linkages significantly improve SME profitability and scalability (Tsai-Ju Liao, 2019). Digital platforms have further expanded market opportunities, particularly in emerging economies (Ajede et al., 2025).

Gender Dynamics in SMEs

Gender dynamics influence SME performance through disparities in resource access, societal expectations, and entrepreneurial opportunities. While some studies report gender-neutral performance outcomes (Hassan et al., 2021), others highlight systemic barriers faced by women entrepreneurs in Nigeria (Jubril et al., 2022).

Religious and Ethical Considerations

Religious and ethical values shape business conduct and stakeholder trust. Islamic business ethics, for instance, have been linked to sustainable SME practices in Muslim-majority regions (Abalala et al., 2021). However, their direct impact on performance varies across contexts (Shofiyuddin et al., 2024).

Empirical Review

Recent empirical studies provide critical insights into the factors influencing SME performance in developing economies. Research by Vătămănescu et al., (2022) demonstrates how informal networking channels significantly enhance SME internationalization through knowledge sharing, particularly in Central and Eastern Europe. Similar findings emerge from Nigeria, where Olamide and Ogbechie (2021) found that female entrepreneurs leveraging social capital through kinship ties exhibited greater business resilience.

Cultural dynamics present mixed effects, with Tamunosiki-Amadi et al. (2020) showing how Nigerian cultural norms simultaneously facilitate communal trust while potentially stifling innovation. Government support programs show varied effectiveness; Nakku et al. (2020) found such initiatives only boosted Ugandan SME performance when combined with entrepreneurial training, while Gumel (2023) criticized Nigerian programs for bureaucratic inefficiencies. Market access emerges as a consistent performance driver, with Ajede et al. (2025) linking digital tools to 22% revenue growth in Kwara State SMEs, and Tsai-Ju Liao (2019) highlighting institutional support's role in market penetration.

Gender disparities persist, as Jubril et al., (2022) documented unequal access to loans and training for female entrepreneurs in Nigeria, though, Hassan et al., (2021) found gender-neutral outcomes in Saudi Arabia following policy reforms. Religious and ethical considerations show limited direct impacts but may foster trust, as seen in Saudi SMEs adhering to Islamic ethics (Abalala et al., 2021) and Nigerian businesses benefiting indirectly from ethical practices (Shofiyuddin et al., 2024. The study is anchored in three foundational theories that explain SME performance determinants. The Resource-Based View (RBV) (Barney, 1991) forms the primary theoretical lens, positing that intangible resources like informal networks and cultural capital create competitive advantages for SMEs. Social Capital Theory (Putnam, 2000; Granovetter, 1973) complements RBV by specifically explaining how relational networks facilitate resource sharing and opportunity identification among entrepreneurs.

Finally, Institutional Theory (North, 1990) provides the framework for understanding how both formal institutions (government policies) and informal institutions (cultural norms) collectively shape SME operational environments and performance outcomes. These three theories collectively offer a robust theoretical foundation for examining the interplay between intangible resources and SME success in North-west Nigeria's unique context.

Materials and Method

North West Nigeria, encompassing the seven states of Kano, Kaduna, Katsina, Zamfara, Sokoto, Jigawa, and Kebbi. This study adopted a quantitative research approach employing a descriptive survey research design to investigate the factors influencing SME performance in North-western states. The target population comprised Small and Medium-sized Enterprises operating within this region. Drawing from an estimated population of 39,654,385 SMEs (based on SMEDAN, 2022 data at the time of design), the sample size was determined using Yamane's (1967) formula, yielding approximately 400 participants (Nanjundeswaraswamy & Divakar, 2021).

$$n = \frac{N}{1+N(e)^2}$$

Where;

n = sample size; N = Population; 1 = Constant; e = Margin of Error (in this case 5%)

$$= \frac{367{,}622}{1+367{,}622\ (0.05)^2}$$

$$= \frac{367{,}622}{1+367{,}622(0.0025)}$$

= 399.57

Table 1.1: Sample Size

Serial	State	Population	Population%	Sample Size (n=480)
1	Jigawa	6,367,003	16.05%	77
2	Kaduna	8,324,087	20.99%	101
3	Kano	13,076,892	32.97%	158
4	Katsina	7,831,319	19.75%	95
5	Kebbi	4,869,958	12.28%	59
6	Sokoto	5,863,506	14.78%	71
7	Zamfara	5,321,620	13.42%	64
Total	**North-west Nigeria**	**39,654,385**	**100%**	**480**

Source: Author's Analysis, 2025.

To account for potential attrition and ensure robust results, the sample size was adjusted upwards to 480, incorporating a 20% allowance based on practices in survey research. A stratified random sampling technique was utilised to select participants, with Neyman allocation applied to distribute the sample proportionally across the different states in North-west Nigeria, thereby ensuring representation of the diverse SME landscape. Data were collected using a structured questionnaire, developed by adapting established measurement scales for each variable: Informal Networking Channels (Lin & Lin., 2016), Cultural Dynamics (Trompenaars & Hampden-Turner, 1998), Government Support Programs (Lussier, 2009), Access to Local Markets (Coviello & Brodie, 2001), Gender Dynamics (Terjesen & Singh, 2008), and Religious and Ethical Considerations (Leal-Rodriguez et al., 2013), instruments predominantly employed a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The survey instrument underwent pilot testing to refine clarity before full deployment. The collected data's reliability and validity were assessed through a measurement model analysis, examining factor loadings, Cronbach's alpha, composite reliability, and average variance extracted for the constructs.

Data Analysis

The initial data analysis involved descriptive statistics to summarize the characteristics of the sample, performed using SPSS version 25. The primary analytical approach for testing the research hypotheses was Partial Least Squares Structural Equation Modelling (PLS-SEM). This advanced technique was employed to examine the complex relationships and pathways among the independent variables, the proposed mediating variable, and the dependent variable. PLS modelling was conducted utilizing Adanco 2.3 software to estimate the model parameters (Phuangsuwan et al., 2025). The structural model specifically assessed how variables such as informal networking channels, cultural dynamics, and others influenced SME performance.

Results and Discussion

Demographic Characteristics

The demographic and business profile in table 1.2 of the 403 surveyed SME owners/managers in North-west Nigeria reveals a predominantly male sample, accounting for nearly three-quarters (74.5%) of respondents, while females represent a quarter (25.5%). The age distribution indicates a mature group of entrepreneurs, with the largest segments falling within the 36-45 years (30%) and 26-35 years (24.3%) brackets, followed by the 46-55 years group (23.8%), suggesting experienced individuals are leading these SMEs, with a notable proportion (14%) aged 66 years and above. Educational attainment is varied, with a significant portion having received no formal education (30%) or only primary education (28%), while fewer possess secondary (16.8%) or tertiary (10.5%) qualifications, alongside a segment under 'Others' (14.8%). In terms of business sector representation, the Services sector is the most prevalent (30.8%), closely followed by manufacturing (23.8%) and Trade (22.8%), with Agriculture (11.5%) and other sectors (11.3%) also represented. The longevity of business operations among the sampled SMEs is notable, with nearly half (48.5%) having been in operation for 11-15 years, and a substantial portion (23.5%) operating for over 16 years, indicating a high level of business maturity and stability within the sample, while newer ventures (less than 5 years) constitute a smaller proportion (16.5%).

Table 1.2: Demography of respondents (n=403)

Variable		Frequency	Percent
Gender	Male	298	74.5
	Female	102	25.5
Age group	18-25 years	11	2.8
	26-35 years	97	24.3
	36-45 year	120	30
	46-55 years	95	23.8
	56 - 65 years	21	5.3
	66 years and above	56	14
Education	No Formal Education	120	30
	Primary Education	112	28
	Secondary Education	67	16.8
	Tertiary Education	42	10.5
	Others (Please specify)	59	14.8
Business sector	Agriculture	46	11.5
	Manufacturing	95	23.8

	Trade	91	22.8
	Services	123	30.8
	Others (Please specify)	45	11.3
Length of Business Operation	Less than 1 year	24	6
	1-5 years	42	10.5
	6-10 years	46	11.5
	11-15 years	194	48.5
	Above 16 years	94	23.5

Source: Author’s Analysis, 2025.

Structural Equation Model

This research model (figure 1.1) investigates the intricate relationships between entrepreneurial intangible resources (informal networking channels, cultural dynamics, government support programs, access to local markets, gender dynamics, and religious/ethical considerations) and SME performance in North-west states.

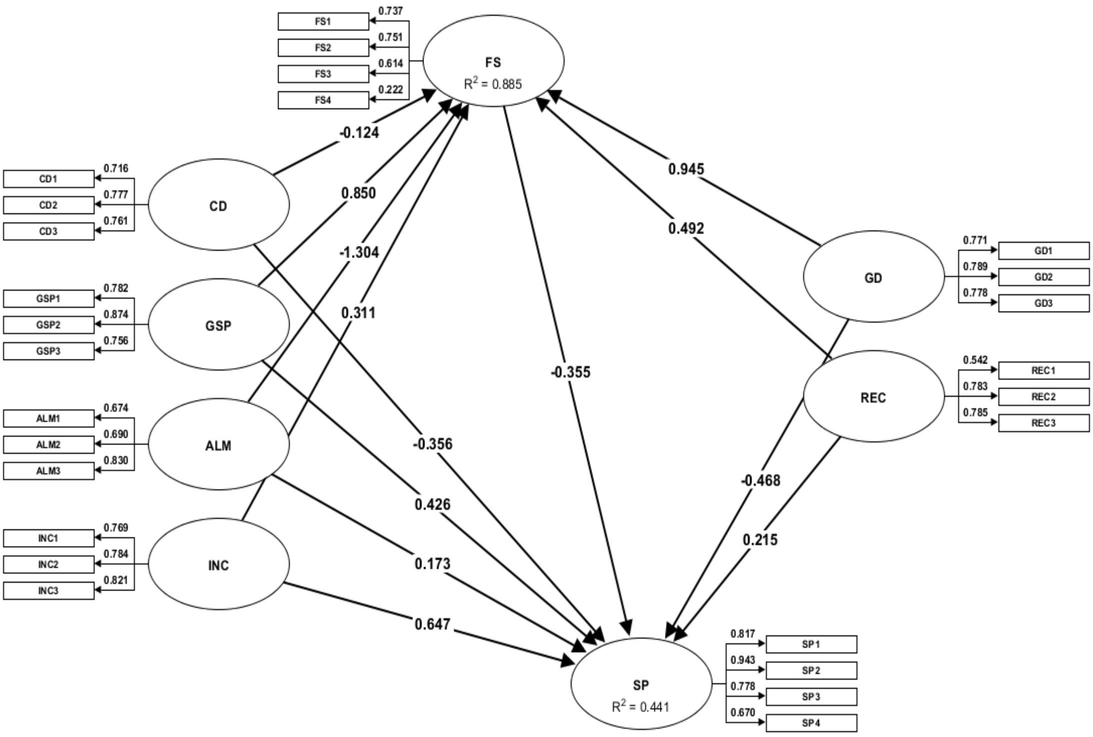


Figure 1.1: Structural Equation Model

Source: Author’s Analysis, 2025.

The results of the measurement model assessment in table 1.3 indicate generally good reliability and convergent validity for the constructs employed in the study. As shown in Table 1.2, the loadings of individual indicators on their respective latent variables were predominantly above the commonly accepted threshold of 0.7, confirming that the items adequately represent the constructs. Internal consistency reliability was further supported by Cronbach's alpha values, which ranged from 0.74 to 0.85 across all constructs, well exceeding the minimum acceptable level of 0.7. Additionally, the

Average Variance Extracted (AVE) values, ranging from 0.51 to 0.65, met or surpassed the 0.5 criterion for most constructs, demonstrating that each construct explains a significant proportion of the variance in its observed indicators and providing evidence for convergent validity.

Table 1.3: Internal Consistency and Convergent Validity (n=403)

Indicator	Loadings	Cronbach's alpha	AVE
INC1	0.7686	0.83	0.63
INC2	0.7840		
INC3	0.8205		
CD1	0.7165	0.80	0.57
CD2	0.7774		
CD3	0.7612		
GSP1	0.7822	0.85	0.65
GSP2	0.8736		
GSP3	0.7560		
ALM1	0.6741	0.78	0.54
ALM2	0.6898		
ALM3	0.8303		
GD1	0.7708	0.82	0.61
GD2	0.7894		
GD3	0.7783		
REC1	0.5419	0.74	0.51
REC2	0.7826		
REC3	0.7854		

Source: Author's Analysis, 2025.

For SME Performance (SP), table 1.4 reveals both direct. Informal Networking Channels (INC) and Access to Local Markets (ALM) exhibit positive direct and total effects on SP, indicating that these factors enhance performance. Gender Dynamics (GD) shows a substantial negative total effect, suggesting that gender-related issues significantly hinder performance. Notably, Government Support Programs (GSP) and Gender Dynamics (GD) exhibit the strongest positive direct effects, with Beta values of 0.8503 and 0.9453, respectively. Conversely, Access to Local Markets (ALM) shows a significant negative direct effect, with a Beta of -1.3041. Informal Networking Channels (INC) and Religious and Ethical Considerations (REC) also have positive direct effects, while Cultural Dynamics (CD) has a negative direct effect. Government Support Programs (GSP) and Religious and Ethical Considerations (REC) have relatively small positive total effects. Cultural Dynamics (CD) shows a negative total effect. The 'Cohen's f^2' column provides a measure of effect size, indicating the practical significance of each relationship. Higher Cohen's f^2 values suggest a stronger effect. For instance, Government Support Programs (GSP) on SP shows a relatively high Cohen's f^2 of 0.8931, indicating a substantial effect.

Table 1.4: Effect Overview (n=403)

Effect	Beta	Standard error	Total effect	Cohen's f^2
INC -> SP	0.6472	-0.1106	0.5366	-0.7761
CD -> SP	-0.3564	0.0439	-0.3125	-0.5998
GSP -> SP	0.4264	-0.3022	0.1242	0.8931
ALM -> SP	0.1725	0.4635	0.6360	-0.0110
GD -> SP	-0.4680	-0.3360	-0.8040	-0.1195
REC -> SP	0.2148	-0.1749	0.0398	0.0464

Source: Author's Analysis, 2025.

The study found that informal networking channels and access to local markets significantly enhance SME performance, leading to the rejection of H_{01} and H_{04}. However, cultural dynamics, government support programs, gender dynamics, and religious and ethical considerations showed minimal or negative effects, meaning H_{02}, H_{03}, H_{05}, and H_{06} were accepted. Specifically, the R-squared value for SME Performance was 0.4406, with an adjusted R-squared of 0.4307, indicating that approximately 44.06% of the variation in SME Performance in North-west Nigeria is accounted for by the factors included in this model.

Discussion

The findings of this study offer a nuanced understanding of the factors influencing Small and Medium Enterprise (SME) performance in North-west Nigeria, presenting both consistencies and divergences when compared with existing literature. The analysis revealed that informal networking channels significantly enhance SME performance, demonstrating a strong positive direct effect (β = 0.6472) and a substantial total effect (β = 0.5366), leading to the rejection of the null hypothesis (H_{01}). This aligns strongly with the established literature emphasizing the benefits of social capital and networks for business success (Purwati et al., 2021, Imo, 2024). Our findings are corroborated by various studies across different contexts, such as Vătămănescu et al. (2022) on internationalizing SMEs, Vigatsi and Amuhaya (2019) on employee performance in healthcare, Park (2022) on corporate creative performance through informal communication, and Westover (2024) on "hidden teams" facilitating knowledge sharing and innovation, all underscoring the positive impact of informal connections on organizational outcomes.

Furthermore, Olamide and Ogbechie (2021) found a positive and significant influence of social capital on female-owned SMEs in the Nigerian informal sector, providing specific local context for our results. While Granovetter's (2023) "strength of weak ties" highlights the value of diverse connections, our study implicitly suggests the critical importance of quality and embeddedness within the specific socio-economic context of North-west Nigeria, where strong relationships may be more vital for navigating local complexities. It is important to acknowledge, however, that the nature and impact of informal networks can vary, as highlighted by Melhem et al. (2024), who explored potential downsides in multinational companies in Jordan.

In contrast to the positive influence of networking, cultural dynamics were found to negatively impact SME performance, exhibiting a negative direct effect (β = -0.3564) and a negative total effect (β = -0.3125), resulting in the acceptance of the null hypothesis (H_{02}). This finding diverges sharply from broader cultural frameworks presented by scholars like Hofstede (1980) and Trompenaars and Hampden-Turner (1998), which often imply a more universally positive or complex, rather than distinctly negative, influence of culture on business activities. Our results resonate more with Shane et al. (1991), who identified specific cultural dimensions capable of hindering entrepreneurship, and underscore that such hindering aspects are highly context-specific within North-west Nigeria. This suggests that generic cultural models may not adequately capture the intricate realities of local cultural dynamics, pointing to the need for tailored interventions that address specific cultural barriers rather than relying on generalized assumptions. The negative impact observed in our study appears to contradict several recent studies conducted in other Nigerian and African contexts that reported positive influences of cultural factors on SME performance (Chukwuka, 2024; Tamunosiki-Amadi et al., 2020; Oluwa & Ibrahim, 2021; Gogah & Abong'o, 2024). For instance, Baba and Audu (2021) found a positive effect of corporate culture on SME performance in Kano, Nigeria, indicating potential regional variations within the country. Similarly, Onyekachi and Muogbo (2023) even reported a strong positive relationship between religion and ethnicity and SME performance in Nigeria. These contrasting results highlight the complex and context-dependent nature of the culture-performance nexus and the need for localized research. Studies by Shuaib and He (2021) and Oluwa and Ibrahim (2021) also noted that different types or facets of organizational culture can have varying relationships with innovation and performance.

Government support programs, while often intended to bolster businesses, showed a less direct and weaker impact on SME performance in this study, with a positive direct effect ($\beta = 0.4264$) but a weak total effect ($\beta = 0.1242$), leading to the acceptance of the null hypothesis (H_{03}). Our findings echo Giakoumelou et al. (2025) on the importance of financial access but add the crucial insight that financial access alone does not guarantee improved performance, suggesting that government support needs to be more strategically aligned with other performance-enhancing factors. This contrasts with studies suggesting a more robust positive role for government support, either directly or indirectly, through entrepreneurial orientation or innovation (Prasannath et al., 2024; Nakku et al., 2020; Feranita et al., 2019). The relatively weak total effect observed might be attributable to various factors such as the design, accessibility, or effectiveness of specific programs in North-west Nigeria in meeting the actual needs of SMEs. The findings may also lend support to arguments like Ansu-Mensah et al. (2021), who suggested that governments in some emerging economies are not doing enough to support SMEs effectively. The complex ways government support can influence outcomes, potentially through mediating factors, is also highlighted by Gumel (2023) in the Nigerian context.

Access to local markets emerged as a key driver of SME success, demonstrating a positive direct effect ($\beta = 0.1725$) and a strong positive total effect ($\beta = 0.6360$), resulting in the rejection of the null hypothesis (H04). This underscores the critical importance of economic connectivity for SMEs, consistent with literature highlighting the benefits of market access for performance (Tsai-Ju Liao, 2019; Nyaga, 2019). Studies focusing on marketing strategies as crucial for accessing markets also support this finding (Ansu-Mensah et al., 2021). More recent research on online marketing tools (Ajede et al., 2025) and the role of SMEs in urban economic development and access to urban markets (Omowole et al., 2024) further corroborate the significance of market access. While Porter (1995) broadly linked market access to growth, our results, aligning more with the market orientation focus of Coviello and Brodie (2001) and the regional market presence discussed by Julien (1994), in the context of North-west Nigeria, increased market access may drive performance more through specialization and efficiency than simply through sheer size expansion.

Gender dynamics presented a complex picture, exhibiting a negative direct effect ($\beta = -0.4680$) and a strong negative total effect ($\beta = -0.8040$) on SME performance, leading to the acceptance of the null hypothesis (H_{05}). This highlights significant gender-related challenges faced by SMEs in the region. While some studies suggest similar performance levels regardless of gender or a positive influence of female presence (Hassan et al., 2021; Graafland, 2020; Madison et al., 2022), our finding aligns with research indicating considerable gender disparities and challenges for women entrepreneurs in Nigeria and similar contexts (Jubril et al., 2022; Afolabi & Aghaunor, 2024). The results suggest that even when women-led businesses navigate initial barriers, they face systemic socio-cultural biases or resource limitations that hinder their overall performance, as potentially reflected in studies on differential benefits from innovation (Expósito et al., 2023) or complex interactions with the regulatory environment (Vershinina et al., 2020).

Additionally, religious and ethical considerations demonstrated a modest positive direct effect ($\beta = 0.2148$) but a very weak total effect ($\beta = 0.0398$) on SME performance, resulting in the acceptance of the null hypothesis (H_{06}). This suggests that while these factors may have a small positive influence, they are not primary determinants of SME performance in North-west Nigeria, at least in their directly measurable impact. This contrasts with studies that found a more significant positive role for religious ethics or religiosity in moderating relationships or directly influencing performance (Shofiyuddin et al., 2024; Menengah et al., 2022; Abalala et al., 2021; Katmas et al., 2022). Our findings suggest that in this context, SMEs must navigate a competitive landscape where religious and ethical principles may guide decision-making but need to be balanced with strategic approaches to ensure commercial success. The complex interplay where religious values might influence performance through other factors, such as organizational culture or entrepreneurial competency, has been noted in other Nigerian studies (Kareem et al., 2025; Ganiyu et al., 2023), while the importance of value orientation for long-term sustainability is also acknowledged (Okechukwu et al., 2024). The weak overall effect in our study might imply that these considerations are so deeply embedded or universally practiced in the region that they do not create a significant differential impact on performance among SMEs, or that their influence operates through more complex, less direct pathways than those examined.

Conclusion and Recommendations

Based on the findings of this study, we conclude that enhancing SME performance in North-west Nigeria requires a multifaceted approach that addresses both direct and indirect influences of entrepreneurial intangible resources. The pivotal role of informal networking channels underscores the necessity of fostering robust social capital within the SME ecosystem. However, cultural dynamics present significant challenges, necessitating targeted interventions to overcome hindering norms and practices. Access to local markets encourages specialization and efficiency rather than sheer size, suggesting a shift towards niche strategies. Gender dynamics reveal a complex interplay, requiring gender-sensitive policies to address systemic barriers and ensure equitable opportunities for women entrepreneurs. Religious and ethical considerations, while important, have a limited direct impact on performance, emphasizing the need for SMEs to balance ethical principles with competitive strategies.

Based on the study's findings, the following recommendations are proffered to enhance SME performance in North-west Nigeria:

1. Help businesses connect with each other. Create events and online spaces where business owners can meet and share ideas. This will help them build helpful relationships.
2. Change negative cultural views about business. Run campaigns to show that business is good for the community. Offer training to help people understand modern business practices.
3. Make government interventions focus on skills adoption, not just programme size. Provide training and tools to improve how businesses work. Make sure help is given to businesses that want to get better.

Reference

Abalala, T. S., Islam, M. M., & Alam, M. M. (2021). Impact of ethical practices on small and medium enterprises' performance in Saudi Arabia: An Partial Least Squares-Structural Equation Modeling analysis. *South African Journal of Business Management*, 52(1). https://doi.org/10.4102/sajbm.v52i1.2551

Afolabi, S., & Aghaunor, C. T. (2024). Women leadership, financial literacy and performance of small and medium scale enterprises in Nigeria. *World Journal of Advanced Research and Reviews*, 22(2), 2239-2253.

Ajede, S. A., Ibrahim, K. M., Bakare, A. H., & Abdulwahab, A. D. (2025). The impact of online marketing on smes' performance in Kwara State, North-Central, Nigeria. *African Journal of Social and Behavioural Sciences*, 15(1).

Aliyu, I., & Suleiman, W. (2022). Information exchange and human capital development. *Gusau Journal of Business Administration (GUJOBA).*

Ansu-Mensah, P., Adjei Kwakwa, P., & Maku, S. N. T. (2021). Determinants of the business performance of small and medium enterprises in an emerging market economy. *International Journal of Management, Knowledge and Learning,* 10, 219–233. https://doi.org/10.53615/2232-5697.10.219-233

Acs, Z. J., & Szerb, L. (2007). Entrepreneurship, economic growth and public policy. *Small Business Economics,* 29(4-5), 321-339.

Baba, M., & Audu, I. (2021). Relationship between corporate culture, strategic planning and performance of SMEs in Nigeria: the moderating role of environmental turbulence. *Journal of Management Sciences,* 4(1), 464-482.

Cassar, G. V. (2020). The role of small and medium-sized enterprises in economic growth and development: A review of the literature. *International Journal of Entrepreneurial Behavior & Research,* 26(5), 1035-1053.

Chukwuka E. J. (2024), The Nexus between cultural factors and entrepreneurial performance of small and medium scale enterprises in Nigeria. *International Journal of Entrepreneurship and Business Innovation,* 7(3), 43- 59. DOI: 10.52589/IJEBIIJ3SH8QZ

Civelek, M., Schönfeld, J., Ključnikov, A., Csabay, M., & Ferraris, A. (2025). Cross-country differences in the role of innovation performance in the relationship between entrepreneurial intention and access to finance. *International Entrepreneurship and Management Journal*, *21*(1), 1-38.

Coviello, N. E., & Brodie, R. J. (2001). Contemporary marketing practices of consumer and business-to-business firms: how different are they? *Journal of Business & Industrial Marketing*, *16*(5), 382-400.

Expósito, A., Sanchis-Llopis, A., & Sanchis-Llopis, J. A. (2023). entrepreneur’s gender and SMEs performance: The mediating effect of innovations. *Journal of the Knowledge Economy*. https://doi.org/10.1007/s13132-023-01555-8

Feranita, N. V., Nugraha, A., & Sukoco, S. A. (2019). The role of government support for innovation and performance of SMEs. *Politico*, 19(2), 124–136. https://doi.org/10.32528/politico.v19i2.2932

Ganiyu, S. I., Abdullahi, N., & Karwai, S. A. (2023). Effect of entrepreneurial competencies and religiousity on the performance of MSMEs in Adamawa State. *African Scholars Journal of Business Dev. and Management Res.(*JBDMR-7), 29(7), 1-18.

Giakoumelou, A., Salvi, A., Kvasova, O., & Rizomyliotis, I. (2025). The start-up's roadmap to private equity financing: substituting discounts with a premium in valuation for growth. *International Journal of Entrepreneurial Behavior & Research*, *31*(2/3), 479-497.

Gogah, O. E., & Abong’o, B. (2024). Analysing the organizational culture on performance of SMEs in Kisumu County, Kenya. *International Journal of Innovative Science and Research Technology*, 9(3), 2037-2048. https://doi.org/10.38124/ijisrt/IJISRT24MAR1592

Graafland, J. (2020). Women in management and sustainable development of SMEs: Do relational environmental management instruments matter? *Corporate Social Responsibility and Environmental Management.* https://doi.org/10.1002/csr.1966

Granovetter, M. (2023). The Strength of Weak Ties. In *Social Theory Re-Wired* (pp. 79-91). Routledge.

Gumel, B. I. (2023). The Mediating Impact of the Small and Medium Enterprises Development Agency of Nigeria on the Relationship Between the Critical Success Factors and SMEs' Success (Doctoral dissertation, Al-Madinah International University).

Hassan, H., Ahmed, A., Alhaimer, R., & Abdelkader, M. (2021). Moderating role of gender in influencing enterprise performance in emerging economies: Evidence from Saudi Arabian SMEs sector. Problems and Perspectives in Management, 19(3), 148.

Hofstede, G. (2001). Culture's consequences: Comparing values, institutions and organizations across nations (2nd ed.). Sage Publications.

Huggins, R., & Thompson, P. (2021). Informal networking channels and SME performance: A review and research agenda. *Journal of Small Business Management*, 59(4), 935-970.

Imo, I. O. (2024). Networking and Social Capital in Entrepreneurial Marketing Orientation: Insights from the Igbo Spare Parts Entrepreneurs in Nigeria. *Journal of Business Development and Management Research*.

Joseph, A. O., Ja'afar, Y., Bara, A. Y., Kwada, C., & Atiku, S. (2024). Effect of Human Resource Management Practices on the Growth of Small and Medium Scale Enterprises in Kaduna State. *African Journal of Management and Business Research*, 15(1), 240-260.

Jubril, B., Olubiyi, T. O., Sojinu, O. S., & Ngari, R. (2022). Strengthening gender equality in small business and achieving sustainable development goals (SDGs): Comparative analysis of Kenya and Nigeria. *Economics, Management and Sustainability*, 7(2), 19-31.

Katmas, E., Faizah, N., & Wulandari, A. (2022). PENGARUH PENERAPAN ETIKA BISNIS ISLAM TERHADAP KINERJA USAHA MIKRO KECIL DAN MENENGAH. *Jurnal Asy-Syukriyyah*, 23(1), 22–35. https://doi.org/10.36769/asy.v23i1.212

Leal-Rodríguez, A. L., Roldán, J. L., Leal, A. G., & Ortega-Gutiérrez, J. (2013). Knowledge management, relational learning, and the effectiveness of innovation outcomes. *The Service Industries Journal*, 33(13-14), 1294-1311.

Lin, F. J., & Lin, Y. H. (2016). The effect of network relationship on the performance of SMEs. *Journal of Business Research*, *69*(5), 1780-1784.

Madison, K., Moore, C. B., Daspit, J. J., & Nabisaalu, J. K. (2022). The influence of women on SME innovation in emerging markets. *Strategic Entrepreneurship Journal*. https://doi.org/10.1002/sej.1422

Melhem, M. J., Darwish, T. K., Wood, G., & Abushaikha, I. (2024). Managing upward and downward through informal networks in Jordan: The contested terrain of performance management. Human Resource Management. https://doi.org/10.1002/hrm.22224

Menengah, S., Sefnedi, & Yadewani, D. D. (2022). Pengaruh Orientasi Kewirausahaan dan Religiusitas terhadap Kinerja.

Nakku, V. B., Agbola, F. W., Miles, M. P., & Mahmood, A. (2019). The interrelationship between SME government support programs, entrepreneurial orientation, and performance: A developing economy perspective. *Journal of Small Business Management*, 58(1), 2–31. https://doi.org/10.1080/00472778.2019.1659671

Nanjundeswaraswamy, T. S., & Divakar, S. (2021). Determination of sample size and sampling methods in applied research. *Proceedings on engineering sciences*, 3(1), 25-32.

Nyaga, Y. P. E. (2019). Effect of the Access to the Export Market on the Performance of SMEs in Cameroon. *Journal of International Business and Economics,* 7(2). https://doi.org/10.15640/jibe.v7n2a2

Okechukwu, N., Agbai, E. P., & PCE, H. (2024). Exploring the role of value orientation in small and medium-sized enterprise (SME) and entrepreneurial development in Nigeria. *Disseminating Scholarly Research across the Globe*, 5.

Olamide, A., & Ogbechie, R. (2021). Social capital and business performance: a study of female-owned SMEs in the Nigerian informal sector. Small Enterprise Research, 28(2), 190–205. https://doi.org/10.1080/13215906.2021.1901140

Oluwa, A., & Ibrahim, U. A. (2021). Investigating the influence of organisational culture on the performance of Small and Medium Enterprises (SMEs). *International journal of research* *in business and social science* (2147- 4478), 10(4), 485–495. https://doi.org/10.20525/ijrbs.v10i4.1249

Omowole, B. M., Olufemi-Phillips, A. Q., Ofodile, O. C., Eyo-Udo, N. L., & Ewim, S. E. (2024). The role of SMEs in promoting urban economic development: A review of emerging economy strategies.

Onyekachi, M. D., & Muogbo, U. S. (2023). Socio-Cultural Environment and Performance Of Small and Medium Scale Enterprises In Nigeria.

Phuangsuwan, P., Siripipatthanakul, S., Praesri, S., & Rakpathum, W. (2025). The relationship between good governance and organizational performance through the mediating role of employee satisfaction. *Journal of Governance and Regulation/Volume*, *14*(1).

Porter, M. E., & Van der Linde, C. (1995). Toward a new conception of the environment competitiveness relationship. *Journal of Economic Perspectives*, 9(4), 97-112.

Prabandari, S. P., Yulianti, I., & Kurniasari, I. (2023, November). The Role of Entrepreneurial Knowledge, Family Environment in Encouraging the Formation of Entrepreneurial Self-Efficacy of Prospective Indonesian Young Entrepreneurs. In Proceeding International Conference on Economy, *Management, and Business* (Volume 1, 2023) (Vol. 1, No. 1, pp. 803-810).

Prasannath, V., Adhikari, R. P., Gronum, S., & Miles, M. P. (2024). Impact of government support policies on entrepreneurial orientation and SME performance. *International Entrepreneurship and Management Journal*, 20. https://doi.org/10.1007/s11365-024-00993-3

Purwati, A. A., Budiyanto, B., Suhermin, S., & Hamzah, M. L. (2021). The effect of innovation capability on business performance: The role of social capital and entrepreneurial leadership on SMEs in Indonesia. *Growing Science: Accounting*, 7(2), 323-330.

Sadiku-Dushi, N., Dana, L. P., & Ramadani, V. (2019). Entrepreneurial marketing dimensions and SMEs performance. *Journal of Business Research*, 100, 86-99.

Saleh, A. M., & Athari, S. A. (2023). Examining the impact of entrepreneurial orientation on new venture performance in the emerging economy of Lebanon: a moderated mediation analysis. *Sustainability*, *15*(15), 11982.

Sallah, C. A., & Caesar, L. D. (2020). Intangible resources and the growth of women businesses: Empirical evidence from an emerging market economy. *Journal of Entrepreneurship in Emerging Economies*, 12(3), 329-355.

Shane, S., Kolvereid, L., & Westhead, P. (1991). An exploratory examination of the reasons leading to new firm formation across country and gender. *Journal of Business Venturing*, 6(6), 431-446.

Shofiyuddin, M., Nurhayati, S., Manggor, E. M., & Zahro, N. (2024). The Influence of Digital Transformation Based on Religious Ethics on MSME Performance in the Era of Industry 4.0. *International Journal of Islamic Business and Economics (IJIBEC)*, 8(2), 193–205. https://doi.org/10.28918/ijibec.v8i2.8853

Tamunosiki-Amadi, J. O., Teddy, A. L., & Ekeuwe, A. (2020). Cultural Dynamics and Organizational Performance of Small and Medium Scale Enterprises in Bayelsa State. American *International Journal of Contemporary Research*, 10(1). https://doi.org/10.30845/aijcr.v10n1p5

Terjesen, S., & Hessels, J. (2009). The importance of local markets for small firms: A literature review. *Entrepreneurship & Regional Development*, 21(1), 1-29.

Trompenaars, F., & Hampden-Turner, C. (1998). *Riding the Waves of Culture: Understanding Cultural Diversity in Global Business* (2nd ed.). New York: McGraw-Hill.

Tsai-Ju Liao. (2019). Local institution contingencies for the effects of local market orientation on foreign SMEs' performances: Evidence from an emerging market

Tung, R. L. (2018). *Managing in global business* (10th ed.). Routledge.

Vătămănescu, E. M., Mitan, A., Cotîrleț, P. C., & Andrei, A. G. (2022). Exploring the mediating role of knowledge sharing between informal business networks and organizational performance: An insight into SMEs internationalization in CEE. *Sustainability*, 14(7), 3915.

Vershinina, N., Markman, G., Han, L., Rodgers, P., Kitching, J., Hashimzade, N., & Barrett, R. (2020). Gendered regulations and SME performance in transition economies. Small Business Economics, 58(2), 1113–1130. https://doi.org/10.1007/s11187-020-00436-7

Vigatsi, H. K., & Amuhaya, J. (2019). Effect of workplace informal group social networks on employee performance at the Kakamega County General Teaching and Referral Hospital, Kenya. *The Strategic Journal of Business & Change Management*, 6(4), 678 – 687. https://doi.org/10.61426/sjbcm.v6i4.1416

Wennekers, A. L. M., Stam, E., & Audretsch, D. B. (2020). Cultural dynamics, entrepreneurship and economic development: A review of the literature and research agenda. *Journal of Economic Geography*, 20(6), 1299-1327.

Westover, J. (2024). The Power of Hidden Teams: Leveraging Informal Relationships to Drive Organizational Success. *Human Capital Leadership Review*, 15(2). https://doi.org/10.70175/hclreview.2020.15.2.7

EVALUATING THE EFFECTIVENESS OF SOCIAL SAFETY NET INTERVENTIONS ON RURAL WOMENS' ECONOMIC WELLBEING IN KOGI STATE

[1]Dr Dauda Abdulwaheed, [2]Umar Hadiza, [3]Musa O Fatimah, [4]Atoyebi [5]Kabirat Mayowa, [6]Ibrahim Fatima Maaji

Federal University of Technology, Minna
d.waheed@futminna
08032857900

Abstract

Economic empowerment has long been recognized as a critical factor in improving the wellbeing of vulnerable populations, particularly women in rural communities. However, poverty and inequality are prevalent challenges in Nigeria, particularly in rural areas where many households struggle with limited access to basic needs such as, healthcare, education and economic opportunities despite the intervention of successive governments in Nigeria. Guided by the Gender and Development (GAD) theoretical framework, the study employed a quantitative research design to systematically investigate the social safety nets and economic inclusion of rural women in Kogi State, Nigeria. The population of this study consists of the 686 rural women who are beneficiaries of the initiatives in the study area, while the sample size of 254 elements was studied. The research instrument was deemed valid by experts for measuring the intended constructs and a coefficient of 0.81 obtained from the pilot study indicated that the items were adequately reliable. Multiple regression analyses was used for analysis at 0.05 level of significant. The finding reveals that there is a strong significant positive effect of government enterprises empowerment programme on the economic wellbeing of rural women in Niger State with a coefficient of 0.149 and a p-value of 0.042. Similarly, conditional cash transfer program with a coefficient of 0.167 and a p-value of 0.023 has a significant positive effect on the economic wellbeing of rural women. Conversely, National home-grown school feeding programme have coefficient of 0.018 and a p-value of 0.539 and Npower Program coefficient of 0.041 and a p-value of 0.195 were not significant on economic wellbeing of rural women in Kogi State. The study implied that social investment programme has significant effect on the economic wellbeing of rural women in the study area. Drawing from the findings, the study recommends that the government strengthen and expand its social investment efforts by channeling additional resources to ensure these initiatives reach the most marginalized and economically disadvantaged rural women.

Keywords: Empowerment, , Poverty, *Rural Women*, Safetynet, Social Investment,

Introduction

Globally, rural women are central to the socio-economic development of their communities with about 40 – 60% of the economic output, yet they remain one of the most disadvantaged groups in terms of access to education, economic resources and decision-making opportunities (United Nations, 2020). They constitute a significant proportion of the agricultural workforce and play key roles in food security and family welfare. Despite their 43% GDP contributions, systemic inequalities have continued to limit their participation in formal economic structures. Recognizing this imbalance, governments and international development agencies have prioritized gender-sensitive poverty alleviation strategies, one of which is the implementation of **Social Investment Programmes (SIPs)** designed to empower marginalized groups and reduce poverty (World Bank, 2020).

In many low and middle-income countries, SIPs such as conditional and unconditional cash transfers, microcredit schemes and skill acquisition initiatives have been adopted as tools for promoting inclusive economic growth (Barrientos and Hulme, 2019). The effectiveness of these interventions in improving socio-economic outcomes has been documented in countries like Brazil (Bolsa Família) and South Africa (Child Support Grant), where targeted cash transfers have led to improved household consumption, investment in small businesses and better educational and health outcomes (Handa *et al.*, 2016).

In Nigeria, the National Social Investment Programme (NSIP) was launched in 2016 as a federal government initiative to address the country's high poverty and unemployment rates. The NSIP includes four major components: the N-Power programme (for youth employment), the Home-Grown School Feeding Programme (HGSFP)**, the** Conditional Cash Transfer (CCT) and the Government Enterprise and Empowerment Programme (GEEP)**,** which includes schemes like TraderMoni and MarketMoni (National Social Investment Office, 2023). These programmes are particularly targeted at vulnerable populations, including rural women, to enhance financial inclusion, promote small-scale entrepreneurship and improve household welfare.

However, while the NSIP has been widely implemented across the country, the extent of its impact varies across regions and demographic groups. In Kogi State, a largely agrarian state with a high rural population, women remain economically vulnerable due to limited access to productive assets, inadequate infrastructure and traditional gender roles that restrict their economic activities. This study seeks to critically assess how effectively SIPs have enhanced the economic well-being of rural women in Kogi State. It specifically aims to determine the effect of Government Enterprise and Empowerment Programme, Conditional Cash Transfer, National Home-Grown School Feeding Programme and N-Power Programs on the economic wellbeing of the rural women in the study area

Literature Review

Social Intervention

Social intervention refers to the various strategies and actions implemented by governments, non-governmental organizations (NGOs), and individuals to address social problems and improve the quality of life of individuals and communities (Umberson *et al.*, 2019). It is a broad and multi-faceted concept that encompasses a wide range of activities and approaches, including policy development, service provision, community mobilization, and advocacy. Social intervention is based on the premise that social problems are caused by structural inequalities and systemic factors that need to be addressed through collective action (Giddens, 2017). Social interventions can take many forms, ranging from individual-level interventions, such as counseling and therapy, to community-level interventions, such as social service provision and community organizing (McLeod, *et al.*, 2018).

2.2 A Historical Review of Nigeria's Social Investment Programmes (1950–2024)

Since the almalgamation in 1914, Nigeria has implemented numerous social investment programmes (SIPs) to address poverty, unemployment, and inequality. Over time, these programmes evolved in scale, strategy, and delivery mechanisms, shaped by both local contexts and global development trends (United Nations, 2020).

Pre-Independence Era: Communal Welfare Systems

Before colonial rule, Nigerian societies practiced communal welfare through age-grade systems, kinship support, and collective labor, ensuring social cohesion and mutual assistance. These indigenous practices laid the foundation for formal social welfare systems introduced during colonial times (Ajakaiye and Olomola, 2023).

Post-Independence to 1990s: Early Government Initiatives

Following independence in 1960, Nigeria initiated several programmes to address poverty and unemployment:

a. **1972:** National Accelerated Food Production Programme (NAFPP)
b. **1986:** Directorate of Food, Roads and Rural Infrastructure (DFRRI)
c. **1987:** National Directorate of Employment (NDE)
d. **1989:** Better Life Programme for Rural Women
e. **1993:** Family Support Programme (FSP)

These initiatives aimed to boost agricultural production, create employment, and support rural development.

2000s: Structured Poverty Alleviation Efforts

The 2000s saw more structured approaches to poverty reduction such as;

a. **2001**: National Poverty Eradication Programme (NAPEP)
b. **2012**: Subsidy Reinvestment and Empowerment Programme (SURE-P)

NAPEP focused on vocational training and micro-credit schemes, while SURE-P aimed to utilize fuel subsidy savings for social welfare projects.

2016–Present: National Social Investment Programmes (NSIPs)

In 2016, the Federal Government launched the NSIPs to tackle poverty and hunger through four key programmes: Statehouse Abuja

1. **N-Power**: Provides skill development and employment for youth.
2. **Conditional Cash Transfer (CCT)**: Offers financial support to vulnerable households.
3. **Government Enterprise and Empowerment Programme (GEEP)**: Provides micro-loans to entrepreneurs.

4. **Home-Grown School Feeding Programme (HGSFP)**: Delivers nutritious meals to primary school children.

As of 2023, the CCT had reached over 1,297,000 beneficiaries and the HGSFP was feeding over 4 million students across 26 states (NSIP, 2023).

Below is a timeline chart illustrating the key social investment programmes in Nigeria from 1972 to the present:

Table 1: Evolution of Social Investment Programmes

Year	Programme	Focus Area
1972	NAFPP	Agricultural production
1987	NDE	Employment generation
1989	Better Life Programme	Women's empowerment
1993	FSP	Family welfare
2000	PAP	Poverty alleviation
2001	NAPEP	Poverty eradication
2003	SMEDAN	Provide support for SME
2012	SURE-P	Social welfare via subsidy savings
2016	NSIPs	Comprehensive poverty alleviation

National Social Investment Programme

National Social Investment Programme (NSIP) According to Ministry of Humanitarian Affairs, Disaster Management and Social Development of 2020, the National Social Investment Programme (NSIP) is a government initiative in Nigeria aimed at addressing poverty, unemployment, National Social Investment Programme (NSIP) and social inclusion. It includes various initiatives focused on empowering youth and women in the country. Under the NSIP, there are specific programs that target youth empowerment, such as the N-Power program. This program provides temporary employment and skill development opportunities for young Nigerians, equipping them with vocational and entrepreneurial skills. In addition, the NSIP also has programs that promote women empowerment, such as the Government Enterprise and Empowerment Programme (GEEP). This initiative supports women in accessing interest-free loans, grants, and empowerment programs to help them start or expand their businesses. These initiatives seek to reduce the vulnerability of youth and women by providing them with opportunities for economic and social development (Obayelu *et al.*, 2022). The NSIP aims to improve livelihoods, reduce poverty, and promote gender equality in Nigeria. The National Social Investment Programme (NSIP) is a government initiative in Nigeria that was established in 2015 to address poverty, unemployment, and social inclusion. It is one of the largest social intervention programs in Africa, implemented by the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development. The NSIP comprises several programs that focus on various aspects of empowerment, including youth and women empowerment. These programs include:

The concept of N-power programme

The N-Power programme is part of the Nigeria Federal Government's National Social Investment Programme (NSIP) scheme for job creation, poverty reduction and voluntary empowerment (Odusina & Oyewumi, 2022). It aims to imbue the culture of entrepreneurship in Nigerian women and young people between the ages of 18-35 (NHGSFSP, 2018) in terms of employability and improvements in the standard of living. It emphasises that the beneficiaries in most of the programmes not only derive a contribution to growth from rural areas of education, health, and farming but also are deployed into remote areas to assist government in service delivery. As noted, N-Power comprises N-Teach, N-Health, N-Agro, N-Vaids, N-Build, N-Creative, etc. The recipients of the N-Power programme are continuously drawn from both city and remote areas. It is expected that at the end of the programme, applicants should be able to attain some level of financial independence. The online application process enables direct cash payment through the bank details (bank name, account number, and the bank BVN (Biometric Verification Number) submitted by each applicant or beneficiary. The volunteers of N-Power are given devices containing relevant contents alongside ₦30,000 stipend which is usually paid monthly. The contents contained in the device encourage continuous learning. They also facilitate the volunteers' ability to implement the chosen vocation successfully. The N-Power programme is open to both graduates and non-graduates in Nigeria.

The Government Enterprise and Empowerment Programme (GEEP)

The GEEP is a social intervention initiative by the Nigerian government aimed at providing financial inclusion and microcredit to small businesses, entrepreneurs, artisans, traders, and farmers, particularly those in underserved communities. GEEP was designed to empower these individuals by offering interest-free loans, allowing them to scale their businesses, boost productivity, and improve their livelihoods. GEEP operates under the broader National Social Investment Programme (NSIP), which was launched in 2016 to alleviate poverty and stimulate economic growth in Nigeria. The GEEP consists of three key components, each tailored to target specific groups: TraderMoni, MarketMoni and FarmerMoni.

TraderMoni

The target group of this initiative is the petty traders and micro-enterprises. TraderMoni is designed to provide small, interest-free loans to petty traders and micro-enterprises across Nigeria. The goal is to empower informal sector workers, including those operating small-scale businesses like market vendors, fruit sellers, and food vendors. Typically, loans facility is advanced to the beneficiaries which starting from ₦10,000 (approximately $25) and can increase up to ₦50,000 as beneficiaries repay their initial loans. The beneficiaries must repay the loan within six months to qualify for larger loans. TraderMoni is particularly targeted at economically disadvantaged groups with little to no access to formal credit systems. It aims to help them grow their businesses, improve their income, and become financially independent. However, small loan size may not be sufficient to make a meaningful impact on business growth. Moreover, limited outreach and issues with repayment have hindered the effectiveness of the programme in some regions (Odusina & Oyewumi, 2022).

MarketMoni

This initiative targeted at Small and medium-scale enterprises (SMEs), traders, and artisans. MarketMoni provides slightly larger loans than TraderMoni and is aimed at SMEs, artisans, and cooperatives that require more substantial capital to grow their businesses. The available to this group ranges from ₦50,000 to ₦100,000 (approximately $120 to $250). As part of the repayment terms for the Interest-free loan, a one-time administrative fee of 5% to cover costs has to be paid by the beneficiaries and the loans are to be repaid within six months. Beneficiaries must belong to an accredited market cooperative or trade group. This ensures that the loans are properly administered and monitored. MarketMoni targets individuals who require more capital than what TraderMoni offers but still lack access to formal banking systems. Nevertheless, some beneficiaries report difficulties accessing loans due to bureaucratic processes and favoritism. Further, loan repayment has been inconsistent, partly due to a lack of financial literacy among beneficiaries.

FarmerMoni

FarmerMoni is aimed at boosting agricultural productivity by providing loans to smallholder farmers to purchase inputs, equipment, and other necessities for farming. The loans start at ₦300,000 (approximately $750) and can increase based on repayment performance and business needs. This initiative provides Interest-free loans with a six-month repayment period. Beneficiaries are often linked with extension services and markets to help them succeed. All smallholder farmers, often organized into cooperatives, are eligible to apply. The goal is to enhance the productivity of small-scale farmers, helping them increase their yields, improve their income, and contribute to food security in Nigeria. However, it has been observed that poor access to markets and insufficient infrastructure in rural areas limit the profitability of farming activities for some beneficiaries. Besides, delays in loan disbursement have been reported, affecting the timely use of funds for farming cycles (Odusina and Oyewumi, 2022).

The Conditional Cash Transfer (CCT) programme

The Conditional Cash Transfer (CCT) is a key poverty alleviation initiative under Nigeria's National Social Investment Programme (NSIP). The CCT is designed to provide financial support to the poorest and most vulnerable households, particularly those in rural areas, with the ultimate goal of reducing poverty and promoting human capital development. The CCT has four pronged features;

a. Cash Transfer to Poor and Vulnerable Households; the core of this CCT programme is to provide financial support to the poorest households across Nigeria. The primary goal is to reduce immediate economic hardships and enable these households to meet their basic needs. The CCT programme provides ₦5,000 (about $12) monthly to beneficiaries. In some cases, beneficiaries receive ₦10,000 (about $25) every two months depending on implementation. Beneficiaries are identified through a National Social Register (NSR), which uses a community-based targeting system to identify those most in need. This cash transfer helps poor households with income support to improve their food security, healthcare and children's education.

b. The second unit is called Co-Responsibility (Conditionality), where beneficiaries are required to meet certain criteria or fulfill responsibilities in exchange for the cash transfer. These conditions are aimed at improving human capital, breaking the cycle of poverty and promoting positive behaviors in the areas of health, education, and social welfare. The common conditionalities according to (Ogunlela, 2021) includes;
   1. School attendance; that the households must ensure that their children (usually aged 6 to 15) attend school regularly to qualify for the cash transfer. This condition aims to improve school enrolment and retention rates among poor families.
   2. Health services; that the beneficiaries are often required to attend health centres for regular check-ups, vaccinations and maternal and child health services.
   3. Participation in skill development or training programs; In some areas, the programme also encourages beneficiaries to engage in capacity-building activities such as vocational training or financial literacy programs, empowering them to become more self-sufficient in the long term.

c. the third unit is Livelihood support (Capacity Building and Skills Development). This component of the CCT programme aims to empower beneficiaries with the skills needed to improve their income-generating capacities and long-term economic independence. Beneficiaries are provided with vocational training, entrepreneurship development and financial literacy courses to help them create sustainable livelihoods. This aspect focuses on building capacity and equipping participants with marketable skills to reduce dependency on cash transfers in the future.

d. the fourth unit is Monitoring and Evaluation (M&E). This unit play a crucial role in ensuring that the programme is effective, that cash transfers reach the intended beneficiaries and that conditionalities are being met. M&E mechanisms are in place to assess the impact of the programme on poverty reduction, education, healthcare access and overall family welfare. In many communities, local leaders or committees help monitor compliance with conditionalities. Data is collected on school attendance, healthcare visits, and participation in livelihood programs. Beneficiaries, communities, and program officers work together to ensure that funds are distributed transparently and equitably. This component helps to reduce corruption and ensure the programme's sustainability. However, CCT is not living upto expectations due to low limited coverage, delays in payment, low cash transfer amount and non-compliance with the conditionalities (Ogunlela, 2021).

National Home-Grown School Feeding Programme (NHGSFP)

School feeding programmes have been defined as targeted social safety nets that provide both educational and health benefits to the most vulnerable children, thereby increasing enrolment rates, reducing absenteeism and improving food security at the household level (World Bank, 2020). According to WFP (2021), home grown school feeding programs can significantly contribute to the achievement of the sustainable Development Goals (SDGs), particularly SDG 2 (on ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture) and SDG 4 (on quality education). In 2016, the National Home Grown School Feeding Programme (NHGSFP) was inaugurated by the Federal Government of Nigeria (FGN) to provide a nutritious and balanced meal to 5.5 million school children grades 1 to 3 (NHGSFSP, 2018). By connecting the programme to local food supply chains, the community is engaged to create a social support beyond simply providing meals to certain children, and over 44, 000 cooks are engaged in the programme, feeding over 4 million school children in the 36 States of Nigeria and Federal Capital Territory (NHGSFSP, 2018). The purpose is a cycle of productivity, sustaining and linking local farmers to nationwide and global markets while equipping the next generation with the sustenance essential for education and growth. As a result, local economies were directly stimulated in various sectors, from education to the service industry to the agriculture sector; while education attainment and acquisition of skills would be encouraged and supported 4 among the school children (FAO, 2020; Ahmed and Crosdale, 2021). According to FA (2020), over 300 million meals have been served to more than 7.5 million pupils in 46, 000 public schools in Nigeria.

Economic Well-being

Economic well-being refers to the ability of individuals and households to access and maintain a standard of living that allows for basic needs and some level of comfort. Economic well-being is influenced by factors such as income, employment, access to resources and socio-economic status. Economic well-being has significant effects on individuals and households. It affects their physical and mental health, social relationships, and overall quality of life. For example, low income and poor economic conditions have been linked to poor mental health outcomes such as depression and anxiety (Heflin *et al.,* 2019). Economic well-being also affects social relationships, with low-income households experiencing greater levels of social isolation and a lack of access to social support networks (Gruenewald, *et al.,* 2018).

Interventions to improve economic well-being vary depending on the factors affecting individuals and households. Policies that address income inequality provide access to employment opportunities, and increase access to resources such as affordable housing and healthcare can improve economic well-being (Heflin *et al.,* 2019). Educational interventions can also improve economic well-being by providing individuals with the skills and knowledge needed to access better-paying jobs and improve their socio-economic status (Gruenewald, *et al.,* 2018).

Economic well-being is a critical factor in determining the quality of life of individuals and households. Income, employment, education, access to resources, and socio-economic status are all factors that influence economic well-being. Addressing these factors through policy and educational interventions can improve economic well-being and promote better health outcomes, social relationships, and overall quality of life.

Rural Women

Rural women represent a significant proportion of the global population, comprising 43% of the agricultural labor force in developing countries (FAO, 2020). Despite their essential role in rural development, rural women face numerous challenges and constraints that limit their productivity and overall well-being. Rural women often face a lower socio-economic status than their male counterparts, with limited access to education and employment opportunities. Studies have shown that rural women have lower literacy rates than men, with girls more likely to drop out of school early due to early marriage and societal expectations (FAO, 2020). The lack of education limits women's access to employment opportunities and their ability to negotiate for better wages and working conditions.

Access to resources is crucial for rural development and poverty reduction. However, rural women face numerous challenges in accessing and controlling resources such as land, credit, and technology. Women own less than 20% of the world's land, with their access often limited by cultural norms, legal barriers, and discriminatory practices (FAO, 2020). Lack of access to credit and financial resources also limits women's ability to invest in their businesses and improve their economic status (Obayelu *et al.,* 2022). The digital divide is another challenge faced by rural women, with limited access to technology limiting their ability to access information, communicate, and access markets.

Conceptual Framework

Government Social Intervention Program

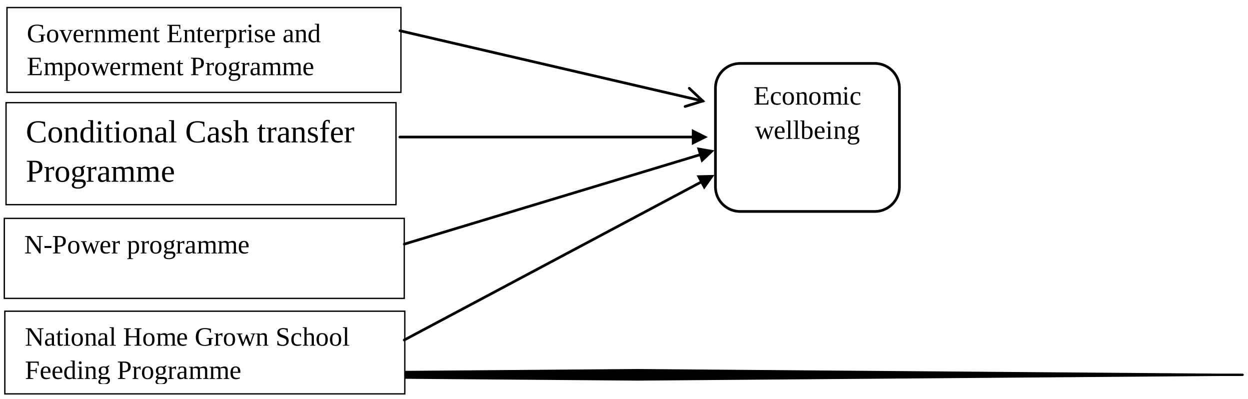


Figure 1. Conceptual framework of Government Social Intervention Program

The conceptual framework for this study is based on the assumption that government social intervention programs can contribute to improving the economic wellbeing of rural women in Niger state.

Theoretical framework

Theories are a number of related theories to social investment programme such as social exclusion theory, Capability approach theory, social capital theory, empowerment theory and Intersectionality theory. However, Gender and Development theory is adopted for the study. The Gender and Development (GAD) Theory offers a compelling and academically grounded framework for this study, as it critically examines the structural and relational dimensions of gender inequality in development. Unlike earlier approaches that focused solely on women's inclusion, GAD emphasizes the transformation of unequal power relations and the need to address the root causes of women's economic marginalization. In the context of evaluating social investment programmes in Kogi State, GAD provides a nuanced lens to assess how such interventions influence not only rural women's economic wellbeing but also their agency, access to resources and participation in decision-making. By situating women within broader social and institutional contexts, the theory enables a deeper understanding of how gender-responsive policies can contribute to more equitable and sustainable development outcomes.

Materials and Method

This study adopted a quantitative survey research design to test the hypothesized relationship between social investment programme and economic well-being of rural women. However, the population of this study comprised of 686 women who benefited from the social investment programme in the study areas according to the social register of Kogi state ministry of humanitarian affairs as at 2023. Although, the target population of the study consists of; Government Enterprise and Empowerment Programme (GEEP), Conditional Cash Transfer (CTT), National Home Grown School Feeding Programme and N-power participants in Niger State. Random sampling procedures was used for the study. In doing this, the selection criteria used for the study includes but not limited to the economic well-being of women, particularly those who are unemployed, caregivers, or engaged in informal sector activities in the study areas. Yamame formula was used for sample size determination from the sample frame obtained from the the state social register which gave rise to 233 sample size. The instrument for the study was validated by experts and adjudged adequate with a 0.80 coefficient. Questionnaire was the primary instrument used for the study, complemented with google form. The study was analysed with descriptive and inferential statistics via multiple regression at 0.05 level of significance.

Results and Discussion

Descriptive Analysis

The study distributed 254 copies of the questionnaire to the sampled respondents within the study area. Summary of the administered, returned and unreturned questionnaire are presented in Table

Table 2: Number of questionnaires administered/returned/unreturned

Questionnaire	Administered	(%)
Administered	254	100
Returned	189	74.4
Unreturned	65	25.6

Source: Author's construct 2025

Revelation from Table 2 indicates that a total of 254 copies of the questionnaire that were administered to 254 respondents. While the study was able to retrieve 189 copies of the questionnaire that were duly filled and returned, 65 respondents were unable to return the questionnaire. This indicates that out of the 254 (100%) questionnaire distributed to respondents, 189 representing 74.4% were filled which provided the required data upon which further analysis were carried out. However, 65 respondents accounting for 25.6% neither filled nor returned the questionnaire. The study therefore deems the copies of filled and returned questionnaire sufficient enough to provide the required results.

Descriptive Analysis of Respondents' Demography

This descriptive analysis is necessary to have a good understanding of the respondents' status with regards to the mentioned attributes. The demographic factors are presented and discussed as follows.

Table 1: Distribution of Respondents by Age

Categories	No.	Percentage
20 – 29	43	23%
30 – 39	87	46%
40 – 49	42	22%
50 – 59	13	7%
60+	4	2%

The age distribution of respondents is categorized into five groups: 20–29, 30–39, 40–49, 50–59, and 60 and above. The majority, 87 respondents (46%), are aged 30–39. This is followed by 43 respondents (23%) in the 20–29 age group, and 42 respondents (22%) in the 40–49 category. Respondents aged 50–59 total 13 (7%), while those aged 60 and above are 4 (2%). Overall, 130 respondents (69%) fall within the 20–39 age range, indicating that most are in their active and productive years.

Table 3: Business Categories of Respondents

Business Type	Frequency	Percentage (%)
Trading	52	27.5%
Tailoring	22	11.6%
Weaving	19	10.1%
Charcoal	13	6.9%
Firewood	11	5.8%

Table 3 presents the distribution of respondents across various business categories: trading, tailoring, weaving, charcoal, firewood, farming, and animal rearing. Trading emerges as the most common occupation, with 52 respondents (27.5%) engaged in it. Farming follows closely with 44 respondents (23.3%), while 28 respondents (14.8%) are involved in animal rearing. Tailoring accounts for 22 respondents (11.6%), weaving 19 (10.1%), charcoal business 13 (6.9%), and firewood business 11 (5.8%). This distribution highlights trading, farming, and animal rearing as the dominant economic activities among the respondents.

Table 4 Summary Statistics of the Variables

Variables	Mean	Std. Dev	Minimum	Maximum
ECW	3.837	0.839	1	5
GEEP	4.007	0.839	1	5
CCT	3.874	0.946	1	5
NHSFP	3.737	1.004	1	5
NP	3.747	0.957	1	5

The table presents the descriptive statistics (mean, standard deviation, minimum, and maximum) for five variables: ECW, GEEP, CCT, NHSFP, and NP, each measured on a scale from 1 to 5. GEEP has the highest mean score (4.007), indicating that respondents rated it most positively on average. CCT (3.874), ECW (3.837) and NP (3.747) follow closely, suggesting relatively high average ratings. NHSFP has the lowest mean (3.737), though still above the midpoint, implying a generally favorable perception. All variables share the same scale range (1–5), with standard deviations between 0.839 and 1.004, reflecting moderate variability in responses.

Table 5. Multi-collinearity of Variables

	GEEP	CCT	NHSFP	NP	ECW
GEEP	1				
CCT	0.153	1			
NHSFP	0.164	0.061	1		
NP	0.131	0.157	0.071	1	
ECW	0.188	0.221	0.062	0.096	1

Table 5 presents the correlation matrix used to check for multicollinearity among the variables: GEEP, CCT, NHSFP, NP, and ECW. All correlation values are below 0.8, with the highest being

0.221 (between ECW and CCT). This indicates that there is no serious multicollinearity among the variables. In other words, the variables are not highly correlated and can be reliably used together in regression analysis without distorting the results.

Regression Results of the Variables

The regression result of the study which is based on the model specified in chapter three is presented in Table 6.

Table 6 Regression Results

Variable	Coefficient	P-value	Decision
GEEP	0.149	0.001	Significant
CCT	0.167	0.003	Significant
NHSFP	0.018	0.539	Not Significant
Npower	0.041	0.195	Not Significant
R^2	0.375	—	—

Results of Hypotheses

Ho1: GEEP (Government Enterprise and Empowerment Programme):
Coefficient = 0.149: A positive relationship with the dependent variable (e.g., poverty reduction and economic welfare). **P-value = 0.001:** Statistically significant at the 1% level.

Ho2: CCT (Conditional Cash Transfer): Coefficient = 0.167: Stronger positive effect than GEEP. **P-value = 0.003:** Statistically significant at the 1% level.

Ho3: NHSFP (National Home-Grown School Feeding Programme):
Coefficient = 0.018: Very weak positive effect.
P-value = 0.539: Not statistically significant.

Ho4: NP (N-Power):
Coefficient = 0.041: Mild positive effect.
P-value = 0.195: Not statistically significant.

R^2 = 0.375: The model explains only 37.5% of the variation in the outcome variable, suggesting limited explanatory power.

Discussion of Results

The regression analysis revealed an R^2 value of 0.375, indicating that approximately 37.5% of the variation in the economic wellbeing of rural women in Niger State is explained by the four assessed social investment programmes. While this reflects a moderate level of explanatory power, it also suggests that several other contextual and structural factors such as access to markets, education, healthcare, and social norms may significantly influence women's economic wellbeing. This aligns with the core principles of the Gender and Development (GAD) theory, which emphasizes the

importance of understanding gendered power relations and broader socio-economic systems in shaping women's lived experiences.
The Government Enterprise and Empowerment Programme (GEEP) demonstrated a significant positive relationship with economic wellbeing, with a coefficient of 0.149 and a p-value of 0.004. This implies that increased access to microcredit facilities provided by GEEP leads to measurable improvements in rural women's income levels and financial security. This finding supports Okafor *et al*. (2021) and aligns with the GAD framework, which advocates for structural support and access to economic resources as a pathway to women's empowerment. It suggests that financial inclusion interventions when properly implemented can enhance women's agency and improve their socio-economic status.

Likewise, the Conditional Cash Transfer (CCT) programme exhibited a statistically significant positive effect, with a coefficient of 0.167 and a P-value of 0.002. This implies that direct cash support fosters household stability and increases women's capacity to meet basic needs, thereby enhancing their overall wellbeing. The result reinforces the GAD perspective that policy interventions must address both practical gender needs such as income and strategic interests, like increased economic autonomy. The statistical strength of the CCT programme suggests that when financial aid is targeted and sustained, it can serve as a critical tool for gender-sensitive poverty reduction (Ogunlela, 2021).

On the other hand, the National Home-Grown School Feeding Programme (NHSFP) and the N-Power programme failed to show significant effects on women's economic wellbeing. Their high p-values and low coefficients suggest that these programmes may lack gender responsiveness or fail to engage women meaningfully. According to GAD theory, development interventions that do not explicitly address the gendered dynamics of access, participation and benefit are unlikely to produce transformative outcomes. The limited impact of NHSFP and N-Power according to Okafor *et al*. (2021) underscores the need for gender audits, inclusive programme design, and stronger implementation frameworks that ensure rural women are not merely passive recipients but active agents in development processes.

Conclusion and Recommendations

Conclusion

The study evaluated the role of social investment programme in enhancing economic well-being of rural women in Kogi State. The regression analysis revealed that GEEP and CCT are the most effective among the four programmes analyzed. Their significant positive coefficients imply that they are making measurable contributions to the target outcome (such as economic empowerment or poverty alleviation). NHSFP and NP, while theoretically important, do not show statistically significant effects in this model. This may be due to implementation issues, targeting inefficiencies, or short evaluation periods.

Recommendations

Based on the findings mode from the study the following recommendations were made

a. There is need for increase funding, coverage and monitoring of **GEEP and CCT** as they are yielding positive outcomes.
b. Government needs to **c**onduct detailed implementation reviews to identify bottlenecks or shortcomings. Consider redesigning or better targeting these interventions.

c. Government needs to enhance Monitoring and Evaluation (M&E) especially for NHSFP and NPower, to understand why they are not producing significant results.

References

Ahmed, M.A. & Crosdale, L. (2021). Sounding the drumbeat on International day of school

Ajakaiye, D.O. & Olomola, A.S. (2023). *Nigeria's Poverty Reduction Strategy.* NISER.

Barrientos, A., & Hulme, D. (2019). *Social protection for the poor and poorest: Concepts, policies and politics*. Palgrave Macmillan.

FAO (2020). Nigeria Home Grown School Feeding Strategic Plan 2016-2020.

Giddens, A. (2017). Sociology. John Wiley & Sons. Growing school feeding programme (NHGSFP) on the nutritional status of children of rural households in Osun State, Nigeria. *Journal of Agricultural and Food Sciences*, 17(2): 148-163.

Gruenewald, T. L., Karlamangla, A. S., Hu, P., Stein-Merkin, S., & Crandall, C. (2018). The relationships among socieconomic status, allostatic load, and measures of health in older Taiwanese persons. *Journal of Aging and Health*, 30(6), 942-964.

Handa, S., Daidone, S., Peterman, A., Davis, B., Pereira, A., & Yablonski, J. (2016). *From evidence to action: The story of cash transfers and impact evaluation in sub-Saharan Africa*. Oxford University Press.

Heflin, C. M., Sandberg, J. F., Rafail, P., & Wherry, L. R. (2019). The impact of the Great Recession on health-related measures of economic well-being. *Social Science & Medicine*, 220, 37-45.

McLeod, J. D., Lively, K. J., & Smith, J. A. (2018). Social intervention. *In International encyclopedia of the social & behavioral sciences* (pp. 147-152). Elsevier.

National Social Investment Office. (2023). *Overview of National Social Investment Programmes*. Retrieved from https://www.n-sip.gov.ng/

NHGSFSP (2018). Nigeria Home Grown School Feeding Strategic Plan 2016-2020. The Federal Government of Nigeria, Abuja: The Partnership for Child Development, Imperial Colloege, London.

Obayelu, A. E., Olaoye, O. A., & Babatunde, R. O. (2022). Determinants of the use of government social intervention programs by rural households in Nigeria. *African Development Review*, 29(4), 579-591.

Odusina, A. E., & Oyewumi, O. R. (2022). Agricultural credit access and rural women economic empowerment in Nigeria. *Journal of Agricultural Extension*, 24(1), 38-49.

Ogunlela, Y. I. (2021). Rural women and poverty reduction in Nigeria: A case study of Osun State. *Journal of Rural and Community Development*, 12(1), 87-99.

Okafor, C. U., Akinola, A. G., & Egbetokun, A. A. (2021). Access to credit, asset ownership and welfare of rural women entrepreneurs in Nigeria. *Journal of Rural Studies*, 60, 31-38.

Umberson, D., Montez, J. K., & Social Determinants of Health (SDOH) Writing Group (2019). Social relationships and health: A flashpoint for health policy. *Journal of health and social behavior*, 59(2), 150-157.

United Nations. (2020). *The progress of the world's women 2019–2020: Families in a changing world*. UN Women.

WFP (2021). Home Grown School Feeding. World Food Programme, Rome: United Nations

World Bank Group (2020). Nigeria - National Social Safety Nets Project. Retrieved from https://www.worldbank.org/en/projects-operations/project-detail/P156580

EFFECT OF INNOVATION CAPABILITIES ON SMALL & MEDIUM ENTERPRISES SME'S PERFORMANCE, MODERATING ROLE OF ORGANIZATIONAL CULTURE

[1]Hussaini Mohammed, [2]Prof. Nasiru Abdullahi & [3]Dr. Auwal Inusa

[1,2,3]Department of Business Administration, Ahmadu Bello University, Zaria
[1]hussainimohammed351@gmail.com
[1]08037015668

Abstract

This study investigates the impact of innovation capabilities—specifically product and process innovation—on the performance of Small and Medium Enterprises (SMEs), with a focus on the moderating role of organizational culture. SMEs are vital contributors to economic development, particularly in emerging economies like Nigeria, yet they face structural challenges that hinder innovation and competitiveness. Using a cross-sectional survey research design, primary data was collected through structured questionnaires administered to owner-managers of manufacturing SMEs in Kano State. The study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) to test hypotheses and examine the relationships among variables. Findings reveal that process innovation has a significant positive impact on SME performance, while product innovation does not show a direct significant effect. Additionally, organizational culture significantly moderates the relationship between both product and process innovation and performance outcomes. These results underscore the importance of fostering a supportive organizational culture that encourages creativity, experimentation, and proactive behavior to unlock the full potential of innovation. The study offers valuable insights for SME managers, policymakers, and stakeholders, highlighting the need for cultural transformation and process-driven innovation to enhance firm competitiveness and long-term sustainability.

Keywords: Innovation capabilities, Organizational culture, Performance, Process innovation, Product innovation, SMEs,

Introduction

Small and Medium Enterprises (SMEs) are universally acknowledged as vital engines of economic growth, job creation, and poverty reduction. Globally, they contribute significantly to GDP and employment, while also playing an instrumental role in driving innovation and fostering competition (Diana, Oliveira, & Santos, 2022; Haizar, et al., 2020). In both developed and developing economies, SMEs serve as dynamic components of industrial growth, helping to reduce economic disparities. Within the African context, SMEs represent nearly 90% of all businesses, making substantial contributions to economic diversification and resilience (Long Lam, et al., 2021). In Nigeria specifically, SMEs are the backbone of the economy, accounting for 96% of business establishments and 48% of national GDP, while employing over 84% of the labor force (SMEDAN & NBS, 2017).

The role of SMEs in Nigeria extends beyond economic contribution—they are central to regional development, youth empowerment, and innovation. By establishing enterprises in underdeveloped and rural areas, SMEs help bridge the urban-rural divide, stimulate local economies, and provide employment opportunities (Audu, 2022; SMEDAN, 2019). Furthermore, the entrepreneurial ecosystem nurtured by SMEs empowers individuals—particularly the youth—to innovate and pursue self-employment. Despite their impact, Nigerian SMEs face structural and operational challenges such as limited financing, inadequate infrastructure, and regulatory constraints, which hamper their ability to innovate and scale (Ede, 2021; Joseph, et al., 2021). These constraints undermine their resilience and diminish their competitive edge in an increasingly innovation-driven global marketplace.

Innovation has emerged as a crucial determinant of SME success, especially in turbulent and technology-intensive environments. Firms that invest in innovation are better positioned to meet shifting customer demands, optimize operational efficiency, and enhance overall profitability (Distanont, 2020; Albats, Podmetina, & Vanhaverbeke, 2023). Innovation capabilities—encompassing both product and process innovations—equip SMEs with the flexibility to develop unique offerings and adopt more efficient production methods (Wang, Li, & Wang, 2021). Conversely, SMEs that lack innovation capabilities often face stagnation and customer dissatisfaction due to outdated processes and products. A culture of innovation not only improves market responsiveness but also helps attract and retain talent, thereby strengthening long-term competitiveness (Meister & Willyerd, 2021; Malibari & Bajaba, 2022).

Crucially, the effectiveness of innovation capabilities is often contingent upon organizational culture. Organizational culture encompasses the shared values, norms, and practices within a firm and significantly influences how innovation is conceptualized and executed (Mingaleva, Shpak, & Anisimova, 2022). While a flexible, innovation-friendly culture fosters experimentation, collaboration, and creativity, a rigid or hierarchical culture can stifle innovative initiatives (Mahajan, 2024). Several scholars have underscored the moderating effect of organizational culture on the innovation-performance relationship, particularly within SMEs operating in complex or resource-constrained environments. This study, therefore, seeks to examine the effect of innovation capabilities on SME performance, while investigating the moderating role of organizational culture—focusing on manufacturing SMEs in Kano State, Nigeria.

Research Objectives

The main objective of the study is to examine the effect of innovation capabilities on SME's performance: Moderating role of organizational culture. Other specific objectives are to:

1. Examine the relationship between product innovation capabilities and SME's performance in the manufacturing sector in Kano State.
2. Examine the relationship between process innovation capabilities and SME's performance in the manufacturing sector in Kano State.
3. Establish if organizational culture moderates the relationship between product innovation capabilities and SME's performance in the manufacturing sector in Kano State.
4. Establish if organizational culture moderates the relationship between process innovation capabilities and SME's performance in the manufacturing sector in Kano State.

Literature Review

SMEs and Performance

Organizational performance is a core concept in management, reflecting how effectively a business achieves its strategic and operational objectives. According to Steiss (2019), performance refers to the outcomes of organizational activities measured by how efficiently resources are utilized. This underscores the need for SMEs—often operating with constrained resources—to adopt efficient practices for maximum results. Lucianetti, Battista, and Koufteros (2019) further emphasize that aligning processes with both short- and long-term goals enhances performance measurability and strategic clarity. In this regard, performance metrics are more insightful when they account for not just outputs, but the alignment of internal systems that drive outcomes. This alignment is particularly crucial for SMEs, which must continuously balance agility with sustainability to remain competitive in rapidly evolving markets.

Several factors are instrumental in shaping the performance of SMEs. These include productivity, profitability, innovation capacity, quality of products and services, and market share (Okudan, Budayan, & Arayıcı, 2022). Productivity, as defined by Sickles and Zelenyuk (2019), refers to the efficiency in converting inputs to outputs—critical for SMEs with limited financial and material resources. Profitability and financial growth are central indicators of business sustainability, reflecting the capacity to generate and retain value. Innovation, as outlined by Nguyen (2022), plays a pivotal role by fostering market differentiation and operational improvements. Quality of products and services directly affects customer satisfaction, while market share signifies an SME's competitive stance. A holistic view, as supported by Alhawamdeh and Alsmairat (2019), integrates these metrics, providing a more comprehensive understanding of how SMEs perform across financial, operational, and strategic dimensions.

The concept of performance in SMEs has evolved to encompass both financial and non-financial measures. While traditional metrics such as sales and profitability remain vital, scholars like Rafiq et al. (2020) and Wu, Yan, and Umair (2023) advocate for a broader approach that includes process effectiveness, strategic execution, and stakeholder satisfaction. Qatawneh and Bader (2020) further elaborate that performance is not only about outcomes but also about how efficiently and ethically those outcomes are achieved. Stakeholder-oriented perspectives (Barauskaite & Streimikiene, 2021) stress the importance of aligning business performance with the expectations of customers, employees, investors, and communities. Meanwhile, entrepreneurial scholars like Beliaeva et al. (2020) and Mazzarol and Reboud (2020) assert that SMEs must also be evaluated based on their ability to capitalize on opportunities, adapt quickly, and innovate—highlighting agility as a performance enhancer in dynamic markets.

Beyond structural and financial metrics, the personal characteristics of SME owners and managers—including their skills, experiences, and attitudes—significantly impact performance. Studies by Maziriri and Chivandi (2020) and Malesios et al. (2021) emphasize that entrepreneurial orientation and mindset contribute to competitive behavior, strategic risk-taking, and innovation. SMEs often outperform larger firms in market responsiveness due to their agility, specialization, and adaptability (Thukral et al., 2021; Asada et al., 2020). Despite resource limitations, SMEs benefit from strong network collaborations and strategic alliances (Barrett, Dooley, & Bogue, 2021), which facilitate access to technology, knowledge, and funding. Such collaborations, coupled with innovation activities, allow SMEs to enhance market position and resilience (Ricci, Battaglia, & Neirotti, 2021). As Jeong and Chung (2023) note, performance measurement must capture these dynamic capabilities, combining both objective indicators (e.g., growth, profitability) and subjective assessments (e.g., perceived success and opportunity capitalization) to reflect the realities of SME operations.

Innovative Capabilities

The concept of innovation capability (INC) has evolved from foundational theories such as those proposed by Drazin and Schoonhoven (1996), and later refined by Mendoza-Silva et al. (2021), who emphasized how innovative ideas originate and evolve across individual and organizational domains. Innovation capability refers not only to the capacity to generate novel products, services, or processes but also to strategically integrate them into organizational operations to sustain competitiveness (Saunila, 2020). Sánchez, Pérez-Pérez, and Vicente-Oliva (2019) argue that as firms grow, they risk becoming less agile and innovative unless proper innovation structures are embedded. Although widely recognized as essential to firm success, innovation capability remains a multifaceted construct influenced by various internal and external factors, without a universally accepted measurement framework (Racela & Thoumrungroje, 2020).

At its core, innovation capability is the organization's ability to mobilize knowledge, skills, and resources to generate and implement innovative ideas that deliver strategic and competitive benefits (Migdadi, 2022). It involves a dynamic transformation of intangible assets—like knowledge and creativity—into marketable outputs such as new products, improved services, or operational efficiencies (Saunila et al., 2020). This dynamic capability, according to Yeşil and Doğan (2019), is not only about innovation in absolute terms but also relative to industry competitors, emphasizing the firm's unique strengths in driving innovation. Migdadi et al. (2022) further articulate that innovation capability is ingrained in an organization's routines and culture, reflecting how well it can embed innovation into everyday business practices. These definitions collectively portray innovation capability as a strategic enabler of sustainable business growth and differentiation.

For SMEs in particular, innovation capability is not just a source of competitive advantage but a necessity for survival amid the increasing pressures of globalization and technological change (Caleb & Ugoh, 2023; Klein & Todesco, 2021). Due to their limited scale and constrained resources, SMEs must rely heavily on their innovation capabilities to differentiate offerings, meet rapidly changing customer preferences, and adapt to economic volatility (Ozanne et al., 2022; Opute, 2020). Innovation enables SMEs to be agile and resilient—qualities that allow them to respond quickly to market shifts and technological advancements. Research by Kotkova Striteska and Prokop (2020) and Kolasani (2023) underscores that innovation is not optional for SMEs but a fundamental requirement for ensuring long-term viability and market relevance. Fostering a culture that encourages experimentation and continuous learning is therefore critical for nurturing innovation within SMEs.

Empirical studies have shown a consistent positive relationship between innovation capability and SME performance. Innovative SMEs are more likely to seize market opportunities, improve efficiency, and differentiate themselves from larger, resource-rich competitors (Clauss et al., 2022; Pilav–Velic et al., 2024). Innovation in SMEs transcends mere technological change; it includes product development, process improvement, organizational transformation, and even novel marketing approaches (Expósito et al., 2019; Ismail & Alam, 2019). These wide-ranging innovations contribute to enhanced customer satisfaction, reduced operational costs, and sustained competitive positioning. As argued by Ferreira, Cardim, and Coelho (2021), innovation capability not only shapes present performance but also builds a resilient foundation for future growth. For SMEs aiming to thrive in volatile and competitive markets, innovation capability is thus an indispensable strategic asset.

Innovation capability is inherently multi-dimensional, encompassing several interrelated domains that collectively enhance a firm's innovation outcomes. As defined by Dziallas and Blind (2019), innovation capability is not a singular act but a process involving the generation, adoption, and implementation of novel ideas. These dimensions are commonly categorized into product innovation, process innovation, market innovation, input innovation, and organizational innovation, echoing Schumpeter's (1934) foundational framework. Contemporary scholars, such as Acemoglu, Akcigit, and Celik (2022), further expand on these by distinguishing between radical and incremental innovations, as well as technical versus administrative innovations. Within the SME context, these dimensions manifest uniquely due to limited resources, requiring firms to prioritize innovation types that align with their strategic goals and market demands (Latifi, Nikou, & Bouwman, 2021). Therefore, understanding and developing multiple dimensions of innovation capability enables SMEs to adapt comprehensively to dynamic environments and sustain long-term growth.

Moderating role of Organisational Culture

Organizational culture refers to the shared values, beliefs, norms, and practices that shape employee behavior and decision-making within a firm. It significantly influences how innovation is perceived, implemented, and sustained, especially within Small and Medium Enterprises (SMEs) where flexibility and leadership visibility are more pronounced. A culture that promotes openness, collaboration, and risk-taking creates a conducive environment for innovation to thrive. In contrast, rigid or hierarchical cultures may suppress creative thinking, delay innovation adoption, and undermine entrepreneurial efforts. As a moderating variable, organizational culture either amplifies or weakens the effect of innovation capability on performance outcomes. According to Mahajan (2024) and Mingaleva, Shpak, and Anisimova (2022), firms with innovation-supportive cultures are more likely to translate their innovation capabilities into tangible results such as increased efficiency, product differentiation, and market responsiveness.

This moderating role is particularly critical in SMEs, where resource constraints make internal culture a vital lever for strategic execution. In the manufacturing sector, a supportive culture encourages experimentation, rewards innovation, and enables rapid adaptation to market dynamics. Conversely, a culture that penalizes failure or emphasizes short-term results can hinder long-term innovative thinking. Studies by Abdul-Halim et al. (2019) and Naveed et al. (2022) affirm that firms that embed innovation into their cultural fabric perform better in areas such as product development, cost management, and employee engagement. Therefore, this study investigates how organizational culture influences the strength and direction of the relationship between innovation capability and SME performance, with a specific focus on manufacturing SMEs in Kano State, Nigeria.

Empirical Review

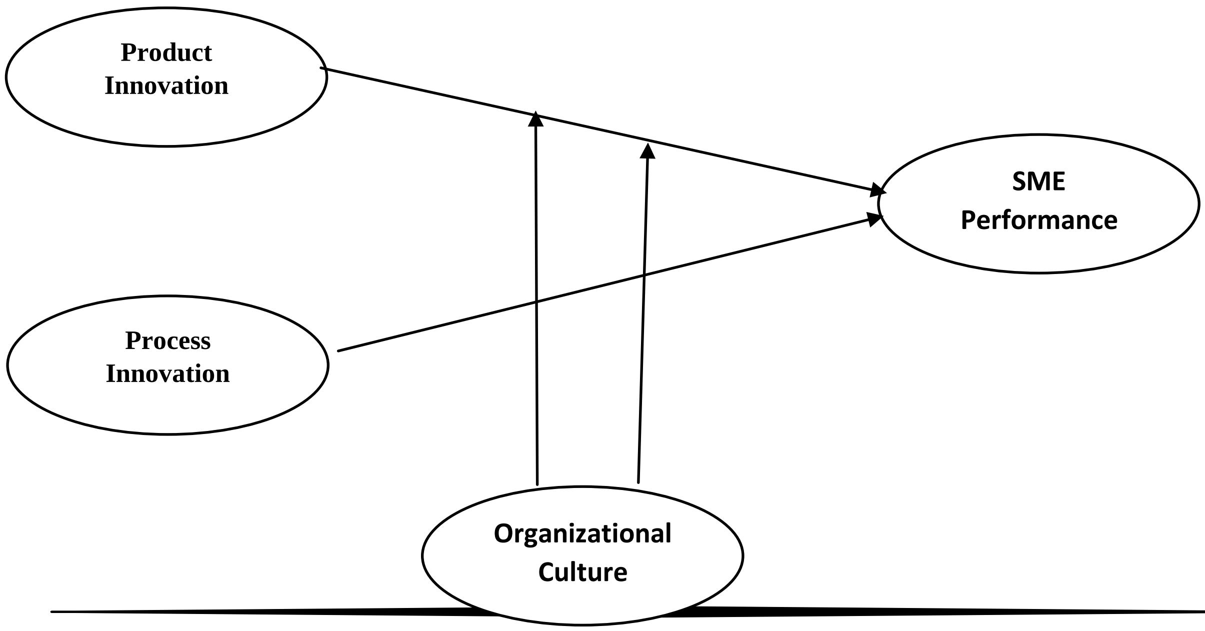
Empirical evidence strongly supports the positive influence of product innovation on firm performance, particularly in the context of SMEs and technologically dynamic environments. Chatterjee et al. (2024) demonstrate that firms embracing a data-driven culture and leveraging business analytics significantly improve product and process innovations, leading to enhanced performance. Bhatti et al. (2022) show that big data analytics capabilities enhance supply chain innovation and financial outcomes, especially when mediated by digital platform and network capabilities. In the agro-industry, Irawan and Aulia (2022) reveal that alignment around a green strategy facilitates eco-friendly product innovation, which improves performance.

Similarly, Singh et al. (2022) find that stakeholder pressure enhances green innovation through green dynamic capabilities, which in turn positively affect performance. Wang et al. (2021) distinguish between green product and process innovations, noting the latter's direct and the former's indirect impact on economic performance. Hameed et al. (2021) highlight how external knowledge and internal innovation drive open innovation and service innovation, ultimately boosting business performance. Moreover, Ceptureanu et al. (2020) validate that eco-innovation capabilities enhance sustainability-oriented innovation in SMEs, while Mendoza-Silva et al. (2021) emphasize the role of informal networks and knowledge-sharing in shaping innovation capabilities. Overall, these studies confirm that product innovation, especially when supported by strategic, technological, or cultural enablers, leads to tangible improvements in SME performance.

Process innovation has also received considerable empirical attention as a driver of performance, particularly in manufacturing and service-based SMEs. Awan et al., (2021) show that buyer-driven knowledge transfer activities—when supported by internal capabilities and environmental investment—positively influence green process innovation. Rasheed et al. (2021) reveal that transformational leadership encourages employee voice, which mediates improvements in both product and process innovation. Ardito et al., (2021) find that digital and environmental strategic orientations directly enhance innovation performance; however, their simultaneous pursuit can negatively affect process innovation outcomes, indicating a need for strategic balance. In the tourism sector, Tajeddini et al. (2020) stress the role of front-line employees, leadership, and creativity as key enablers of service innovation.

Jin and Choi (2019) observe that while product innovation benefits both SMEs and large firms in Korea, process innovation yields more substantial gains for larger firms, suggesting that scalability influences outcomes. Daneji et al., (2019) identify a gap in understanding how owner-manager characteristics influence innovation adoption at the SME level, recommending further empirical investigation. Finally, Tavassoli and Karlsson (2021) demonstrate that complex innovation strategies—especially those integrating process innovation—yield higher productivity over time, reinforcing the value of multidimensional innovation approaches. Collectively, these findings underscore the importance of aligning process innovation with leadership, strategic orientation, and firm characteristics to achieve sustainable performance gains.

Conceptual Framework



Materials and Methods

Research Design

The study adopted a survey research design which is cross-sectional in nature. Primary data is collected from the population of the study using survey questionnaire. This type of research design is adopted because the information about the independent variables and dependent variable represents what is going on at only one point in time.

Population of the Study

The population of a study refers to an entire group of people or objects of interest that a researcher intends to investigate through the use of its subset commonly known as a sample (Sekaran & Bougie, 2013), in the same vein, population refers to the entire group of people, events or things of interest that the researcher intends to investigate (Sekaran & Bougie, et al (2013). The population of this study will comprise of forty-two thousand nine hundred and sixty-nine (42,969) SMEs from different sector including wholesale and retail operating in Kano State of North-western Nigeria (NBS & SMEDAN, 2021). Therefore, only the owner /managers from these SMEs will be considered for this study. This is because these owner managers are in better positions to provide the research with the needed, available, and accurate information about the overall performance of their respective businesses.

Data Collection Techniques

Primary data will be collected through structured questionnaires administered to SME managers or owners. The survey instrument will include validated scales for measuring innovation capabilities, organizational culture, and firm performance.

Instruments and Measurement

This study employed structured questionnaires to measure the four key constructs in the research model: product innovation capabilities, process innovation capabilities, organizational culture, and SME performance. The questionnaire was divided into two parts (Parts A and B), with Part B containing measurement items adapted from established sources. Data was collected from owner-managers or designated representatives of selected SMEs. Product Innovation Capabilities (PROD) were measured using five items adapted from Calik (2017), including statements such as "We provide clients with services offering unique benefits superior to competitors" and were rated on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Process Innovation Capabilities (PROC) were measured using four items, also adapted from Calik (2017), such as "Our firm reduces the development time of new products," following the same 5-point scale. Organizational Culture (ORC) was assessed using five items adapted from Calik (2017), including "Our company supports employees to take initiatives in creating new ideas," also rated on the same Likert scale. Lastly, SME Performance (SMP), the dependent variable, was measured subjectively due to limited access to objective data. Five items adapted from Chong (2008) were used to assess owner-managers' perceptions of their firm's performance across key indicators, similarly measured on a 5-point Likert scale.

Data Analysis

This study employs Statistical Package for Social Sciences (SPSS) v23 which is the 1st generation technique for preliminary analysis such as; data coding, data screening, testing for normality, replacement of missing value, detecting and treatment of outliers, running descriptive statistics for demographic data and descriptive statistics for the variables of the study. In order to test the sets of hypotheses and to examine the complex relationships involving the moderating role of Organizational culture, Partial Least Squares (PLS) path modeling is employed. PLS-SEM 4 as the 2nd generation technique allows the modeling among multiple exogenous latent variables and latent endogenous variables simultaneously (Gefen, Straub & Boudreau, 2000).

Results and Discussion

Table 1: Item Loadings, Internal Consistency, and Average Variance Extracted

Constructs	Indicators	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational Culture	ORC1	0.81	0.84	0.89	0.67
	ORC2	0.83			
	ORC3	0.84			
	ORC5	0.80			
Process Innovation	PROC1	0.88	0.82	0.88	0.65
	PROC2	0.78			
	PROC3	0.84			
	PROC5	0.72			
Product Innovation	PROD1	0.76	0.79	0.84	0.52
	PROD2	0.75			
	PROD3	0.69			
	PROD4	0.70			
	PROD5	0.70			
SMEs Performance	SMP1	0.73	0.87	0.91	0.66
	SMP2	0.85			
	SMP3	0.85			
	SMP4	0.90			
	SMP5	0.73			

As can be seen in Table 1, only two items with lower loadings were removed from the analysis due to some measurement issues, all other indicators have loadings of 0.70 indicating items reliability in measuring their respective reflective latent constructs.

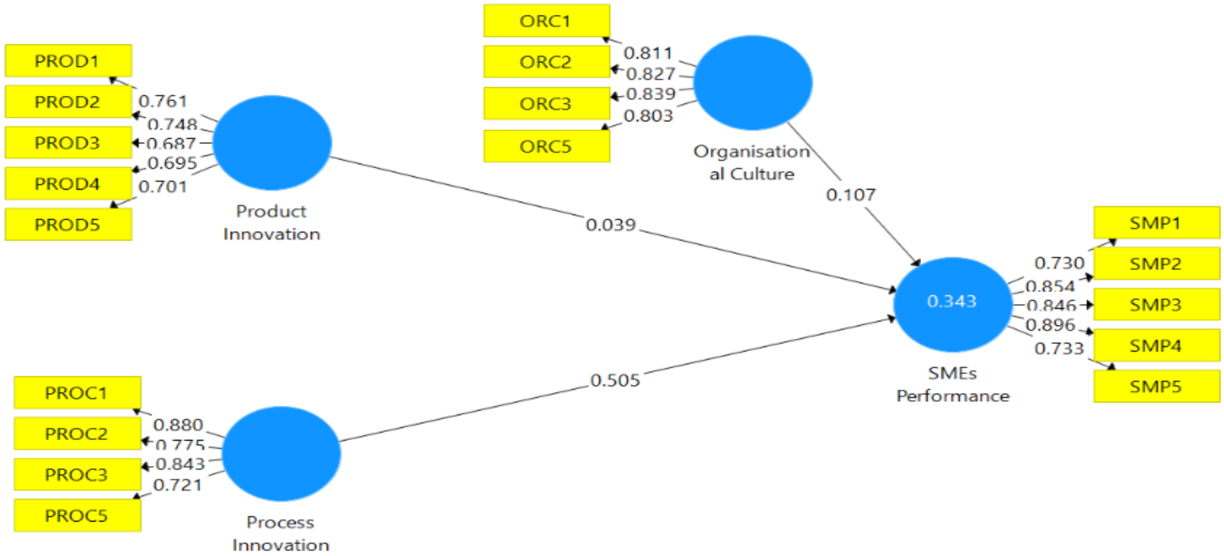


Table 2: Measurement Model: Discriminant Validity (Heterotrait-Monotrait Ratio (HTMT)

Constructs	**Organisational Culture**	**Process Innovation**	**Product Innovation**	**SMEs Performance**
Organisational Culture				
Process Innovation	0.53			
Product Innovation	0.80	0.58		
SMEs Performance	0.40	0.64	0.39	

As can be seen from Table 2, the HTMT statistics is presented based on correlations among items of their reflective constructs. The HTMT values indicate that all constructs in the measurement model satisfy the discriminant validity criteria. Particularly, Organisational Culture and SMEs Performance (HTMT = 0.40) and Product Innovation and SMEs Performance (HTMT = 0.39) demonstrate excellent distinction. Organisational Culture and Product Innovation (HTMT = 0.80) exhibit a closer but still acceptable relationship, which may imply conceptual overlap due to the influence of organisational culture on innovation practices. The findings confirm that the constructs are sufficiently distinct for use in structural equation modeling, ensuring the validity of further analyses like path modeling or hypothesis testing.

Assessment of the Structural Model

This section presents the structural equation model of the data analysis for the direct relationship using bootstrap analysis. Specifically, standard bootstrapping procedure was employed using a number of 5000 bootstrap samples for 399 cases to assess the significance of the path coefficients of direct relationships (Hair et al., 2019; Henseler et al., 2009).

Table 3: Hypotheses Test

Relationship	Beta Values	Standard Deviation	T Statistics	P Values
Organisational Culture -> SMEs Performance	0.13	0.07	2.03	0.04
Process Innovation -> SMEs Performance	0.44	0.06	7.64	0.00
Product Innovation -> SMEs Performance	0.07	0.07	0.87	0.39
PROC*ORC -> SMEs Performance	0.14	0.06	2.44	0.02
PROD*ORC -> SMEs Performance	0.11	0.04	2.29	0.02

Table 3 presents the results of the hypotheses testing using beta coefficients, standard deviations, t-statistics, and p-values. The analysis shows that organizational culture has a statistically significant positive effect on SME performance ($\beta = 0.13$, $t = 2.03$, $p = 0.04$), indicating that a supportive organizational culture contributes meaningfully to performance outcomes. Process innovation also exhibits a strong and significant influence on SME performance ($\beta = 0.44$, $t = 7.64$, $p = 0.00$), suggesting that improvements in business processes are crucial for enhancing firm outcomes. In contrast, product innovation does not have a statistically significant impact on performance ($\beta = 0.07$, $t = 0.87$, $p = 0.39$), implying that product innovation alone may not drive performance without complementary factors. Furthermore, the interaction effects reveal that organizational culture significantly moderates the relationship between process innovation and SME performance (PROCORC: $\beta = 0.14$, $t = 2.44$, $p = 0.02$) and between product innovation and performance (PRODORC: $\beta = 0.11$, $t = 2.29$, $p = 0.02$). These findings emphasize that the effectiveness of innovation efforts is enhanced when embedded within a strong organizational culture, highlighting the moderating role culture plays in translating innovation capabilities into tangible performance outcomes.

Discussion of Findings

The findings of this study provide valuable insights into the relationship between innovation capabilities, organizational culture, and SME performance. The significant positive effect of organizational culture on SME performance ($\beta = 0.13$, $p = 0.04$) aligns with prior research, such as Mingaleva, Shpak, and Anisimova (2022), which emphasizes that a supportive culture fosters creativity, knowledge sharing, and adaptability—critical factors for performance enhancement in dynamic business environments. This result underscores the importance of cultivating a culture that encourages innovation, employee engagement, and proactive behavior among SMEs, particularly in resource-constrained environments like those in developing economies.

The most robust predictor of SME performance in this study was process innovation ($\beta = 0.44$, $p = 0.00$), indicating that firms which actively improve their internal processes—such as reducing development time, adjusting workflows, or adopting efficient technologies—are more likely to realize performance gains. This finding is consistent with Awan et al. (2021) and Rasheed et al. (2021), who found that firms emphasizing process innovation benefit from increased productivity, agility, and cost efficiency. For SMEs, where operational efficiency is key to survival and growth, focusing on process innovation appears to be a particularly effective strategy.

Interestingly, product innovation did not show a statistically significant effect on SME performance ($\beta = 0.07$, $p = 0.39$). This contrasts with several prior studies (e.g., Clauss et al., 2022; Wang et al., 2021), which reported positive links between new product development and firm outcomes. A possible explanation may lie in the contextual limitations of SMEs—such as budget constraints, limited market access, or poor product commercialization strategies—which can undermine the performance benefits of product innovation. This suggests that for product innovation to yield tangible performance results, SMEs may need stronger marketing support, customer insight, and integration with other capabilities.

Finally, the significant interaction effects—organizational culture moderating the relationships between both process innovation ($\beta = 0.14$, $p = 0.02$) and product innovation ($\beta = 0.11$, $p = 0.02$) and SME performance—reveal the amplifying role of culture in converting innovation capabilities into performance outcomes. These results validate the theoretical propositions that innovation efforts are more effective in firms where culture supports experimentation, continuous improvement, and employee autonomy (Abdul-Halim et al., 2019; Kremer et al., 2019). Therefore, SMEs that pair innovation strategies with a strong cultural foundation are better positioned to achieve competitive advantage and sustainable growth.

Conclusion and Recommendations

Conclusion

This study investigated the effect of innovation capabilities—specifically product and process innovation—on the performance of Small and Medium Enterprises (SMEs), with a focus on the moderating role of organizational culture. Drawing from empirical data and supported by theoretical frameworks such as the Resource-Based View (RBV) and dynamic capabilities theory, the findings reveal that process innovation significantly enhances SME performance, while product innovation, in isolation, does not have a direct significant effect. This suggests that for many SMEs, particularly those operating under resource constraints, optimizing internal processes and operational efficiency may yield greater performance benefits than product differentiation alone.

Furthermore, the study confirmed that organizational culture plays a critical moderating role in the innovation-performance relationship. A culture that supports creativity, risk-taking, and employee initiative was shown to strengthen the positive impact of both process and product innovation on performance. These findings emphasize that innovation, while important, must be embedded within a supportive cultural framework to translate effectively into improved business outcomes.

Recommendations

Based on the findings and conclusions of this study, the following recommendations are proposed for SME managers, policymakers, and stakeholders:

1. **Prioritize Process Innovation for Performance Improvement**: Given the significant impact of process innovation on SME performance, firms should invest in improving their operational efficiency, workflow design, and resource utilization. Managers should continuously assess and refine internal processes to reduce cost, shorten product development cycles, and increase responsiveness to market changes.
2. **Integrate Product Innovation with Strategic Support**: Although product innovation did not show a direct significant impact, it remains a critical long-term strategy for

competitiveness. SMEs are encouraged to align product innovation with customer feedback, market research, and marketing strategies to ensure new offerings are commercially viable and meet market needs. This integration can help bridge the gap between innovation and performance outcomes.

3. **Foster an Innovation-Oriented Organizational Culture**: Organizational culture was found to significantly moderate the relationship between innovation and performance. Therefore, SME leaders should promote a culture that supports risk-taking, creativity, and knowledge sharing. This includes encouraging employee participation in decision-making, rewarding innovative ideas, and creating a psychologically safe environment for experimentation.

References

Abdul-Halim, H., Ahmad, N. H., Geare, A., & Thurasamy, R. (2019). Innovation culture in SMEs: The importance of organizational culture, organizational learning, and market orientation. *Journal of Small Business and Enterprise Development*, 26(1), 102–126. https://doi.org/10.1108/JSBED-02-2018-0067

Acemoglu, D., Akcigit, U., & Celik, M. A. (2022). Innovation, reallocation, and growth. *American Economic Review*, 112(5), 1501–1541. https://doi.org/10.1257/aer.20191501

Albats, E., Podmetina, D., & Vanhaverbeke, W. (2023). Exploring open innovation in SMEs through a capability lens. *Journal of Business Research*, 155, 113383. https://doi.org/10.1016/j.jbusres.2022.113383

Alhawamdeh, A., & Alsmairat, M. A. (2019). Factors influencing SMEs performance in Jordan. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 9(3), 27–38. https://doi.org/10.6007/IJARAFMS/v9-i3/6348

Audu, N. (2022). The role of SMEs in rural economic development in Nigeria. *Journal of Development and Sustainability*, 11(2), 109–124.

Awan, U., Arnold, M. G., & Gölgeci, I. (2021). Enhancing green product and process innovation: Towards an integrative framework of knowledge transfer and environmental investments. *Business Strategy and the Environment*, 30(4), 1924–1938. https://doi.org/10.1002/bse.2707

Barrett, M., Dooley, L., & Bogue, J. (2021). Open innovation within high-tech SMEs: A study of inbound–outbound practices and performance. *R&D Management*, 51(3), 361–376. https://doi.org/10.1111/radm.12447

Bhatti, A., Ahmed, W., Ferraris, A., Hirwani, S. A., Wan Hussain, W. M. T., & Wamba, S. F. (2022). Big data analytics and firm performance: The mediating role of supply chain innovation. *Technological Forecasting and Social Change*, 177, 121496. https://doi.org/10.1016/j.techfore.2022.121496

Caleb, A., & Ugoh, S. (2023). Innovation capability and the survival of SMEs in competitive environments. *Nigerian Journal of Business Innovation*, 15(1), 45–58.

Calik, E. (2017). An integrated model of innovation capability and firm performance. *Procedia Computer Science*, 5(1), 158–165.

Ceptureanu, S. I., Ceptureanu, E. G., Popescu, D. I., & Orzan, O. A. (2020). Sustainable entrepreneurship intention among engineering students: The role of knowledge of sustainability and motivational factors. *Sustainability*, 12(7), 2800. https://doi.org/10.3390/su12072800

Chatterjee, S., Chaudhuri, R., & Vrontis, D. (2024). Data-driven culture and business analytics: Pathways to innovation and competitive advantage. *Technological Forecasting and Social Change*, 189, 122405. https://doi.org/10.1016/j.techfore.2023.122405

Clauss, T., Breier, M., Kraus, S., Durst, S., & Mahto, R. V. (2022). Innovation capabilities and firm performance in SMEs: The role of digital technologies. *Technovation*, 115, 102455. https://doi.org/10.1016/j.technovation.2022.102455

Daneji, A., Shavarebi, K., & Boon, Y. (2019). Innovation in SMEs: Owner-manager characteristics and orientation. *Asian Journal of Innovation and Policy*, 8(2), 173–192.

Diana, M. C., Oliveira, T. M., & Santos, J. P. (2022). The strategic value of SMEs in emerging economies. *Journal of Small Business and Enterprise Development*, 29(1), 97–112.

Distanont, A. (2020). The role of innovation in SMEs: Strategies and practices. *International Journal of Innovation Science*, 12(4), 489–503.

Drazin, R., & Schoonhoven, C. B. (1996). Community, population, and organization effects on innovation: A multilevel perspective. *Academy of Management Journal*, 39(5), 1065–1083.

Ede, O. (2021). Challenges and performance constraints of Nigerian SMEs. *Journal of African Business*, 22(1), 32–45.

Ferreira, J. J. M., Cardim, S., & Coelho, A. (2021). The role of dynamic capabilities in innovation-driven growth of SMEs. *Journal of Small Business Management*, 59(5), 941–964. https://doi.org/10.1080/00472778.2020.1718703

Haizar, N., Amal, M., & Yasin, R. (2020). Innovation as a strategic tool in global SME performance. *Journal of Small Business Strategy*, 30(2), 85–101.

Hameed, W. U., Nisar, Q. A., & Wu, H. C. (2021). Open innovation performance and its impact on service innovation and business performance. *Technological Forecasting and Social Change*, 168, 120739. https://doi.org/10.1016/j.techfore.2021.120739

Irawan, D., & Aulia, S. (2022). Strategic consensus and eco-innovation in Indonesian agro-industries. *Sustainability*, 14(4), 2155.

Ismail, K., & Alam, S. (2019). Innovation practices and performance outcomes in Malaysian SMEs. *Journal of Technology Management & Innovation*, 14(2), 99–109.

Jeong, S., & Chung, H. (2023). SME innovation capabilities in volatile markets. *Asian Journal of Business Research*, 13(1), 37–52.

Joseph, K., Obikaonu, H. C., Ariolu, C., Nwolisa, C. E., & Aderohunmu, D. (2021). Challenges of SMEs in Nigeria: A structural perspective. *Nigerian Journal of Management Studies*, 20(3), 71–88.

Klein, V., & Todesco, J. L. (2021). Innovation capability and performance of Brazilian SMEs. *Journal of Business Research*, 133, 65–78.

Kotkova Striteska, M., & Prokop, V. (2020). Innovation capability and performance in Central European SMEs. *Journal of Small Business and Enterprise Development*, 27(3), 403–423.

Lucianetti, L., Battista, V., & Koufteros, X. (2019). Comprehensive performance measurement systems and firm performance. *International Journal of Production Economics*, 212, 1–12.

Mahajan, R. (2024). Organizational culture as a strategic moderator in innovation-performance relationships. *International Journal of Management Science*, 17(1), 90–108.

Malibari, M. A., & Bajaba, S. (2022). Innovation and talent retention in SMEs. *International Journal of Human Resource Studies*, 12(2), 35–50.

Mazzarol, T., & Reboud, S. (2020). The strategy of small firms. *Edward Elgar Publishing*.

Meister, J. C., & Willyerd, K. (2021). *The 2020 workplace: How innovative companies attract, develop, and keep tomorrow's employees today*. Harper Business.

Migdadi, M. M. (2022). Innovation capability: Dimensions, measurement, and firm performance. *Journal of Innovation & Knowledge*, 7(1), 100161.

Mingaleva, Z., Shpak, N., & Anisimova, T. (2022). Innovation culture and organizational performance: Evidence from emerging economies. *Journal of Organizational Change Management*, 35(2), 331–349.

Nguyen, T. H. (2022). The impact of innovation on SME performance in Vietnam. *Journal of Asian Business and Economic Studies*, 29(1), 50–67.

Okudan, G. E., Budayan, C., & Arayıcı, Y. (2022). Performance measurement systems in Turkish SMEs. *Measurement*, 182, 109652.

Ozanne, L. K., Chowdhury, M., Prayag, G., & Mollenkopf, D. (2022). Sustainable innovation in SMEs. *Journal of Cleaner Production*, 360, 131860.

Pilav–Velic, A., Jahic, A., & Krndzija, D. (2024). Innovation capabilities and SME competitiveness. *Journal of Strategic and International Studies*, 16(1), 22–34.

Racela, O. C., & Thoumrungroje, A. (2020). Innovation capabilities and performance in ASEAN SMEs. *Asia Pacific Journal of Marketing and Logistics*, 32(1), 69–83.

Ricci, F., Battaglia, D., & Neirotti, P. (2021). SMEs and open innovation performance: The role of knowledge networks. *European Management Review*, 18(2), 211–225.

Saunila, M. (2020). Innovation capability for SME success: Perspectives and practices. *Measuring Business Excellence*, 24(1), 30–44.

Sánchez, A. M., Pérez-Pérez, M., & Vicente-Oliva, S. (2019). Innovation and firm performance: Evidence from SMEs. *Technology Analysis & Strategic Management*, 31(7), 785–797.

Sickles, R. C., & Zelenyuk, V. (2019). *Measurement of productivity and efficiency: Theory and practice*. Cambridge University Press.

SMEDAN & NBS. (2017). *SME National Survey Report*. Abuja, Nigeria: Small and Medium Enterprises Development Agency of Nigeria & National Bureau of Statistics.

Steiss, A. W. (2019). *Strategic management for public and nonprofit organizations*. Routledge.

Thukral, E., et al. (2021). SMEs and innovation activities: A comparative global study. *Journal of Small Business Strategy*, 31(2), 78–91.

Wang, Y., Li, X., & Wang, Y. (2021). Green technology innovation and firm performance: A China-based empirical study. *Journal of Cleaner Production*, 319, 128665.

Wu, J., Yan, J., & Umair, M. (2023). Performance evaluation models for SMEs: A multi-perspective approach. *Sustainability*, 15(3), 1052.

COMPETITIVE INTELLIGENCE AND SURVIVAL OF DOMESTIC MANUFACTURING BUSINESS IN KANO, NIGERIA

[1]Muhammad Baffa Sani, PhD, [2]Prof. Murtala S. Sagagi, [3]Barr. Tijjani Ahmad M.Fagge

[1,2]Department of Business Management, Bayero University, Kano.
[3]Kano State Ministry of Commerce, Industry, Cooperative & Solid Minerals.
[1]mbsani.bus@buk.edu.ng
[1]+2347038670046

Abstract

This paper investigates relationship between competitive intelligence (CI) and survival challenges that domestic manufacturing business (DMB) faces in Kano, Nigeria. The study is cross sectional. Structured questionnaire was administered on a census based sample of 82 DMBs registered with Manufacturing Association of Nigeria (MAN) Kano Branch, as at December, 2024. However, 76 copies of the questionnaire were retrieved, achieving a response rate of 93%. Missing value, univariate and multivariate outliers from the data set were not found. Hence, the analysis was carried out on the whole retrieved responses. Market intelligence, competitor intelligence and technology intelligence were used as the proxy of the IV of the study, i.e., the competitive intelligence. Market intelligence and technology intelligence were both found positive and significant influence on the DV, i.e., the survival challenges that the DMB faces in Kano. Statistically, they account for 41% and 47% respectively, to the challenges. In view of this, the study recommends DMB in Kano to understand that in today's business world, being well in business is a result of intelligence to compete, which requires deliberate and purposeful search for verifiable information essentially on market, competitor and technology. Furthermore, the DMB should understand that synergy between market intelligence, competitor intelligence and technology intelligence is a must. None stands effectively alone. Thus, inept in one renders the other two ineffective.

Keywords: Business, Competition, Domestic, Intelligence, Manufacturing, Survival

Introduction

Advancement of information and communication technology (ICT) has indiscriminately pushed contemporary business into the battle of fierce competition. Today, irrespective of size, age or geographical location, business generally faces the wrath of systematic competition (Sani, 2022). In which battle against uncertain turbulent forces becomes the norm of doing business (Tracy, 2017). The situation more often than not characterised by difficulties to sustain competitive advantage thereby, increase in the business disarray (Ehinomen & Adeleke, 2012; Seyyed-Amiri et al, 2017; Zelga, 2017; Hegde, 2017). Though, to some extent competition influences business survival (Hussels & Burke, 2013), obviously, its target is to render rivalry irrelevant (Sani, 2022). Whose end result-if successful-is redundancy, distress and total closure of rival business (Nyasha, 2016; Sani, 2019).

Therefore, invariably, survival in the contemporary business world requires competitive intelligence. This suggests, poor intelligence to compete perils business continuity.

Manufacturing is a business which serves as the catalyst of the economy in all ramifications (Afolabi & Laseinde, 2019; Sani, 2019). Nonetheless, by and large manufacturing sector experiences stunted growth in Nigeria (Okedele et al, 2023). However, the North is the most affected (Sani, 2019). For example, in Kaduna State manufacturing sector accounted for 6% in 1985, 4-5% in 1990-2007, but today it accounts for less than 2% in the State's GDP (Mustapha, 2022). Meanwhile, over 75% of manufacturing business has closed operation in Kano State (the most often viewed industrial state of northern Nigeria); and the jeopardy persists (African Development Bank (ADB), 2019). Even those in operation, suffer from redundancy and the threat of distress (Sani, 2019), a clear indication of bad business condition (Jonnardi et al, 2023). Consequently, development index worsens and indices of related economic crises escalate (Dansabo & Dabai, 2024).

Anyway, studies relate the challenges that domestic manufacturing business (DMB) faces in northern Nigeria to environmental factors, including epileptic and decayed infrastructure (Sani, 2019). Notwithstanding, such effect is indistinctive (Tsauni & Adamu, 2016). Ironically, while DMB afflicts from the survival obstruction in its home market, foreign affiliated manufacturing firms are flourishing and are getting headlines in the same local market (Sani, 2017; Maiyaki, 2013).

In light of the above, this study seeks to investigate relatedness of competitive intelligence (CI) with the survival of DMB in Kano. As shown above, Kano is the industrial and commercial hub of northern Nigeria; hence, viewed as the reflector of the northern economy. Furthermore, the study is informed by the influential power of CI on business environmental vagaries (Gabriel & Adiele, 2012). Thus, when CI is imbibed by business competitiveness improves, market share increases and odd for growth enhances (Stefanikova et al, 2015).

Inherently, CI involves market intelligence, competitor intelligence and technological intelligence (Maune, 2014). Therefore, to achieve the objective of the study, the following hypotheses are developed:

1. Poor market intelligence significantly relates to survival challenges of DMB in Kano.
2. Inadequate competitor intelligence positively influences survival obstruction of DMB in Kano.
3. Lack of technology intelligence relates to survival hindrances of DMB in Kano.

Conceptualisation

Competitive Intelligence (CI)

Intelligence by its nature arrays different meanings (Weder, 2020). Nonetheless, it implicitly involves the acquisition and active use of information in decisions and problem solving (Colom et al, 2010; Weder, 2020). Therefore, CI posits process of gathering intellectual information on business environs and competition in particular, for informed decision essentially, to suppress problem, overcome challenges and improve performance (Seyyed-Amiri et al, 2017; Maune, 2014). Hence, the Society of CI Professionals (SCIP, 2010), considers CI as systematic and ethical program for collecting, analysing and use of external information primarily, to impact business plans, decisions and management. So, CI is a knowledge and foreknowledge of the entire business environment that results to action (Sharp, 2009). The action yields more resilient strategies and tactics (Viviers et al, 2005). In sum, CI enables the gathering and utilisation of timely information regarding the entire business environment (Sani, 2019).

The gathering and the utilisation of the information improves the understanding of competitive environment and decisions, respectively (Maune, 2014). Thus, business 'stays' on alert to avoid unpleasant surprise by competitor (Fuld, 1995). As such, CI is the key element that provides business with appropriate action (Maune, 2014). CI is all-encompassing, covering the intelligence on the market, competition and technology (Maune, 2014; Sharp, 2009; Sani, 2019). But, in normal management practice, it contextualises business intelligence (BI). BI encompasses all the processes of intelligence in business segment; by monitoring, collecting, analysing and processing data on business environment as a whole, not only on a particular unit like customer, technology or competitor (Maune, 2014).

The systematic competition of contemporary business environment necessitates the adoption CI. Simply, it is the panacea for business challenges and absence of it results to devastating repercussion on growth and survival (Gabriel & Adiele, 2012; Nte & Omede, 2022). This suggests the establishment of formal CI unit by business set-ups to be assigned by the provision of actionable intelligence (Barney, 2007). This does not mean the unit is secluded but, 'glue' used to fix different functional units, for common organisational goal (Bergeron & Hiller, 2002; Calof & Wright, 2008; Choo, 2002; Sharma & Yetton, 2003).

CI practice encompasses CI professionals who manage the process; decision makers who act upon the actionable knowledge produced by the professionals; and organisational members who form part of the human intelligence network (Bergeron & Hiller, 2002). The CI knowledge is sourced from both new and existing sources. While the former looks for new answer to a specific problem, in the latter the answer already exists though, may not necessarily address the specific problem at hand (Bergeron & Hiller, 2002; Nair, 2009). Notwithstanding, the end-result is the actionable foresight regarding competitive dynamics (Toit, 2015). Therefore, when business lacks sound CI it resorts to operating through the motions-day to day operation-without idea of the kind of future it supposes to create (Tracy, 2017).

The CI Process

CI goes through number of sequential activities, steps and structures (Seyyed-Amiri et al, 2017). It begins by satisfactory answers to the following questions (Erickson & Rothberg, 2005). The questions are:

1. Does the firm have all the information it needs for strategic decision making?
2. Does the firm know where to find the information it needs for the decisions?
3. Does the firm know what to do with the information it may find?

When CI unit is formed, there are different but only slightly varying processes for implementation; occurring mostly in the number of phases, structure of the cycles and the sources of information (Choo, 2002). However, the common model covers planning and navigating, collection, analysis, communication and decision making (Dishman & Calof, 2008).

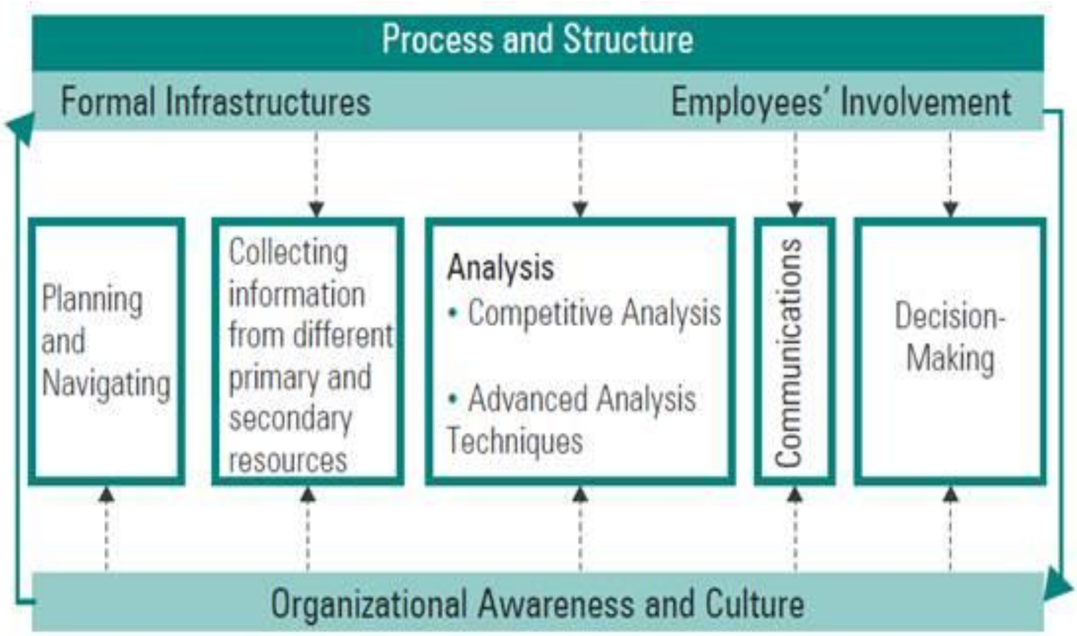


Figure 1: Competitive Intelligence Model
Source: Dishman and Calof (2008).

i) Planning and Navigating: specification of what information is needed and for what purpose. It involves determining how, when, where and who to obtain the information. When business specifies information required, getting useful actionable information is enabled (Choo, 2002).

ii) Collecting Information: information comes from varied sources (Bergeron & Hiller, 2002; Nair, 2009). Therefore, identifying sources to obtain the required information is essential. When the sources are determined, they are evaluated in terms of cost implication, availability, ease of processing, reliability, quality and quantity of the information (Seyyed-Amiri et al, 2017). The best possible sources are utilised.

iii) Analysis: the gathered information is further analysed to assess reliability, validity and timeliness from the business point of view or the situation at hand (Bouchet et al, 1998).

iv) Communications: outcome of the analysed information is shared with the decision makers and subsequent human intelligence network of the organisation-those instrumental to the utilisation of the information-for attaining purposeful competitive goal (Gaol, 2024; Tracy, 2017).

v) Decision making: value of information rests with its capacity to improve decisions regarding business processes. Hence, appraisal of CI occurs at decision making phase (Sani, 2019). The key task is to take 'informed' action based on the content of the information (Cottrell & McKeitzie, 2011).

Business Survival

Business survival connotes continuity of business existence. It indicates active engagement of business with market; a process characterised by continuous cash inflows to business (Korunka et al, 2011). It suggests wellness, resilience, vigour and vitality, and majorly manifests high productivity and efficiency of processes (Hernández et al, 2020; Hogevold, 2011). Thus, business is vibrant, prosperous and adaptable to changing circumstances (Gurria, 2019). Survival makes business stay in an expansion phase and positively influences jobs creations, wealth generation, poverty reduction and inequality constriction (Sani, 2019). However, business survival is never accidental. Rather, an incessant monitoring and purposeful actions to keep growth in track (Sani, 2022). Growth is the law of business life (Maxwell, 2003). Hence, survival of business is measured by growth (Khyareh & Rostami, 2018; Gerber, 2008).

In view of the above, business survival is the catalyst for investments and environmental improvements (Blowers & Leroy, 2003). Situation that warrants adequacy of life essentials thereby, people get access to a range of amenities and options (Acemoglu & Robinson, 2013). Further, business survival creates virtuous circle of healthy economy, in which citizens' wellbeing drives economic prosperity, stability and resilience (Gurria, 2019; Blowers & Leroy, 2003).

To sum it up, business survival features expanded opportunities for broader upward social mobility; improved living standard; inclusive well-being; reduced unemployment and inequalities; high liquidity and low volatility; environmental and social sustainability (Acemoglu & Robinson, 2013; Gurria, 2019; Philp, 2018). Therefore, business death and ailments generate irreparable socio-politico-economic consequences (Gurria, 2019).

Domestic Manufacturing Business (DMB)

Manufacturing denotes the production of a finished good by putting up together inputs- components, parts or raw materials-in the production process. Thus, raw materials are converted to produce new product on large scale with the aid of manpower, machinery and equipment (Arman, 2021; Denomme & Hill, 2023). Though, the processed material might not only be the final item, but semi-finished or partially finished goods as well, offered to customers through various means such as retailing and wholesaling (Arman, 2021). Therefore, manufacturing business also known as secondary activity includes varieties and united sets of activities in the operations and labours; beginning with product design and transformation, through the sales of a product (Arman, 2021; Brittanica, 2025).

In view of this, DMB primarily processes and sells goods in home location (House, 2024). The goods can be for direct consumption or an input for the production of another product (Denomme & Hill, 2023). Hence, industries thrive in home countries when supported by strong domestic manufacturing (Kim, 2025). Number of factors influence individuals to pursue DMB as a career (House, 2024). Hence, the sub-sector attracts investors and operators from both in and out of domestic location of the operation. However, for the sake of clarity, this study focuses on the operators from within the domestic location of the business; since much of the challenges bedevilling against the DMB is observed highly among them (Sani, 2019; Sani et al, 2022). Therefore, the sampling frame of this study is the Kano people that are engaged in DMB.

Theoretical Underpinning

This study is underpinned by theory of the business. The theory holds that business survives only if the way it is built and run fits the reality (Drucker, 1994). Business reality constitutes both internal and external environments of business. While internal environment determines strengths and weaknesses of a firm, external environment deals with the market and its values; competition and its behaviour; technology and its dynamics. The theory supports this study on the premise that both the theory and the study have common assumption on business survival. Both believe that, survival of business depends on the extent of business knowledge and understanding of its environment, as well as the appropriate and timely utilisation of the knowledge.

Materials and Method

As shown earlier, this study examines the relationship: Y= f (x_1 x_2 x_3). Whereby Y= survival of DMB in Kano. It stands as the dependent variable (DV) of the study. It is measured by existence-in terms of active engagement with the market-as at the time of this study; increase in profits; sales; market share; and overall growth. CI-the independent variable (IV)-is measured by x_1 x_2 x_3. x_1= DMB's market intelligence; x_2= DMB's competitor intelligence; x3= DMB's technology intelligence. Diagrammatically, it depicts below:

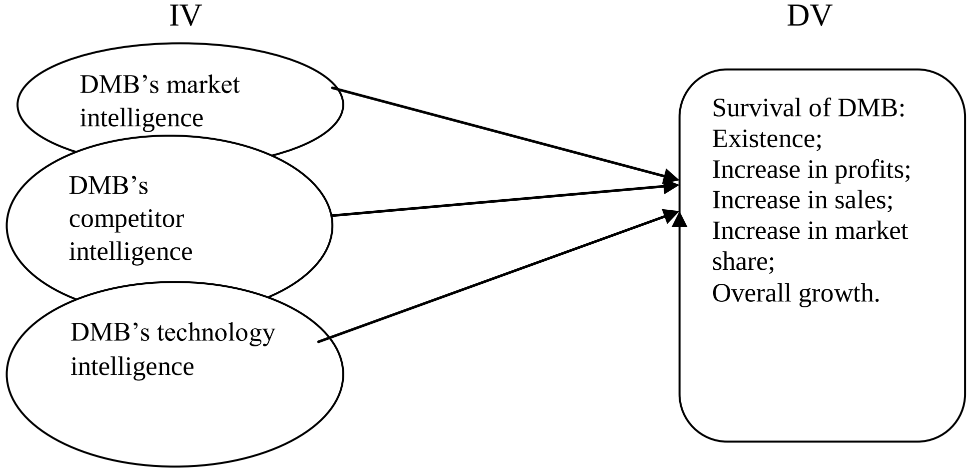


Figure 2: Conceptual Model

Research Design

Cross sectional survey design was adopted by the study. The population of the study consists of 82 DMBs, registered with Manufacturing Association in Nigeria (MAN), Kano Branch, as at December, 2024. Considering the relative small nature of the population, and to ensure effective representative sample with minimal bias, the study adopts census based sampling technique. It increases confidence level in research hence, often used especially, if population is few and limited (Hillman & Kaliappen, 2015). Thus, 82 copies of questionnaire were administered to Chief Executive Officers (CEOs) of the entire DMBs in Kano. CEOs very often are responsible for managing the overall business direction (Sani et al, 2022).

Data Collection

Out of the 82 copies of the questionnaire distributed, 76 copies (93%) were returned. The high response rate may not be unrelated to the strategy employed by the research team of personal distribution and follow up the return of the questionnaire. Cronbach's alpha coefficient was used to determine the reliability of the scale. It basically determines average correlation among items on a scale (Zar, 2010). In view of this, DMB's market intelligence, DMB's competitor intelligence and DMB's technology intelligence have 14, 7 and 8 items, respectively.

Table 1: Reliability of the Construct Using SPSS Version 22

Construct	Number of Items	Cronbach Alpha's Value
DMB's market intelligence	14	.735
DMB's competitor intelligence	7	.842
DMB's technology intelligence	8	.864

Source: Pilot study, 2025

According to Table 1, the reliability coefficient of the variables is strong; all have attained high reliability coefficient, based on the recommended yardstick of 0.70 (Sekaran & Bougie, 2010). In determining the validity of the instrument, the study adopts Lawshe's method for determining construct validity. The method employs the use of the verdict of subject matter expert raters (SMERs). They judge the degree of essentiality, usefulness and necessity of each item on the performance of a scale (Sani et al, 2022). Thus, they were asked to respond to the following questions on each item: Is the skill or knowledge measured by this item essential?; Useful, but not essential?; or Not necessary to the performance of the construct? 96% of the SMERs indicate essentiality of the constructs. Higher number of SMERs' acceptance to items' essentiality, is a clear symbol of construct validity (Shuttleworth, 2009).

Data Analysis

Multiple Regression Analysis (R) with the aid of SPSS version 22 was the tool used for analysing the data. It considers the influence of two or more variables to determine circumstance at once (Sani et al, 2022). Meanwhile, it is conveniently used on relatively small sample size (Jenkins & Quintana-Ascencio, 2020). Data screening and cleaning were conducted, in attempt to identify missing value, univariate or multivariate outliers from the data set. However, none was found. Hence, the entire 76 copies of the questionnaire were subjected into analysis.

Results and Discussions

Table 2: Demographic Profile of the Respondents (n=76)

Characteristic	Frequency	Percentage
Gender		
Male	71	93.4
Female	5	6.6
Age		
Less than 35 years	24	31.6
35 to less than 45 years	25	32.9
45 to less than 55 years	15	19.7
55 to less than 65 years	10	13.2
65 years and above	2	3.0
Educational Level		
Diploma/NCE or Equivalent	16	21.0
HND/First Degree or Equivalent	35	46.0
Masters or Postgraduate	25	33.0
PhD	NIL	NIL
Others	NIL	NIL
Period in Management Position		
Below 15 Years	19	25.0
15 and Below 25 Years	33	43.4
25 and Below 35 Years	18	23.7
35 and Below 45 Years	5	6.6
Above 45 Years	1	1.3
Others	Nil	Nil
Establishment of the Firm		
Below 15 years	19	25.0
15 and below 25 years	43	56.6
25 and below 35 years	6	7.9
35 and below 45 years	7	9.2
45 years and above	1	1.3
Nature of the Business		
Family business	19	25.0

Sole proprietorship	38	50.0
Partnership	10	13.2
Cooperative	4	5.3
Limited liability	5	6.6
Public liability	Nil	Nil

Field survey, 2025

Table 2 above consists the descriptive statistics of the respondents. It shows that 93.4% of the respondents are male, and 33% are within the range of 35 to less than 45 years of age. The statistics suggests that all the respondents are literate; whereby, 46% have first degree or its equivalent. Further, 43.4% of the respondents have been in management position for 15-25 years. This suggests adequate knowledge of setting direction to organisation. Meanwhile, 57% of the studied organisations have spent 15-25 years in operations. However, only 1% of the examined DMBs have reached 45 years of existence and 50% are sole proprietors.

Table 3: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.548	3	2.516	16.548	.000[b]
	Residual	10.947	72	.152		
	Total	18.494	75			

a. Dependent Variable: Survival
b. Predictors: (Constant), Technologyint, Businesscomint, Competitorint

ANOVA assesses statistical differences in R statistics to determine acceptability or otherwise of a prediction. Values of F and significance are used to achieve that in ANOVA table. A general rule of thumb often used in R statistics is that F-value should be > 2.5 to ascertain significance. Obviously, higher F-value translates significance. Hence, the Table 3 above indicates significant relationship ($P<0.001$), which in effect suggests fitness of the regression model; therefore, the acceptability of the prediction.

Table 4: Model Summary

Model	R	R square	Adjusted R square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.639[a]	.408	.383	.38992	.408	16.548	3	72	.000	2.483

a. Predictors: (Constant), Technologyint, Businesscomint, Competitorint
b. Dependent Variable: Survival

Table 4 above is the synopsis of the model's key statistics, performance indicators and predictive power. According to the Table, the predictors explain 38.3% variability in the survival of DMBs in Kano. Though, other factors account for 61.7%, according to Gorondutse & Hilman (2013) such value is substantial. Meanwhile, the Table shows absence of autocorrelation; the model is within the Durbin-Watson's acceptable range of 1.5–2.5.

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.627	1.458		3.858	.000
	Businesscomint	.951	.213	.406	4.456	.000
	Competitorint	-.271	.192	-.130	-1.414	.162
	Technologyint	1.200	.237	.465	5.055	.000

a. Dependent Variable: Survival

The Table 5 tests the hypothetical relationships between the variables of the IV and the DV. As shown earlier, hypothesis one states, "Poor market intelligence significantly relates to survival challenges of DMB in Kano." This hypothesis is statistically confirmed and therefore, accepted. The statistical values used to confirm the existence of the relationship are the t and significance (p). As a rule of thumb, t and p values must be $\geq \pm 1.96$ and $\leq .05$, respectively. In this study, t-value is 4.456 and p .000. This means, the survival challenges that DMBs in Kano face significantly relates to the inadequate market intelligence on the part of the DMBs. As a result, they suffer from redundancy, distress and closure of business. Meanwhile, the relationship is positive due to presence of positive standardised Beta coefficient (β) and positive t-value. The β argues that poor market intelligence of the DMBs accounts for 41% of the survival challenges they are experiencing.

According to the finding, averagely, DMBs in Kano do not have established unit for gathering and analysing market information; do not have clear definition of ideal customer characteristics; lack clear statistics of market needs; making money is the all-encompassing need, not primary market satisfaction; policies of continuously finding key market preferences are not in place; the DMBs' activities are defensive not offensive; SWOT analysis is not a norm among the DMBs; staff training on best customer interaction is not championed, among others. Unerringly, the finding is not surprising. When business lacks the necessary market intelligence, devastated growth and survival are the consequence (Gabriel & Adiele, 2012; Nte & Omede, 2022); the exact condition of the DMBs in Kano (Dansabo & Dabai, 2024).

However, hypothesis two which states, "Inadequate competitor intelligence positively influences survival obstruction of DMB in Kano" is rejected. Statistically, t is $< \pm 1.96$ and p is $> .05$. The finding indicates that the studied DMBs though, might not be highly competitive notwithstanding, have some elements of competitiveness and that what holds them in the market. When business is completely noncompetitive it is rendered irrelevant, whose end result is banish (Sani, 2022; Nyasha, 2016; Sani, 2019). Nonetheless, being in the market does not guarantee continuity. For continuity and prosperity, a business must be adequately informed and appropriately work on market trends (Tracy, 2017).

In addition, hypothesis three, "Lack of technology intelligence relates to survival hindrances of DMB in Kano" is confirmed. In fact, it has stronger influence over inept market intelligence of the DMBs' survival challenges. It accounts for almost 47% to the survival hindrances of the DMBs. From the generated data, on average DMBs in Kano do not have units specifically assigned with gathering information on state-of-the-art technology; they think the technology they presently use can significantly satisfy the market for the next five years and beyond; and are majorly feeling safer in ***ME TOO*** technology than differentiated technology in the industry.

The above finding is in agreement with the finding of the first hypothesis. Thus, with the right business intelligence, a firm is undoubtedly current with the state-of-the-art technology; just to ensure market is adequately served. Furthermore, sufficient market intelligence informs incessant changes in customer tastes and preferences. To the extent that what is produced is already obsolete (Tracy, 2017). This means, a product that works presently hardly works in the future. This necessitates change either in entirety the product or in the means-the technology-of producing the product. However, without technology intelligence, firm may not grasp it. Moreover, business intelligence impacts firm innovativeness (Abualoush, 2015). Firm innovativeness is about differentiation (Daoud & Tarek, 2023). Therefore, DMBs' feeling safer in me too technology posits clearly the inability of DMB in Kano to be innovative in business pursuit. From the extant literature, absence of innovation is hazardous to business wellbeing in today's turbulent business environment.

Conclusion and Recommendations

Conclusion

This study confirms that redundancy, distress and closure of business that DMB experiences in Kano significantly relates to level of competitive intelligence that the DMB applies in business pursuit. Though, not all the variables are significantly positive, nonetheless, from the findings of the study inept one may negatively affect the others. In view of this, for the DMB in Kano to exhibit wellness, resilience, vigour and vitality, that majorly manifest high productivity and efficiency of processes, it must possess the abilities in all the dimensions of the competitive intelligence and practised all together consistently. In view of the above, this study recommends the followings:

1. DMB in Kano needs to understand that in today's business world, being well in business is a result of intelligence to compete.
2. The DMB should understand that intelligence to compete requires deliberate and purposeful search for verifiable information essentially on market, competitor and technology.
3. The DMB should understand that synergy between market intelligence, competitor intelligence and technology intelligence is a ***MUST***. None stands effectively alone. Hence, inept in one renders others ineffective.

Acknowledgment
This research was made possible by funding from research grant number BUK/DRIP/TETF/020 provided by the Nigerian government, through the Tertiary Education Trust Fund (TETFUND).

References

Abualoush, S.H. (2015). Theoretical Approach: The Impact Business Intelligence on Innovation. Proceedings of the IRES 10th International Conference, Prague, Czech Republic, 27th September, 2015. ISBN: 978-93-82702-05-4.

Acemoglu, D. & Robinson, J.A. (2013). *Why Nations Fail, The Origins of Power, Prosperity and Poverty.* Profile Books Ltd.

Afolabi, A. & Laseinde, O.T. (2019). Manufacturing Sector Performance and Economic Growth in Nigeria. *Journal of Physics: Conference Series,*1-7. doi:10.1088/1742-6596/1378/3/032067

Arman, (2021). *What is Manufacturing Business? Definition & Characteristics.* https://www.clockster.com

Barney, J. (2007). *Gaining and Sustaining Competitive Advantage 3 ed.*, Pearson Education

Bergeron, P. & Hiller, C.A. (2002). Competitive Intelligence. *Annual Review of Information Science and Technology*, 36(1), 353-390. Doi:101002/aris.1440360109

Blowers, A. & Leroy, P. (2003). Environment and Society: Shaping the Future. Environmental Policy in an International Context, 3(2003), 255-283. https://doi.org/10.1016/S18747043(03)80029-X

Bouchet, M.L., Hopkins, T., Kinnell, M., & McKnight, C. (1998). The Impact of Information Use on Decision-making in Pharmaceutical Industry, *Library Management*, 19(3), 196-206.

Brittanica, (2025). Manufacturing definition, Types & Facts. https://www.brittanica.com

Calof, J.L. & Wright, S. (2008). Competitive Intelligence: A Practitioner, Academic and Inter-disciplinary Perspective. *European Journal of Marketing*, 42(7/8), 717-730. Doi: 10.1108/03090560810877114

Choo, C.W. (2002). Information Management for the Intelligent Organization. Choo.fis.utoronto.ca>FIS>DLC95

Cottrell, R.R, & McKeitzie, (2011). *Health Promotion & Education Research Methods (2nd ed.).* Boston: Jones & Barlett Publishers

Dansabo, M.T. & Dabai, U.I. (2024). The Impact of Poverty on Northern Nigeria's Development: A Comprehensive Analysis. *Development Studies*, 838-849. DOI: https://dx.doi.org/10.47772/IJRISS.2024.808065

Daoud, J. & Tarek, M. (2023). Strategic Excellence: Achieving Competitive Advantage through Differentiation Strategies. http://dx.doi.org/10.2139/ssrn.4575042

Denomme, D. & Hill, A. (2023). Manufacturing Business Definition, Types & Examples – Lesson. https://study.com

Dishman, P.L. & Calof, J.L. (2008). Competitive Intelligence: A Multiphasic Precedent to Marketing Strategy. *European Journal of Marketing*, 42(7/8), 766-785.

Drucker, P. (1994). The Theory of the Business. https://www.hbr.org/1994/09/the-theory-of-the-business

Ehinomen, C. & Adeleke, A. (2012). Strategies for re-positioning small and medium scale enterprises in Nigeria for global competitiveness" *E3 Journal of Business Management and Economics*, Vol. 3(7), 266-274.

Erickson, S.G. & Rothberg, N.H. (2005). *From Knowledge to Intelligence: Creating Competitive Advantage in the Next Economy*. Oxford: Elsevier Butterworth-Heinemann.

Fuld, L.M. (1995). *The New Competitor Intelligence,* USA: John Wiley & Sons Ltd.

Gabriel, J.M.O. & Adiele, K.C. (2012). Competitive Intelligence as Panacea for Environmental Vagaries in Nigeria. *Economic Journal of A 2 Z,* 1(1), 23-30. https://www..academia.edu/28494714/Competitive_Intelligence_as_Panacea_fo....

Gaol, D.F.L et al, (2024). Competitive Action: A Bibliometric Literature Review. *Journal o f Ecohumanism*, 3(4), 1261-1280. DOI: https://doi.org/10.62754/joe.v3i4.3658

Gerber, M.E. (2008). Awakening the Entrepreneur Within. New York: HarperCollins Publishers.

Gorondutse, A. & Hilman, H. (2013). Mediation effect of customer satisfaction on the relationships between service quality and customer loyalty in the Nigerian foods and bevarages industry: Sobel test approach. *International Journal of Management Science and Engineering Management*. http://dx.doi.org/10.1080/17509653.2013.812337

Gurria, A. (2019). The Economy of Well-being. www.oecd.org/social/economy-of-well-being-brussels-july-2019.htm

Hegde, N. (2017). How Competition Drives Business to Disarray??, *ICTACT Journal on Management Studies*, 03(02), 496-501. DOI:10.21917/ijms.2017.0067

Hernández, Y.G. et al., (2020). Business Survival, a Literary Review of Internal and External Determinants. https://dialnet.unirioja.es>art.. PDF

Hillman, H. and Kaliappen, N. (2015). Innovation strategies and performance: Are they truly linked? *World Journal of Entrepreneurship, Management and Sustainable Development*, 11(1), 48 – 63

Hogevold, N.M. (2011). A business sustainability model: a European case study. Journal of business & industrial marketing, vol. 27 (2), 142-151. https://doi.org/10.1108/08858621211197001

House, L.K. (2024). The Benefits of Choosing Domestic Manufacturing Companies. https://www.strouse.com

Hussels, S. & Burke, A. (2013). How Competition Strengthens Start-ups. *Harvard Business Review*. https://hbr.org

Jenkins, D.G. & Quintana-Ascencio, P.F. (2020). A Solution to Minimum Sample Size for Rgressions. *PLoS ONE* 15(2):e0229345. Doi:10.1371/journal.pone.0229345

Jonnardi, J. et al (2023). The Determinants of Company's Financial Distress. *International Journal of Application on Economics and Business,* 1(3), 1613-1624. DOI:10.24912/ijaeb.v1i3.1613-1624

Khyareh, M.M. & Rostami, N. (2018). Competitiveness and Entrepreneurship, and their Effects on Economic Growth. International Journal of Management, Accounting and Ecinomics, 5(10), 813-828.

Kim, S.D.O. (2025). Homegrown: Understanding Strong Domestic Manufacturing For Technology. https://www.forbes.com

Korunka et al, (2011). Personal characteristics, resources, and environment as predictors of business survival. Journal of Occupational and Organizational Psychology, 83(4), 1025-1051. DOI: 10.1348/096317909X485135.

Maune, A. (2014). Competitive Intelligence as an Enabler for Firm Competitiveness: An Overview. *Journal of Governance and Regulation,* 3(2), 29-42. Doi: 10.22495/jgr_v3_i2_c1_p3

Maxwell, J.C. (2003). Thinking for a Change. New York: Time Warner Book Group, NY 10020.

Mustapha, S.Z. (2022). The Place of Manufacturing Industries in the Economy of Kaduna State, 1987-2008. *Lapai Journal of Nigeria History,* 14(1), 12-21. https://ojs.ibbujournals.com.ng/index.php/ljnnhh/article/view/926

Nair, M. (2009). Overcoming the 9 Deadly Sins of Balanced Scorecards. *Journal of Corporate Accounting and Finance,* 20(6). https://doi.org/10.1002/jcaf.20533

Nte, N.D. & Omede, K.N. (2022). Competitive Intelligence Failure and Entrepreneurship in Nigeria: A Study of Businesses in Port Harcourt City. *Jurnal Scientia Indonesia,* 8(2). DOI:10.15294/jsi.v8i2.36830

Nyasha, M. (2016). Impact of Redundancy on Organizational Performance. *International Journal of Innovative Research & Development,* 5(6), 530-536. www.ijird.com

Okedele et al(2023). Manufacturing Sector Performance and Employment in Nigeria: The Interactive Role of Infrastructure, Journal of Southwest Jiaotong University, 58(4) 2023. DOI: https://doi.org/10.35741/issn.0258-2724.58.4.83

Philp, T. (2018). Defining a Healthy Economy. https://medium.com/kinblog/defining-a-healthy-economy-2b398c5451af

Sani, M.B. (2019). Entrepreneurial Perspective and Performance of Domestic Manufacturing Firms in Kano-Nigeria. *Dutse Journal of Economics and Development Studies*, 8(2019), 30-39.

Sani, M.B. (2019). Role of Competitive Intelligence on Business Success: A Proposed Implementation Approach for Domestic Businesses in Nigeria. *Journal of African Entrepreneurship Studies,* 2 (2), *73-89.*

Sani, M.B. (2019). Good Governance and Healthy Economy: Variations between Conventional and Islamic Approaches. *Journal of Resources & Economic Development, 2(3),* 1-12.

Sani, M.B. (2022). Business's Survival Model for Sustained Socioeconomic Wellbeing: A Proposed Approach. *Baze University Journal of Entrepreneurship and Interdisciplinary Studies,* 1(2), 86-95.

Sani, M.B., Muhammad, I.G. & Mu'azu, H.M. (2022). Examining the Entrepreneurial

Perspective and Performance of 'Indigenous' Domestic Manufacturing Firms in Kano State, Nigeria. *Research in Management of Technology and Business,* 3(2), 720–731. DOI: https://doi.org/10.30880/rmtb.2022.03.02.054

SCIP (2010). About SCIP. [online]. Alexandria, Virginia USA. http://www.scip.org/content.cfm.

Sekaran, U., & Bougie, R. (2010). Research methods for business: A skill building approach (5th ed.) Chichester: John Willey & Sons Ltd.

Seyyed-Amiri, N. et al,. (2017). Competitive Intelligence and Developing Sustainable Competitive Advantage. www.scielo.org.co/scielo.php?script=sci_arttext&pid=s1692-027920170001001

Sharma, R. & Yetton, P. (2003). The Contingent Effects of Management Support and Task Interdependence on Successful Information Systems Implementation. *MIS Quarterly,* 27(4), 533-556.

Sharp, S. (2009). *Competitive Intelligence Advantage,* USA: John Wiley & Sons Ltd

Shuttleworth, M. (2009). Content Validity. Retrieved on August, 15th 2020 from https://explorable.com/contentvalidity

Stefanikova, L. et al., (2015). The Impact of Competitive Intelligence on Sustainable Growth of the Enterprises. *Procedia Economics and Finance,* 26(2015), 209-214. https://doi.org/10.1016/s2212-5671(15)00816-3

Toit, A.S.A. (2015). Competitive Intelligence Research: An Investigation of Trends in the Literature. *Journal of Intelligence Studies in Business*, 5(2), 14-21

Tracy, B. (2017). *Victory! New York:* Pengium Random House LLC.

Viviers, W., Saayman, A. & Muller, M.L. (2005). Enhancing a Competitive Intelligence Culture in South Africa. *International Journal of Social Economics,* 32(7), 576-589. https://www.emerald.com>full>html

Weder, A. (2020). Q&A - *What is Intelligence*? https://www.hopkinsmedicine.org

Zar, J.H. (2010). Biostatistical Analysis, Fifth ed 2010. http://www.graphpad.com/guides/prism/6/statistics/index.htm?f_ratio_and_anova_table_%28oneway_anova%29.htm

Zelga, K. (2017). The Importance of Competition and Enterprise Competitiveness. *World Scientific News*, 72(2017), 301-306.

THE ROLE OF YOUTH IN REPRESENTATION IN POLICY MAKING IN YOBE STATE, NIGERIA

BUKAR LAWAN

Chairman Bursari Local Government Yobe State-Nigeria
bukarlawan@gmail.com

Abstract

This study explores the role of youth representation in policymaking in Yobe State, Nigeria, a region characterized by significant youth demographics and socio-economic challenges. Recognizing the critical importance of youth in shaping effective governance and sustainable development, this research aims to assess the current levels of youth participation in policy processes, identify barriers hindering their involvement, and analyze their perceptions of agency and impact within political frameworks. A sample size of 384 was utilized for the study, although the overall population remains unknown. Employing a mixed-methods approach, data were collected through surveys and semi-structured interviews involving youth representatives, policymakers, and community leaders. The findings reveal that while youth constitute a substantial portion of the population, their representation in decision-making roles remains disproportionately low. Barriers such as limited political awareness, socio-economic constraints, and systemic exclusion significantly hinder youth engagement in policymaking processes. Participants expressed a desire for greater involvement and emphasized the potential benefits of inclusive governance, including innovative solutions to pressing local issues. This study highlights the urgent need for policy interventions that promote youth engagement in governance, suggesting strategies for enhancing representation, offering capacity-building initiatives, and fostering partnerships between youth organizations and government bodies. Ultimately, this research contributes to the understanding of youth dynamics in governance within Yobe State and aims to inform stakeholders about the necessity of integrating youth perspectives into policymaking for more inclusive and effective governance.

Keywords: Youth representation, policymaking, Yobe State, Nigeria, governance, youth empowerment.

Introduction

The Nigerian government has recognized the importance of youth involvement in governance, enshrining youth empowerment and representation within various national policies, including the National Youth Policy (Federal Ministry of Youth and Sports Development, 2019). Despite these initiatives, the actual implementation of these policies often falls short, particularly at the state level. In Yobe State, limited access to political platforms, compounded by socio-political instability and economic deprivation, has led to a pervasive sense of disenfranchisement among the youth (Suleiman et al., 2020).

The lack of youth representation in decision-making bodies can stifle innovative ideas and solutions that young people can offer, particularly in areas such as education, health, and economic development. Moreover, the political landscape in Yobe has been marred by a patriarchal system that often sidelines the voice of youth, thereby perpetuating policies that do not adequately reflect their needs and aspirations (Abdullahi & Ahmad, 2022).

Recent research highlights the need to understand the barriers to youth participation in policymaking better. Factors such as political apathy, lack of mentorship, and insufficient platforms for engagement contribute to the limited efficacy of youth participation (Mohammed et al., 2023). To foster a more inclusive governance structure, it is essential to engage youth effectively and ensure their voices are included in the policymaking processes that directly affect them.

This study aims to investigate the current state of youth representation in policymaking in Yobe State and identify the barriers that hinder effective participation. By providing insights into the perceptions and experiences of young people in governance, this research aspires to contribute to the dialogue on enhancing youth representation in Nigeria's political landscape.

Statement of the Problem

Youth in Nigeria, particularly in Yobe State, constitute a significant demographic with the potential to influence social, political, and economic landscapes. However, despite their numbers and potential contributions, effective representation of youth in policymaking remains critically low. This scenario presents several interconnected challenges.There is a pronounced limitation on youth participation in decision-making processes. Systemic barriers restrict their involvement in formal political structures. These barriers include a lack of access to political channels, insufficient awareness of their rights and responsibilities, and inadequate opportunities for mentorship and leadership development. Consequently, policies and programs often overlook the unique needs and perspectives of young people, resulting in a disconnect between governance and the population it aims to serve.

Additionally, Yobe State grapples with high levels of unemployment, poverty, and insecurity, conditions that disproportionately affect the youth. The absence of youth-focused policies exacerbates these challenges, creating a cycle of disenfranchisement and exclusion. When young people are not actively engaged in policymaking, the initiatives designed to address these pressing issues often lack effectiveness and relevance. Many young individuals in Yobe perceive themselves as having limited agency within the political system, which fosters political apathy and disengagement. This perception often stems from historical disenfranchisement and cultural norms that prioritize older generations in leadership roles. When youth doubt their ability to influence policy outcomes, it diminishes their likelihood of participating in governance.

Moreover, there exists a notable gap in communication between policymakers and youth. Policymaking processes frequently lack mechanisms for soliciting and integrating youth feedback. This gap leads to a lack of trust in government institutions among young people, hampering effective collaboration and knowledge-sharing that could address the diverse concerns faced by youth.

Finally, the potential of young individuals as agents of change remains underutilized. Young people are capable of bringing innovative ideas and solutions to governance challenges. However, without representation in the policymaking process, their potential contributions to societal development go largely unrecognized. This not only limits the growth of a vibrant civil society but also stifles broader developmental initiatives.

This study aims to address these challenges by investigating the current state of youth representation in policymaking in Yobe State. It seeks to identify barriers to youth participation, gain insights into their perceptions of agency and influence, and recommend strategies to enhance their involvement in governance. Through this investigation, the research aspires to contribute to more effective, inclusive, and representative governance in the region.

Objectives of the Study

1. To examine the effect of youth inclusivity on youth representation in policymaking in Yobe state, Nigeria
2. To determine the effect of systemic barriers on youth participation in policymaking in Yobe state, Nigeria
3. To investigate the effect of youths' perceptions about governance on Youth representation in Policymaking in Yobe state, Nigeria
4. To determine the effect of youth educational attainment on youth representation in Policymaking in Yobe state, Nigeria.

Hypotheses of the Study

1. There is no significant effect of youth inclusivity on youth representation in policymaking in Yobe state, Nigeria.
2. Systemic barriers have no significant effect on youth participation in policymaking in Yobe state, Nigeria
3. Youths' perceptions about governance have no significant effect on Youth representation in policymaking in Yobe state, Nigeria.
4. Youth educational attainment has no significant effect on youth representation in policymaking in Yobe state, Nigeria.

Literature Review

Defining Youth Representation in the Context of Governance

Youth representation in governance refers to the active involvement and participation of young people in decision-making processes that affect their lives and communities. It encompasses not only the inclusion of youth in formal political structures, such as legislative bodies and government agencies, but also their engagement in policy formulation, implementation, and evaluation. Youth representation is essential for ensuring that the voices and perspectives of younger generations are considered in governance frameworks, which ultimately impacts the effectiveness of policies aimed at addressing youth-related issues United Nations (2023).

The Importance of Youth Engagement in Democratic Processes

Youth engagement in democratic processes is vital for fostering vibrant, inclusive, and sustainable democracies. As one of the largest demographic groups in many nations, particularly in developing countries like Nigeria, young people possess unique perspectives, innovative ideas, and the potential to bring about meaningful change in governance. Their active participation not only strengthens democratic institutions but also ensures that the political system reflects the voices and needs of all citizens.

One of the primary benefits of youth engagement is the infusion of fresh ideas into policymaking. Research by Mbowuri and Okwu (2023) highlights how young people often challenge conventional thinking and bring innovative solutions to pressing societal issues. This is particularly significant in areas such as technology, social justice, and environmental sustainability, where youth-led initiatives have demonstrated the ability to drive transformative change. Engaging youth in democratic processes integrates their creative potential into policy formulation, fostering responsiveness and adaptability in governance.

Historical Context of Youth Participation in Nigeria

Youth participation in Nigeria's political landscape has evolved significantly over the years, influenced by historical events, socio-economic factors, and emerging political dynamics. Historically, Nigerian youth have played pivotal roles in shaping the nation's governance and advocating for social change, particularly during periods of political upheaval and transition. In the pre-independence era, Nigerian youth were actively involved in the struggle for self-governance and independence from colonial rule. Organizations such as the Nigerian Union of Students, founded in the late 1940s, became platforms for mobilizing young people to engage in nationalist movements advocating for political rights and representation (Ogundipe, 2022). The emergence of political awareness among youth during this era laid the foundation for their ongoing engagement in governance.

Following Nigeria’s independence in 1960, youth participation continued to grow, particularly during times of political instability and military regimes. The 1966 coup d'état that led to a series of military regimes sparked widespread student activism, as young people rallied against military rule and advocated for democratic governance. The "Ali Must Go" protest in 1978, where students mobilized against poor educational policies and rising fees, is a key milestone that illustrated the capacity of youth to influence political discourse and demand accountability from the government (Akinwunmi, 2021).

Challenges to Youth Participation in Policymaking

Youth involvement in policymaking is crucial for ensuring that the perspectives and needs of younger generations are reflected in government decisions. However, several significant obstacles hinder youth participation in this essential democratic process. These challenges can be broadly categorized into socio-economic, political, and societal barriers.

Socio-Economic Barriers

One of the most significant challenges facing youth participation in policymaking is socio-economic disadvantage. Many young people in Nigeria experience high levels of poverty and unemployment, which limit their ability to engage in political processes. According to the National Bureau of Statistics (2022), youth unemployment rates in Nigeria remain alarmingly high, contributing to a general sense of disenfranchisement among young people. This economic strain often forces youth to prioritize immediate financial survival over civic engagement, reducing their involvement in political activities and decision-making processes (Mohammed et al., 2023).

Political Barriers

Political barriers significantly impede youth involvement in policymaking. One of the main issues is the lack of access to political platforms where young voices can be heard. Although some youth organizations exist, many young people still struggle to find legitimate channels for participation in governance (Abdullahi & Ahmad, 2022). This lack of access is often compounded by age discrimination within political structures, where older generations dominate leadership roles, sidelining the contributions and interests of younger citizens (Ejim & Chidubem, 2023).

Societal Barriers

Societal barriers rooted in cultural perceptions and norms also play a crucial role in hindering youth participation in governance. In many Nigerian communities, cultural attitudes may prioritize the involvement of older individuals in leadership roles, often viewing young people as inexperienced or unqualified to contribute to significant decisions (Yusuf, 2023). Such societal norms can discourage young individuals from asserting themselves in political discourse, perpetuating a system where their voices remain marginalized.

Youth Agency and Perception of Influence

Youth agency refers to the capacity of young individuals to act independently and make their own choices within the political system. This concept is particularly important in understanding how young people perceive their influence on political processes and governance. In many contexts, including Nigeria, the interplay between youth agency and their perception of influence can significantly impact their willingness to engage in political activities.

Perception of Agency within the Political System

Young people often face a complex relationship with authority and formal political structures. Many youths perceive themselves as marginalized within the political discourse, feeling that their voices are not adequately represented. Research by Ogunleye and Alabi (2021) highlights that a significant number of young Nigerians express feelings of disenfranchisement and frustration due to the lack of opportunities to participate meaningfully in governance. This perception can lead to a sense of political apathy, as many young individuals begin to view political engagement as futile.

Relationship between Youth Empowerment and Engagement in Governance

The literature consistently indicates that youth empowerment correlates positively with engagement in governance. Empowerment strategies that enhance the skills, knowledge, and confidence of young people play a crucial role in fostering political participation and active citizenship. Research by Ogbu and Anugwom (2022) emphasizes that when young people are empowered—whether through education, access to resources, or leadership opportunities—they are more likely to engage in political processes and advocate for their rights and interests.Political efficacy, or the belief in one's ability to influence political decisions, is closely tied to youth empowerment. A study by Okoro and Ofori (2022) found that young people who perceive themselves as empowered exhibit higher levels of political efficacy, which in turn leads to increased participation in governance and civic activities. This empowerment can be achieved through programs that focus on civic education, advocacy training, and mentorship, providing young people with the tools necessary to navigate and impact the political landscape effectively.

Policy Frameworks Supporting Youth Involvement in Yobe State

In Nigeria, various national and state-level policies have been formulated to promote youth participation in governance. These frameworks aim to enhance the political agency of young people, fostering their involvement in decision-making processes. In the context of Yobe State, understanding the effectiveness of these policies is crucial for identifying both their strengths and inherent gaps.

National Policies Promoting Youth Participation

At the national level, the Nigerian government has established several policies aimed at empowering youth and increasing their participation in governance. The National Youth Policy (NYP) of 2009, which was revised in 2019, is a key framework. It outlines specific strategies to promote the involvement of young people in political and civic activities, as well as to address challenges such as unemployment and lack of access to education (Federal Republic of Nigeria, 2019). Another important initiative is the National Social Investment Program (NSIP), which includes interventions that aim to empower youth through skills acquisition and entrepreneurship development (Okuneye et al., 2021).

State-Level Policies in Yobe State

In Yobe State, the government has launched various programs to encourage youth participation, including the Yobe State Youth Development Policy, which focuses on providing leadership training, mentorship opportunities, and support for youth-led initiatives. This policy seeks to create an enabling environment for youths to engage in governance actively.
Nonetheless, despite these efforts, the effectiveness of the Yobe State Youth Development Policy has been questionable. A study by Shehu and Ojo (2023) highlights that while the policy outlines noble objectives; its implementation is hampered by limited funding, lack of infrastructural support, and insufficient awareness among the youth. Many young people in Yobe do not have adequate access to the resources and platforms needed to participate effectively in governance.

Critical Evaluation and Identification of Gaps

While national and state-level policies exist to support youth involvement in governance, several gaps persist in their implementation and impact:
First, there is a lack of comprehensive monitoring and evaluation mechanisms to assess the effectiveness of these policies in real-time (Adebayo & Ismail, 2023). Without effective evaluation, it becomes challenging to identify successful initiatives or areas needing improvement.
Second, the political landscape in Yobe State continues to be dominated by older generations, which can limit the opportunities for youth participation (Ogunleye et al., 2021). The influence of traditional power structures often sidelines the voices of the youth, undermining the objectives of policies intended to empower them.
Third, socio-economic factors such as poverty, unemployment, and inadequate education significantly impact young people's capacity to engage in governance. Many youths in Yobe State face daily challenges that divert their attention from political participation, effectively limiting their agency (Mohammed et al., 2023). Furthermore, societal norms and cultural perceptions regarding authority and leadership often discourage young participation in politics. Cultural beliefs may prioritize the contributions of older individuals, trapping youth in a cycle of exclusion (Ejim & Chidubem, 2023).

The Role of Youth Organizations and Movements in Yobe State
Youth organizations and movements in Yobe State, Nigeria, serve as vital platforms for advocating youth representation and participation in governance. Given the historical context of marginalization

and socio-economic challenges faced by young people in Yobe, these organizations play a critical role in mobilizing youth for political engagement and empowerment.

Impact of Youth Organizations in Advocating for Representation

Youth organizations in Yobe State, such as the Yobe State Youth Development Association and local chapters of national bodies like the National Youth Council of Nigeria (NYCN), have significantly contributed to advocating for youth interests in governance. These organizations mobilize young people to voice their concerns and provide opportunities for them to participate in decision-making processes. Their activities often include organizing town hall meetings, workshops, and advocacy campaigns to raise awareness about youth issues.

Research by Sadiq and Murtala (2023) indicates that youth organizations in Yobe have actively engaged in lobbying state policymakers to prioritize youth development in governance. For instance, they have been involved in campaigns focused on enhancing educational opportunities and addressing unemployment, ensuring that youth perspectives are considered in the formulation of policies that affect them. These organizations also act as intermediaries, relaying the concerns of young people to government officials and fostering a dialogue around issues such as education, healthcare, and security, which are particularly relevant in the context of Yobe (Mohammed et al., 2022).

Role of Social Media and Technology in Mobilizing Youth Engagement

The proliferation of social media and mobile technology has transformed the landscape of youth activism and engagement in Yobe State. Platforms such as WhatsApp, Facebook, and Twitter are increasingly used by youth to mobilize support, share information, and advocate for political change. Social media has proven to be a powerful tool for raising awareness about crucial issues, often bypassing traditional media channels that may not adequately cover youth-oriented events. The #EndSARS protests in late 2020 showcased the power of social media as a mobilizing force for youth in Nigeria, including those in Yobe. Research by Idris et al., (2023) emphasizes how social media facilitated coordination among young activists, enabling them to organize protests and campaigns that drew national attention to police brutality and governance issues. These online platforms allow for rapid dissemination of information, grassroots organizing and solidarity-building among youth across geographical boundaries.

Empirical Review

Fatima Ahmed (2023) assess the current level of youth representation in policy making in Yobe State and explore the impact of youth involvement in policy making on governance and development. The study used Survey of 300 youth aged 18-35 in Yobe State, Interviews with key policymakers, youth leaders, and civil society representatives and mixed-method approach combining statistical analysis and thematic coding. The study find out that Limited youth representation in key policy-making bodies, Youth involvement positively correlates with more inclusive policies and Challenges include lack of access to decision-making platforms and limited resources for youth engagement. The author recommended that Implement quotas for youth representation in government committees, create youth-friendly policy dialogues and platforms for meaningful participation and provide capacity-building programs to enhance youth engagement in policy making. While the study focused on youth perceptions and experiences, further research is needed to investigate the actual impact of youth-informed policies on the ground and to assess the long-term sustainability of youth-led initiatives in Yobe State.

Ibrahim Musa (2024) to analyze the effectiveness of existing youth policies in Yobe State and investigate the perceptions of policymakers towards youth participation in policy making, the study used Review of existing youth policies and strategies in Yobe State, Engagements with policymakers, youth representatives, and community leaders, Examination of successful youth-led policy initiatives and assessing the use of technology for youth involvement in policy making. The author find out that Existing youth policies lack clear mechanisms for youth participation and Policymakers express varying levels of support for youth involvement in decision-making processes and recommended that Revise existing youth policies to incorporate specific provisions for youth participation and Conduct capacity-building workshops for policymakers on the importance of youth inclusion. Further research is needed to explore the intersection of gender and youth representation in policy making in Yobe State and to assess the sustainability of technology-driven youth engagement strategies over time.

Aisha Abdullahi (2024) to examine the current level of youth representation in policy making at the national level and assess the impact of youth participation on the effectiveness of policies the study used Survey **a** Sampling 500 youth across diverse regions, In-depth discussions with policymakers, youth leaders, and civil society representatives and Examination of recent policies to evaluate youth inclusion. The study find out that Youth representation in policy making is limited, with significant disparities across regions and Policies with youth input tend to be more relevant and impactful. The author recommends that Establish formal mechanisms for youth inclusion in policy-making bodies, and Provide training and capacity-building programs for youth interested in policy engagement While the study provides insights into the challenges of youth representation in policy making, further research is needed to explore the intersectionality of youth identities (such as gender, ethnicity, and socio-economic background) in influencing their participation and impact on policy outcomes.

Theories of the study

A robust theoretical framework is essential for analyzing youth participation in governance, particularly within the context of Yobe State, Nigeria. This framework will draw on Youth Empowerment Theory and Participation Theory, which together provide a comprehensive understanding of the factors influencing youth engagement and the dynamics of their political participation.

Youth Empowerment Theory

Youth Empowerment Theory posits that the empowerment of young individuals is fundamental for fostering their active participation in social, political, and economic spheres. Empowerment involves equipping youth with the knowledge, skills, and confidence necessary to participate meaningfully in decision-making processes affecting their lives (Snyder & McLaughlin, 2020). This theory emphasizes the importance of providing youth with access to resources, education, and mentorship, enabling them to navigate the complexities of governance and advocacy.

In the Nigerian context, particularly in Yobe State, youth empowerment is critical given the socio-economic challenges and historical marginalization that young people face. Empowerment initiatives can include leadership training, capacity-building workshops, and access to information about political processes. According to Adekoya and Ajayi (2022), empowerment programs have the potential to cultivate a sense of agency among youth, motivating them to engage actively in political activities and advocate for their rights.

Youth Empowerment Theory aligns closely with the notion of resilience, as empowered youth are more likely to advocate for change and challenge systemic barriers that limit their participation. This theory serves as a guiding framework for examining the strategies implemented by youth organizations in Yobe State to enhance youth involvement in governance and ensure that young voices are represented in decision-making processes.

Participation Theory

Participation Theory provides insights into the mechanisms through which individuals engage in political processes and influence governance. This theory posits that active participation in governance is not only a right but also a necessary element of democratic citizenship. It emphasizes the importance of inclusivity, representation, and the opportunity for marginalized groups, including youth, to have their voices heard in political discussions (Verba, Schlozman, & Brady, 1995). In Yobe State, Participation Theory is particularly relevant given the historical context of youth disenfranchisement. The theory highlights the barriers to participation that young people may encounter, such as limited access to political platforms, socio-cultural norms that prioritize older generations, and economic constraints, these barriers can result in apathy and disengagement from the political process (Adebayo & Ismail, 2023).

Materials and Method

In this study, the research design adopted was quantitative causal design. The research design adopted explained the effect of youth inclusivity systemic barriers, youths' perceptions about governance and youth educational attainment on youth representation in policymaking in Yobe state, Nigeria.

Population and Sample

The population of this study is unknown; thus, an unknown sample size determination formula was adapted. The sample size of this study was determined by using the formula is given as:

$$n = \frac{z2[p*q]}{d2}$$

Where:
n = Sample size required
p = proportion of 0.5
q = proportion of 0.5
d = Level of significance (0.05) i.e. allowable error

Thus $n = \frac{1.96*1.96[0.5*0.5]}{0.05*0.05}$

$= 384.16$

∴ n = 384 (rounded).

Methods of Data Collection and Analysis

The instrument for data collection in this study was questionnaire using a cross-sectional data from primary sources. The nature of the questionnaire used for this study was a five-point Likert-scale, ranging from "strongly agree" to "strongly disagree" (5 = 'Strongly Agree', 4 = 'Agree', 3 = 'Undecided', 2 = 'Disagree' and 1 = 'Strongly Disagree') to reflect the agreement of the respondents on the issues raised. Tests of validity and reliability were conducted to confirm the suitability of the instrument. The data collected were analysed with SPSS version 26.0, by applying multiple linear regression.

Model Specification

The multiple regression equation is:

$$\mathbf{YREP_i = \beta_0 + \beta_1 YIN_{1i} + \beta_2 SYSB_{2i} + \beta_3 YOP_{3i} + \beta_4 YEA_{4i} + \varepsilon_i}$$

Where;
YREP= youth representation in policymaking
YIN_{1i} = youth inclusivity
$SYSB_{2i}$ = Systemic barriers
YOP_{3i} = Youths' perceptions about governance
YEA_{4i} = Youth educational attainment
B_0 = Constant or intercept
β_{1i}, β_{2i}, β_{3i}, and β_{4i}, = Coefficients of the independent variables
ε_i = Error term

Decision Rule

The decision rule is:
Reject H_{01}-H_{05} if p value < 0.05, otherwise Accept H_{01}-H_{05}

Results and Discussion

Response Rate

A total of three hundred and eighty-four (384) copies of the questionnaire were administered, 271 questionnaires were completed and returned for analysis, giving a response rate of 70.6%.

Pre-Estimation Tests

The data for this study was subjected to data cleaning tests (missing values, out of range and reliability) and certified for the final analysis. The result showed that there are no out-of-range values. This means that all the value range for this study is within 1-5. No value was found outside the 1-5 range. Missing values were detected in the result. The percentage of missing value was (0.4%) since the percentage of missing values is less than twenty percent (20%) as indicated by Hair, Black, Babin, Anderson and Tatham (2006) and Scheffer (2002), does not pose a challenge to the analysis of data.

Results and Discussion

Reliability of Variables

Table 1: Reliability Result

SN	Questionnaire Constructs	Cronbach Alpha Reliability Result	Remark
1	Youth inclusivity	0.918	Reliable
2	Systemic barriers	0.884	Reliable
3	Youths' perceptions about governance	0.842	Reliable
4	Youth educational attainment	0.880	Reliable
5.	youth representation	0.542	Moderately Reliable
6	**Overall**	0.950	Reliable

Source: SPSS 26.0

The reliability test indicated that since the overall Cronbach Alpha value is 0.950 and is higher than the benchmark value of 0.7, it can be indicated that the instrument for data collection is reliable.

Table 2: Regression estimates

	Regression result	
	Coeff	***P-value***
Constant	2.558	0.000**
YIN	0.051	0.197
SYSB	0.111	0.005**
YOP	-0.089	0.121
YEA	0.366	0.000**
$\mathbf{r^2}$	0.493	
N	271	
F*	64.515	0.000***
Normality	Symmetrically	
Multi-collinearity (VIF)	2.548, 2.398, 2.997 and 2.820	
Durbin-Watson	1.923	

Dependent Variables **$\mathbf{YREP_i}$** *** significant at 1%
Source: SPSS output 26.0

Test of Hypotheses

Hypothesis One

H_{o1}: There is no significant effect of youth inclusivity on youth representation in policymaking in Yobe state, Nigeria.

From the result of the P-value of youth inclusivity is 0.197. The decision rule which states that when the p-value is greater than the level of significant 0.05, the null hypothesis should be rejected while the alternate hypothesis is accepted. Thus, there is no significant effect of youth inclusivity on youth representation in policymaking in Yobe state, Nigeria.

Hypothesis Two

H_{o2}: Systemic barriers have no significant effect on youth participation in policymaking in Yobe state, Nigeria.
The result of the P-value for Systemic barriers is 0.005. The decision rule which states that when the p-value is less than the level of significant 0.05, the null hypothesis should be rejected while the alternate hypothesis is accepted, the p-value is less than 0.05, hence, Systemic barriers have a significant effect on youth participation in policymaking in Yobe state, Nigeria.

Hypothesis Three

H_{o3}: Youths' perceptions about governance have no significant effect on Youth representation in policymaking in Yobe state, Nigeria.
The P-value for Youths' perceptions about governance is 0.121. Given that the p-value is greater than 0.05, therefore, Youths' perceptions about governance have no significant effect on Youth representation in policymaking in Yobe state, Nigeria.
Hypothesis Four

H_{o4}: Youth educational attainment has no significant effect on youth representation in policymaking in Yobe state, Nigeria.
The P-value for Youth educational attainment is 0.000, which is less than 0.05, accordingly, it is concluded that Youth educational attainment has a significant effect on youth representation in policymaking in Yobe state, Nigeria.

Discussion of Findings

From hypothesis one, it found that there is no significant effect of youth inclusivity on youth representation in policymaking in Yobe state, Nigeria. This result is consistent with the findings of Ahmed (2023) who assessed the current level of youth representation in policy making in Yobe State and explore the impact of youth involvement in policy making on governance and development. The study found that limited youth representation in key policy-making bodies, Youth involvement positively correlates with more inclusive policies. The findings of this study do not support the theory of participation. Participation theory emphasizes the importance of inclusivity, representation, and the opportunity for marginalized groups, including youth, to have their voices heard in political discussions.

For hypothesis two, it found that Systemic barriers have a significant effect on youth participation in policymaking in Yobe state, Nigeria. This result is in agreement with the findings of Abdullahi (2024) who examined the current level of youth representation in policy making at the national level and assess the impact of youth participation on the effectiveness of policies. The study revealed that Youth representation in policy making is limited, with significant disparities across regions and policies with youth input tend to be more relevant and impactful. The findings of this study do not support the theory of participation. Participation theory emphasizes the importance of inclusivity, representation, and the opportunity for marginalized groups, including youth, to have their voices heard in political discussions.

From hypothesis three, it found that Youths' perceptions about governance have no significant effect on Youth representation in policymaking in Yobe state, Nigeria. This finding is supported by the study of Musa (2024) who analyzed the effectiveness of existing youth policies in Yobe State and investigate the perceptions of policymakers towards youth participation in policy making. The study found that existing youth policies lack clear mechanisms for youth participation and Policymakers express varying levels of support for youth involvement in decision-making processes. The result does not support the youth empowerment theory. The theory stated that the empowerment of young individuals is fundamental for fostering their active participation in social, political, and economic spheres. This theory emphasizes the importance of providing youth with access to resources, education, and mentorship, enabling them to navigate the complexities of governance and advocacy.

For hypothesis four, Youth educational attainment has a significant effect on youth representation in policymaking in Yobe state, Nigeria. This result is consistent with the findings of Ahmed (2023) and it also supported the youth empowerment theory. The theory stated that the empowerment of young individuals is fundamental for fostering their active participation in social, political, and economic spheres. This theory emphasizes the importance of providing youth with access to resources, education, and mentorship, enabling them to navigate the complexities of governance and advocacy.

Conclusion and Recommendations

Conclusion

This study examined the role of youth representation in policymaking in Yobe State. The study specifically examined how youth inclusivity, Systemic barriers, Youths' perceptions about governance and Youth educational attainment affect youth representation in policymaking in Yobe state. The result from the regression analysis revealed that Systemic barriers and Youth educational attainment affect youth representation in policymaking in Yobe state. While, youth inclusivity and Youths' perceptions about governance do not affect Youth representation in policymaking in Yobe state. The study concluded that there is mixed outcome in theory of participation and youth empowerment theory, as result revealed significant and insignificant outcomes. The study recommended among others that there is need to introduce quotas for youth representation in government committees, create youth-friendly policy dialogues and platforms for meaningful participation and provide capacity-building programs to enhance youth engagement in policy making. Again, insights into the challenges of youth representation in policy making should be broken such as gender, ethnicity, and socio-economic.

References

Abdulkareem, M., Mohammed, A., & Adamu, I. (2022). Youth Engagement and Trust in Democratic Institutions: Evidence from Northern Nigeria. *African Journal of Political Science*, 16(1), 45-60.

Abdullahi, H., & Ahmad, A. (2022). Challenges and Opportunities for Youth Participation in Governance in Nigeria. *Journal of African Political Economy and Development*, 8(1), 34-48.

Abdullahi, H., & Ahmad, A. (2022). Gender and Youth Participation in Governance in Nigeria: Perspectives from Yobe State. *Journal of African Political Economy and Development*, 7(1), 56-70.

Abdullahi, H., & Ahmad, A. (2022). The Role of Youth in Shaping Political Discourse in Nigeria: Perceptions and Realities. *Journal of African Political Economy and Development*, 8(2), 54-70.

Abubakar, I. & Ibrahim, A. (2021). Youth Empowerment and Political Efficacy: An Analysis of Nigerian Youths' Engagement in Governance. *International Journal of Political Science*, 9(3), 45-62.

Adebayo, S., & Ismail, Y. (2023). Evaluating the Implementation of National Youth Policies in Nigeria: A Focus on Yobe State. *Journal of Youth Studies*, 21(1), 15-29.

Adebayo, S., & Oladipo, J. (2021). Exploring the Impact of Socio-Economic Factors on Youth Political Participation in Nigeria. *Journal of Nigerian Studies*, 7(3), 115-130.

Adedoyin, A., Olaniyan, A., & Olagunju, A. (2023). The Impact of Civic Education on Youth Participation in Governance: Evidence from Nigeria. *African Journal of Education and Practice*, 14(1), 37-52.

Akinwunmi, A. (2021). Student Activism and Political Mobilization in Nigeria: The Case of the "Ali Must Go" Protest. *African Journal of Political History*, 5(2), 112-128.

Akinwunmi, A., Oyediran, A., & Olusegun, O. (2022). Societal Attitudes and Gender Barriers Inhibiting Female Youth Leadership in Nigeria. *African Journal of Gender and Society*, 14(2), 89-104.

Ejim, E., & Chidubem, A. (2023). Age and Power Dynamics: Constraints on Youth Involvement in Yobe State Politics. *Nigerian Journal of Political Science*, 14(2), 45-61.

Ejim, E., & Chidubem, A. (2023). Age Discrimination and Its Impact on Youth Participation in Nigerian Politics. *International Journal of Politics and Policy*, 16(4), 229-246.

Falola, T., & Njoku, I. (2022). Youth and Politics in Nigeria: Challenges and Prospects. *Journal of Modern African Studies*, 60(1), 63-82.

Federal Ministry of Youth and Sports Development. (2019). *National Youth Policy*. Retrieved from [URL of the document].

Federal Republic of Nigeria. (2019). *National Youth Policy*. Retrieved from [URL of the document].

Idris, M., Zubairu, D., & Abdullahi, R. (2023). The Impact of Social Media on Youth Mobilization in Nigeria: Lessons from the #EndSARS Movement. *Journal of African Communication*, 11(1), 17-30.

Mbowuri, O., & Okwu, A. (2023). The Role of Youth in Driving Democratic Change: Insights from Africa. *Journal of African Governance Studies*, 9(2), 78-95.

Mohammed, A., Abdulkareem, M., & Adamu, I. (2022). Youth Organizations and Advocacy in Yobe State: Challenges and Prospects. *Journal of Youth Studies*, 20(4), 101-116.

Mohammed, A., Abdulkareem, M., & Adamu, I. (2023). Barriers to Youth Participation in Political Processes in Nigeria: Insights and Recommendations. *Nigerian Journal of Political Science*, 15(3), 100-115.

Mohammed, A., Abdulkareem, M., & Adamu, I. (2023). Economic Disparities and Youth Engagement in Political Processes: A Nigerian Perspective. *Nigerian Journal of Political Science*, 15(1), 75-90.

Mohammed, A., Abdulkareem, M., & Adamu, I. (2023). Political Apathy and Youth Participation in Governance: Insights from Northern Nigeria. *African Journal of Political Science*, 15(2), 123-140.

Mohammed, A., Abdulkareem, M., & Adamu, I. (2023). Youth Empowerment and Political Participation in Nigeria: Lessons from the #EndSARS Movement. *Nigerian Journal of Political Science*, 15(2), 105-121.

National Bureau of Statistics (NBS). (2022). *Demographic Statistics of Nigeria*. Retrieved from [URL of the document].

Ogbu, O., & Anugwom, E. (2022). Empowering Youths for Political Engagement in Nigeria: Challenges and Opportunities. *African Journal of Leadership and Governance*, 3(2), 67-84.

Ogundipe, A. (2022). Nigerian Youth and the Struggle for Independence: A Historical Perspective. *Nigerian Journal of Historical Studies*, 12(3), 37-54.

Ogunleye, O., & Alabi, O. (2021). Exploring Youth Agency and Political Efficacy in Nigeria: Implications for Governance. *International Journal of Politics and Governance*, 6(1), 20-35.

Ogunleye, O., & Alabi, O. (2021). The Impact of Youth Engagement on Democratic Governance: A Perspective from Nigeria. *International Journal of Youth Studies*, 5(1), 35-50.

Ogunleye, O., Alabi, O., & Adebayo, S. (2021). Enabling Youth Participation in Governance: A Challenge for Nigeria's Democratic Development. *Nigerian Journal of Political Science*, 12(1), 40-55.

Ogunleye, O., Alabi, O., & Adebayo, S. (2021). Youth Disengagement in Nigerian Politics: An Examination of Political Barriers. *African Journal of Political Science*, 11(2), 123-139.

Okonjo-Iweala, N. (2021). The Role of Youth in Nigerian Democracy: Insights from the #EndSARS Movement. *Journal of African Governance*, 9(1), 77-94.

Okoro, N., & Ofori, I. (2022). The Dynamics of Youth Empowerment and Political Participation: Insights from Nigeria. *International Journal of Youth Studies*, 8(1), 58-73.

Okoro, N., & Ofori, I. (2022). The Role of Technology in Youth Engagement in Nigerian Politics. *International Journal of Youth Studies*, 9(2), 66-83.

Suleiman, I., Yussuf, A., & Hamidu, A. (2020). Youth Disenfranchisement in Nigeria: Implications for Development in a Post-Conflict State. *Journal of Conflict Studies*, 15(1), 99-112.

United Nations. (2018). *The UN System and Youth Participation in Governance: Policy Brief*. Retrieved from [URL of the document].

World Bank. (2021). *Youth and Governance: Building a Stronger Future*. Retrieved from [URL of the document].

Yusuf, A. (2023). The Evolution of Youth Organizations in Nigeria: From Nationalism to Contemporary Activism. *Yoruba Studies Review*, 11(2), 101-119.

Yusuf, A., & Alabi, O. (2022). Digital Divide and Youth Political Participation in Nigeria:

Implications for Social Change. *African Journal of Political Economy and Development*, 4(3), 51-68

EMPLOYMENT RELATIONS AND WORKFORCE DYNAMICS IN SMES: A SYSTEMATIC ANALYSIS OF STABILITY, PRODUCTIVITY, AND POLICY IMPLICATIONS

[1]Chukwu Agnes Ugboego Ph.D. & [2]Anthony Oko-Isu PhD

[1]Department of Industrial Relations and Personnel Management. Michael Okpara University of Agriculture, Umudike, Abia State, Nigeria
[2]Department of Agribusiness and Management, Alex Ekwueme Federal University Ndufu-Alike, Ebonyi State, Nigeria
[1]chukwu.agnes@mouau.edu.ng, [2]anthony.oko-isu@funai.edu.ng
[2]07062624726

Abstract

Employment relations play a pivotal role in shaping workforce productivity and business sustainability in SMEs. This study examines the influence of employer-employee relationships, workplace policies, trade unionism, and labour stability on SME performance. Utilizing a qualitative research approach, the study synthesizes secondary data through a systematic literature review, integrating insights from reputable scholarly sources. Findings indicate that strong employment relations enhance job satisfaction, reduce turnover, and improve operational efficiency. Workplace policies, particularly occupational safety and health measures, emerge as critical enablers of workforce engagement and stability. Trade unions contribute to labour stability but sometimes introduce financial constraints that SMEs must navigate strategically. High employee turnover disrupts workflow continuity and increases operational costs, whereas labour stability strengthens long-term productivity. The Employment Relations Impact Model (ERIM) provides a conceptual framework for understanding these interdependencies, highlighting the need for structured workforce management strategies. Practical implications suggest that SMEs should adopt fair employment practices, improve workplace safety policies, and balance trade union engagements to optimize productivity. This study contributes to academic discourse and policy development by offering insights into effective employment relations frameworks, reinforcing the significance of labour stability in SME success.

Keywords: Employment Relations, Labour Stability, SMEs, Trade Unionism, Workforce Productivity.

Introduction

Employment relations significantly influence workforce productivity, shaping the performance and sustainability of SMEs in competitive markets (Samwel, 2018; Caesar, 2021). Strong employer-employee interactions, built on fair labour practices and transparent communication, create an environment where motivation and efficiency thrive, reducing industrial disputes and enhancing organizational outcomes (Amare & Minch, 2017; Putra & Arief, 2024). Conversely, inadequate wages, poor working conditions, and ineffective workplace policies contribute to dissatisfaction and workforce instability, ultimately disrupting business performance and growth (Ntimba et al., 2020).

The role of occupational safety and health (OSH) policies in SMEs has garnered scholarly attention, with evidence suggesting that structured workplace policies significantly reduce hazards, improve employee well-being, and enhance operational stability (Barbosa et al., 2019; Zhang et al., 2019). Effective OSH measures, combined with management commitment, mitigate workplace risks and contribute to long-term workforce engagement, leading to improved productivity and employee retention (Hedlund et al., 2017). However, limited resources and compliance challenges often restrict SMEs from fully implementing OSH interventions, thereby diminishing their effectiveness in sustaining workforce efficiency (Rydell et al., 2019).

Trade unionism and collective bargaining add another layer of complexity to employment relations in SMEs. While unions facilitate labour stability through structured negotiations and conflict resolution, they also impose financial obligations that can burden SMEs struggling with limited resources (Dietrich et al., 2019). Employer-worker associations serve as alternative mechanisms for addressing workplace conflicts, promoting fair employment practices, and balancing labour demands with business sustainability (De Grazia, 2002; Mich, 1998). Nonetheless, excessive wage demands and labour disputes occasionally disrupt SME productivity, highlighting the need for strategic negotiation frameworks that align employee welfare with business viability (Munir, 2022; Friday, 2010).

Employee turnover remains a critical factor affecting SME productivity, with high attrition rates leading to skill depletion, increased recruitment costs, and workflow disruptions (Effiong et al., 2017; Griffin et al., 2022). Stable employment relationships contribute to organizational continuity, preserving institutional knowledge and fostering long-term workforce commitment, which is crucial for sustained business growth (Anzazi, 2018; Dauda, 2024). Emerging employment trends, such as gig work, have further intensified labour instability, posing challenges for SMEs in retaining skilled employees and maintaining workforce cohesion (Stanford, 2017; Mwangi, 2009). Addressing these employment dynamics requires strategic workforce management approaches, including retention policies and fair employment practices, to mitigate turnover risks and enhance business efficiency (Afari, 2011; Ankrah-Kusi, 2012).

This study explores the intricate relationship between employment relations and SME productivity, contributing to the broader discourse on labour stability and workforce management. The Employment Relations Impact Model (ERIM) provides a conceptual framework for understanding how employment practices, workplace policies, trade unionism, and labour stability interact to shape organizational performance. Adopting a qualitative approach, this research synthesizes secondary data through a systematic literature review, ensuring a comprehensive exploration of existing scholarly perspectives on employment relations in SMEs.

The structure of this paper unfolds through several interconnected sections. The literature review presents key scholarly discussions on employment relations, workplace policies, and workforce stability, offering theoretical and empirical insights into SME labour dynamics. The conceptual framework introduces ERIM, detailing its components and theoretical foundations in understanding employment relations and productivity. The methodology section outlines the qualitative research approach adopted in this study, emphasizing systematic literature review techniques and content analysis. The findings and discussion section synthesizes key insights, examining the implications of employment practices on SME performance and evaluating the relevance of ERIM. Finally, the conclusion and suggestions for further studies highlight key takeaways from the research and propose future directions for investigating employment relations in SMEs. Through this structured approach, the study contributes to academic discourse and policy development on labour stability, offering practical insights for SME management and workforce optimization.

Literature Review

Employment Relations as a Driver of Productivity in SMEs

Strong employment relations serve as a catalyst for enhanced productivity in SMEs, primarily by fostering motivation, job satisfaction, and industrial harmony. A well-maintained employer-employee relationship creates a conducive work environment that bolsters employee engagement and performance (Samwel, 2018). Conversely, inadequate compensation and unfair labour practices often lead to industrial disputes, disrupting productivity and operational efficiency in SMEs (Amare & Minch, 2017). The role of motivation in employment relations is crucial, as it directly impacts productivity. Fair employment practices, including equitable wages and transparent communication, significantly enhance employee morale, thereby improving work efficiency (Caesar, 2021). Constructive employer-employee interactions foster industrial peace, which, in turn, minimizes workplace conflicts and enhances organizational stability (Putra & Arief, 2024). Motivation also serves as a mediating factor between employment relations and productivity, reinforcing the need for fair labour practices and continuous dialogue within SMEs (Mulunda, 2019).

Labour regulations, while designed to protect workers, sometimes impose constraints on SMEs, creating tensions that weaken employment relations and subsequently hinder productivity (Mfecane, 2014). This challenge is further exacerbated in small enterprises where compliance costs and administrative burdens can strain employer-employee dynamics. However, enterprises that successfully navigate labour laws while maintaining fair employment practices experience enhanced workforce stability and higher productivity levels (Ntimba, Lessing, & Swarts, 2020). Workplace safety and health conditions also play a pivotal role in employment relations and productivity. Occupational hazards and unsafe work environments lead to demotivation and absenteeism, negatively affecting output (Onchuru, 2023). SMEs that invest in safe working conditions and prioritize employee well-being not only enhance motivation but also cultivate loyalty and commitment among workers, leading to improved job performance (Lesabe, 2022).

Furthermore, SMEs that implement fair wage structures and encourage union participation tend to experience reduced industrial unrest and heightened productivity (Lule, 2022). Ensuring that employees feel valued and fairly compensated creates a positive work culture, where employees are more inclined to contribute to organizational success. This balance between employer expectations and employee satisfaction is essential in sustaining a high-performance workforce.

Workplace Policies and Workforce Efficiency

Effective Occupational Safety and Health (OSH) policies are instrumental in optimizing workforce efficiency in SMEs. Minimizing workplace hazards enhances productivity and operational stability. When effectively implemented, OSH measures contribute to fewer workplace accidents, leading to direct improvements in employee performance (Barbosa et al., 2019). Empowering employees to voice safety concerns plays a critical role in workplace safety. Open communication about hazards fosters proactive risk mitigation, reducing workplace accidents and driving productivity (Zhang et al., 2019). Furthermore, structured safety training programs, backed by strong management commitment, reinforce compliance and significantly enhance workforce efficiency (Subramaniam & Shamsudin, 2016).

In high-risk sectors like waste management, aligning OSH practices with productivity goals proves beneficial. SMEs that implement rigorous health and safety measures experience fewer work-related injuries, ensuring uninterrupted operations (Rodrigues et al., 2020; Khokhar et al., 2021). However, SMEs often struggle with OSH interventions due to resource constraints and training deficiencies, limiting their ability to maintain a consistently safe environment (Masi & Cagno, 2015). Workplace health management policies substantially influence workforce productivity. Investments in better working conditions foster employee well-being, directly boosting efficiency (Hedlund et al., 2017). Additionally, SMEs that prioritize OSH investments see a noticeable reduction in absenteeism and an increase in employee engagement, contributing to higher productivity levels (Rydell et al., 2019).

The success of OSH management systems in micro, small, and medium enterprises (MSMEs) hinges on leadership commitment and employee participation. A culture of accountability and diligence is essential in ensuring compliance and maximizing safety benefits (Tejamaya et al., 2021). Employees' willingness to adhere to health and safety protocols is largely shaped by management strategies and the overall workplace environment. When workers feel valued and protected, they actively contribute to a safer, more efficient workforce (Khan et al., 2022).

Trade Unionism and Collective Bargaining in SMEs

Collective bargaining exerts a profound influence on labour stability in rice mills, although union demands can inflate operational costs for SMEs (Tran, 2017). As industrial unionism evolved from craft unionism, collective agreements and labour relations in small-scale enterprises underwent significant transformations (Cox, 1987). While vertical unionism fostered labour stability, it also generated tensions in enterprises with a diverse skilled workforce (Quadagno, 1988). Employer-worker associations present a viable mechanism for mitigating conflicts in small-scale enterprises, ultimately fostering improved labour relations and productivity (De Grazia, 2002). However, trade unions, despite promoting solidarity, can also drive up operational expenditures due to collective demands (Mich, 1998). Encouraging collective bargaining in SMEs has the potential to enhance labour stability but may simultaneously impose financial strains on businesses, particularly in rice mills (Dietrich, Ribérot, & Fautrero, 2019).

Union-led negotiations contribute to stabilized labour relations in rice mills, yet the pursuit of higher wages can sometimes disrupt productivity (Tran, 2017). The pressure exerted by labour unions in industries such as garment manufacturing significantly shapes employer-worker negotiations, though it may also introduce instability in production processes (Munir, 2022). Similar dynamics were observed in historical trade union movements within Asian-American labour industries, where stability came at the expense of increased operational costs (Friday, 2010). While employer-worker associations in small enterprises serve as conflict-resolution platforms, their influence may occasionally counteract union efforts (De Grazia, 2002). The dual impact of trade unionism—strengthening labour relations while sometimes escalating business costs—remains a critical consideration for SMEs navigating the complexities of workforce management.

Impact of Employee Turnover and labour Stability on Productivity

High employee turnover disrupts business operations, inflates recruitment costs, and diminishes productivity, whereas stable employment curtails absenteeism and fosters workforce efficiency (Anzazi, 2018). In small-scale industries, frequent turnover results in skill depletion, leading to operational inefficiencies, while stable employment preserves institutional knowledge and minimizes disruptions (Dauda, 2024). The negative correlation between turnover and productivity is evident in SMEs, as increased attrition elevates recruitment expenses and undermines workforce stability. Conversely, a consistent labour force alleviates hiring costs and retains critical expertise, promoting sustained performance (Effiong et al., 2017). Labour stability not only mitigates absenteeism but also enhances individual and organizational performance, whereas skill erosion due to turnover weakens operational capacity (Ooko, 2015).

Operational disruptions escalate with high turnover, negatively affecting overall business efficiency, while consistent employment relations strengthen organizational resilience and productivity (Linde, 2024). Frequent workforce departures necessitate continuous hiring and training, thereby increasing operational expenditures, yet stable labour relations offer cost-effective continuity and sustained performance (Mwangi, 2009). A pattern of high turnover within SMEs accelerates knowledge loss and workflow instability, while steady employment structures reinforce business stability and efficiency (Afari, 2011). Though labour turnover poses inherent challenges, effective retention strategies can counteract its adverse effects, improving operational efficiency and reducing transition costs (Ankrah-Kusi, 2012).

Emerging employment trends, such as gig work, contribute to heightened turnover rates and reduced productivity, underscoring the value of stable employment practices in small enterprises (Stanford, 2017). SMEs that emphasize stable labour relations experience lower absenteeism, reduced disruptions, and enhanced productivity, highlighting the critical role of workforce retention in business success (Griffin et al., 2022).

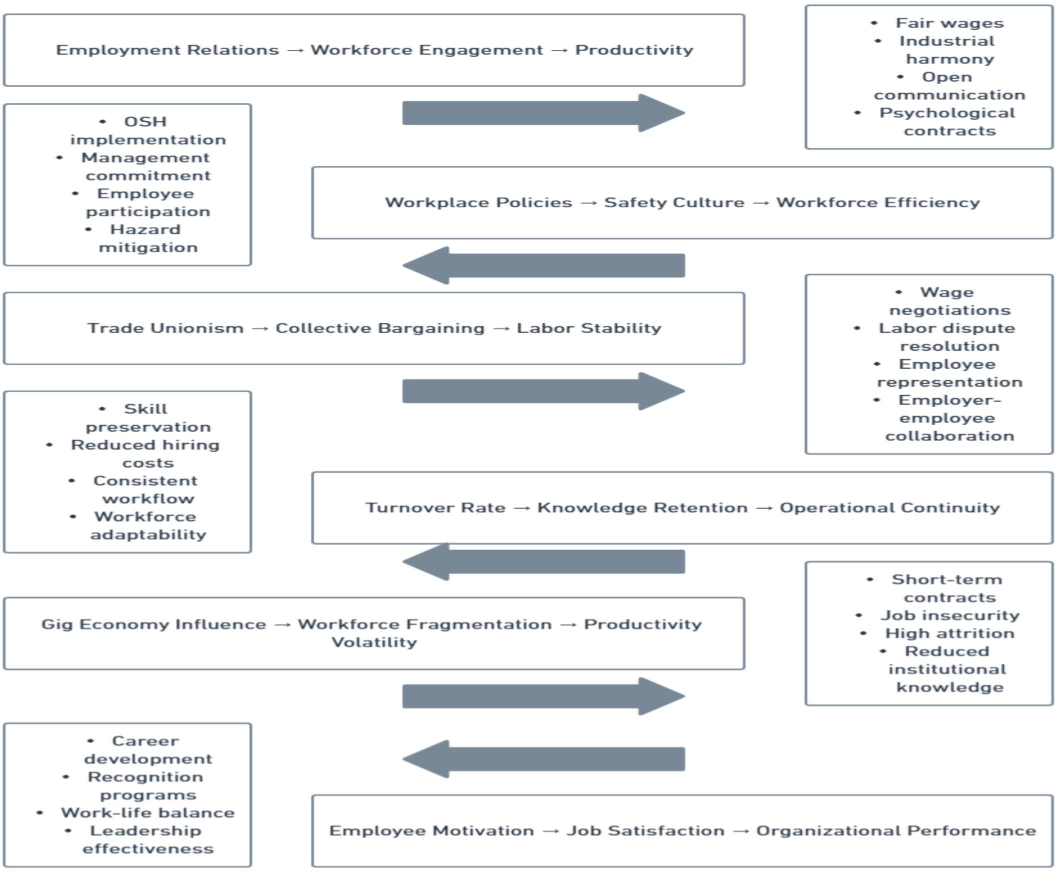
Table 1: Summary of Literature Review

Major Themes	Key Insights	Key Scholars
Employment Relations and Productivity	Strong employer-employee relations enhance job satisfaction and motivation, leading to improved productivity.	Samwel (2018); Caesar (2021); Amare & Minch (2017)
Workplace Policies and Workforce Efficiency	Effective OSH policies reduce workplace hazards, improve employee well-being, and enhance operational stability.	Barbosa et al. (2019); Zhang et al. (2019); Subramaniam & Mohd. Shamsudin (2016)
Trade Unionism and Collective Bargaining	Collective bargaining fosters labour stability but may impose financial burdens on SMEs.	Tran (2017); Dietrich et al. (2019); Munir (2022)
Employee Turnover and labour Stability	High turnover depletes institutional knowledge and increases costs, while labour stability enhances productivity.	Effiong et al. (2017); Griffin et al. (2022); Stanford (2017)
Impact of Gig Work Models on SMEs	Gig work increases labour turnover, affecting long-term workforce commitment and productivity.	Stanford (2017); Griffin et al. (2022)

Note: Table 1 provides a summary of key findings in the literature, organized by theme and highlighting contributions from prominent scholars.

Employment Relations Impact Model

The Employment Relations Impact Model (ERIM) offers a comprehensive framework for understanding the dynamic linkages between employment relations, workforce stability, and productivity in SMEs. Strong employer-employee relationships foster motivation, job satisfaction, and industrial harmony, all of which contribute to higher levels of productivity (Amare & Minch, 2017). Fair employment practices, including equitable wages and open communication, enhance psychological contracts, reinforcing employees' commitment to organizational goals (Ntimba et al., 2020). In contrast, when employment relations are strained due to poor wages or lack of dialogue, productivity declines as a result of industrial unrest and decreased morale (Samwel, 2018).



Source: Authors (2025)

Figure 1: Employment Relations Impact Model.

Workplace policies, particularly those centred on occupational safety and health (OSH), play a crucial role in sustaining workforce efficiency. Effective OSH policies reduce workplace accidents, creating an environment where employees can perform optimally (Barbosa et al., 2019). Safety-conscious organizations experience fewer disruptions, as employees are less likely to suffer from work-related injuries that reduce productivity levels (Khokhar et al., 2021). However, barriers such as inadequate training and limited resources hinder the successful implementation of OHS measures, leading to inefficiencies within SMEs (Masi & Cagno, 2015).

Trade unionism and collective bargaining further shape the employment relations landscape. While unions provide a platform for wage negotiations and employee representation, their demands can also escalate operational costs, potentially impacting productivity (Tran, 2017). In rice mills and other small enterprises, union-led negotiations have stabilized labour relations, though at times they have also caused productivity fluctuations due to labour disputes (Munir, 2022). Nonetheless, when properly managed, collective bargaining fosters labour stability, reducing absenteeism and enhancing workforce cohesion (Dietrich et al., 2019).

Employee turnover remains a significant factor influencing SME performance. High turnover disrupts operational continuity, increases recruitment costs, and leads to skill depletion, adversely affecting productivity (Anzazi, 2018). Conversely, stable employment relations help retain institutional knowledge, ensuring that businesses do not suffer from constant workflow disruptions (Dauda, 2024). The gig economy has further exacerbated turnover rates, making it harder for SMEs to maintain long-term workforce stability, thereby affecting overall productivity (Stanford, 2017). Retention strategies, including professional development initiatives and fair compensation structures, mitigate turnover risks and contribute to sustainable business performance (Griffin et al., 2022). ERIM highlights the interplay between employment relations, workforce stability, and productivity, illustrating that a balanced approach to labour management is critical for SMEs' success.

Materials and Method

This study employed a qualitative research approach, utilizing a systematic literature review (SLR) to synthesize secondary data. The research process was guided by identified themes derived from the study topic, ensuring a structured and focused exploration of relevant literature. Utilizing SLR, the study systematically gathered insights that informed the development of a conceptual model. The literature selection process prioritized sources that offered depth of insights and originated from reputable publishers. No restrictions were imposed on the year of publication, recognizing the historical dimensions of the study. This inclusive approach facilitated the identification of significant trends and developments across different periods, which might have otherwise been overlooked. Conversely, studies that did not directly answer the research question or align with the identified themes were excluded to maintain analytical relevance.

Content analysis was applied to the selected secondary data to extract meaningful insights and patterns. This analytical method enabled a comprehensive synthesis of existing knowledge, helping to refine the conceptual framework. The conceptual model was subsequently developed based on insights drawn from the reviewed literature. To enhance clarity and visualization, the model was designed using the Whimsical designing tool, ensuring a coherent representation of key relationships and theoretical constructs. Leveraging a qualitative, systematic literature review approach, this study effectively integrated diverse scholarly perspectives, constructing a robust foundation for understanding the impact of employment relations on SME productivity.

Results and Discussions

Employment relations significantly shape workforce productivity in SMEs. Strong employer-employee relationships contribute to job satisfaction, motivation, and reduced industrial unrest, reinforcing business performance (Samwel, 2018). Equitable wage structures and open communication channels enhance employee commitment, ensuring operational stability (Caesar, 2021). In contrast, strained employment relations lead to workplace dissatisfaction and lower efficiency (Amare & Minch, 2017).

Workplace policies, particularly occupational safety and health (OSH) measures, demonstrate a direct impact on workforce efficiency. The implementation of robust OSH practices reduces workplace accidents, fosters employee well-being, and enhances overall productivity (Barbosa et al., 2019). Encouraging employee safety voice improves hazard identification, further strengthening compliance and operational effectiveness (Zhang et al., 2019). The role of management in ensuring a safety-conscious work environment proves essential for maintaining efficiency and regulatory adherence (Subramaniam & Mohd. Shamsudin, 2016).

The role of trade unionism in SMEs remains a complex dynamic. While collective bargaining ensures labour stability, it can also introduce financial constraints that affect operational costs (Tran, 2017). Negotiation processes foster improved working conditions and fair wages but occasionally disrupt productivity due to increased wage demands (Dietrich et al., 2019). Employer-worker associations mitigate conflicts and improve productivity but sometimes limit union influence, creating a delicate balance in labour relations (De Grazia, 2002).

Labour stability emerges as a crucial determinant of productivity. Elevated turnover rates disrupt workflow continuity, weaken institutional knowledge, and inflate recruitment costs, negatively impacting SME performance (Effiong et al., 2017). Workforce retention strengthens operational efficiency by reducing absenteeism and preserving specialized skills (Griffin et al., 2022). Gig work models further complicate employment stability, heightening turnover concerns and reducing long-term workforce commitment (Stanford, 2017).

Findings suggest that SMEs benefit from strategic employment practices, robust workplace policies, and structured labour relations. A well-managed workforce fosters higher engagement, minimizes disruptions, and enhances productivity, ensuring sustainable business performance in competitive markets.

Discussion

The findings of this study align with and expand on existing literature regarding the impact of employment relations on workforce productivity in SMEs. The Employment Relations Impact Model (ERIM) provides a structured framework to understand these dynamics, emphasizing employment relations, workplace policies, trade unionism, and labour stability as key determinants of productivity.

Scholars consistently highlight the significance of strong employer-employee relationships in fostering motivation and job satisfaction, which in turn boost productivity (Samwel, 2018; Caesar, 2021). The role of fair employment practices and transparent communication has been emphasized by multiple studies, reinforcing the argument that equitable wage structures enhance employee commitment and reduce industrial unrest (Amare & Minch, 2017). This perspective finds support in Putra and Arief (2024), who argue that industrial peace results from a balanced employer-employee dynamic, which creates a stable work environment conducive to productivity. However, the opposing view by Mfecane (2014) suggests that labour laws sometimes hinder SME operations, creating bureaucratic constraints that weaken employment relations. Despite this, the overarching consensus remains that a well-managed employer-employee relationship is beneficial for business outcomes.

Workplace policies, particularly those concerning occupational safety and health (OSH), emerge as crucial enablers of workforce efficiency. Barbosa et al. (2019) and Zhang et al. (2019) demonstrate that OSH policies reduce workplace hazards, fostering a safer and more productive work environment. Similarly, management commitment to safety and compliance ensures a culture of responsibility, reinforcing employee participation in maintaining workplace safety (Subramaniam & Mohd. Shamsudin, 2016). However, barriers such as resource constraints and inadequate training limit the implementation of effective OSH interventions (Masi & Cagno, 2015). This challenge suggests that while workplace policies significantly contribute to productivity, they require sustained investment and commitment from SMEs to be fully effective.

Trade unionism and collective bargaining present a dual effect on SME productivity. While unions provide essential representation and negotiation frameworks that enhance labour stability (Tran, 2017), they also introduce financial burdens that could strain SME resources (Munir, 2022). Dietrich et al. (2019) assert that collective bargaining, when strategically managed, stabilizes labour relations and mitigates workforce conflicts. Conversely, excessive union demands may escalate operational costs, affecting overall productivity. The role of employer-worker associations in balancing these effects has been underscored by De Grazia (2002), who argues that these associations promote negotiation and conflict resolution while limiting excessive union influence. Thus, the effectiveness of trade unionism in SMEs is contingent on structured dialogue mechanisms that align labour demands with business sustainability.

Employee turnover and labour stability serve as outcome determinants in ERIM, influencing SME performance in both positive and negative ways. High turnover disrupts workflow continuity and inflates recruitment costs, leading to reduced operational efficiency (Effiong et al., 2017). This sentiment is echoed by Griffin et al. (2022), who highlight that stable employment relations preserve institutional knowledge and minimize disruptions. The prevalence of gig work models, as explored by Stanford (2017), has further complicated labour stability by increasing turnover rates, thereby reducing long-term workforce commitment. Effective retention strategies, such as professional development and competitive compensation, counteract these challenges, ensuring sustained productivity within SMEs (Griffin et al., 2022).

The relevance of the conceptual model in this study is evident in its structured approach to analysing employment relations and productivity. ERIM integrates multiple factors—employment relations, workplace policies, trade unionism, and labour stability—to provide a comprehensive understanding of SME workforce dynamics. This model serves as a valuable tool for both scholars and practitioners, offering insights into the interconnected nature of workforce management strategies. It highlights that productivity is not solely dependent on any one factor but rather a combination of fair employment practices, strategic workplace policies, and balanced labour relations.

The policy and practice implications of this study are significant. Policymakers must recognize the critical role of employment relations in shaping SME productivity and design regulatory frameworks that encourage fair labour practices while minimizing bureaucratic constraints. SMEs, in turn, should invest in structured employment strategies that foster job satisfaction, enhance workforce stability, and promote safety compliance. Additionally, trade unions and employer-worker associations should collaborate to ensure that collective bargaining remains constructive rather than disruptive. Ultimately, ERIM provides a practical guideline for improving labour stability and operational efficiency, positioning SMEs for long-term sustainability and growth in competitive markets.

Conclusion

The study highlights the crucial role of employment relations in shaping workforce productivity within SMEs. Strong employer-employee relationships, equitable workplace policies, and structured trade union engagements foster an environment that enhances motivation and efficiency. Ensuring labour stability reduces disruptions and skill loss, thereby contributing to long-term business performance. Workplace policies, particularly in occupational safety and health, emerge as vital enablers of efficiency, reducing absenteeism and enhancing operational effectiveness. While trade unionism and collective bargaining present both opportunities and challenges, a balanced approach ensures labour stability without imposing excessive financial burdens on SMEs. Employee turnover remains a critical factor, affecting productivity through knowledge depletion and operational inefficiencies. Addressing these dynamics through a strategic approach reinforces the importance of structured labour management in sustaining SME growth and competitiveness. The Employment Relations Impact Model (ERIM) offers a comprehensive framework for understanding these interconnections. Insights from the study suggest that fostering positive employment relations, implementing robust workplace policies, and maintaining a stable workforce collectively drive sustainable business performance. Strategic employment practices aligned with SME operational goals will ensure long-term resilience and productivity.

References

Afari, P. (2011). *Labour turnover and its effects on the cocoa industry in the Bia district* [Master’s thesis, University of Cape Coast]. University of Cape Coast Institutional Repository. http://ir.ucc.edu.gh:8080/xmlui/handle/123456789/1457

Amare, S., & Minch, A. (2017). *Assessment of employee relations: A case study of Arbaminch* [Master’s thesis, Arbaminch University]. Ethiopian National Academic Digital Repository. https://nadre.ethernet.edu.et/record/3107/files/ASSESEMENTOFEMPLOYEERELATIONFINALTHESIS.pdf

Ankrah-Kusi, V. (2012). *The effect of retention strategies on labour turnover in the wood processing industry: A case study of Hanmax Veneer and Plywood Company and Logs & Lumber Limited* [Master’s thesis, Kwame Nkrumah University of Science and Technology]. KNUST Institutional Repository. https://ir.knust.edu.gh/items/d01bde05-76e0-444e-9d57-964a174f2ceb/fullKNUST Institutional Repository

Anzazi, N. (2018). *Employee turnover on organizational performance in the telecommunication industry in Kenya* [Master’s thesis, Kenyatta University]. CORE. https://core.ac.uk/download/pdf/224836806.pdf

Barbosa, C., Azevedo, R., & Rodrigues, M. A. (2019). Occupational safety and health performance indicators in SMEs: A literature review. *Work*, 64(3), 457–469. https://doi.org/10.3233/WOR-192988

Caesar, T. S. (2021). *An assessment of employee relations practices and job performance: A study of Winneba Municipal Hospital* [Master’s thesis, University of Education, Winneba]. University of Education, Winneba Institutional Repository. http://ir.uew.edu.gh:8080/handle/123456789/2500

Cox, R. W. (1987). *Production, power, and world order: Social forces in the making of history*. Cambridge University Press.

Dauda, A. O. (2024). *Staff turnover and retention in the hospitality industry* [Bachelor’s thesis, Laurea University of Applied Sciences]. Theseus. https://www.theseus.fi/bitstream/handle/10024/874833/Dauda_Azeez%20Olayemi.pdf

De Grazia, V. (2002). *The culture of consent: Mass organisation of leisure in fascist Italy*. Cambridge University Press.

Dietrich, A., Ribérot, J., & Fautrero, V. (2019). Collective bargaining and employer-worker relations: The French experience. *Annales des Mines – Gérer et Comprendre*, 136(3), 45–52. https://www.annales.org/site/gc/GC-english-language-online-edition/2019/GC-english-language-online-selection-2019.pdf

Effiong, C., Usoro, A. A., & Ekpenyong, O. E. (2017). The impact of labour turnover on small and medium-scale enterprises (SMEs) performance in Cross River State, Nigeria. *IOSR Journal of Business and Management*, 19(2), 45–52. https://www.academia.edu/download/59390794/CRS_MEDAThe_Impact_of_Labour_Turnover_on_Small_And_Medium_Scale20190525-90181-1q5n4e.pdf

Friday, C. (2010). *Organizing Asian-American labor: The Pacific Coast canned-salmon industry, 1870–1942*. Temple University Press.

Griffin, M., Hamilton, P., & Harness, O. (2022). Life during furlough: Challenges to dignity from a changed employment status. *Industrial Relations Journal*, 53(2), 215–230. https://onlinelibrary.wiley.com/doi/abs/10.1111/irj.12384

Hedlund, M., Landstad, B. J., & Vinberg, S. (2017). Tightrope walking: External impact factors on workplace health management in small-scale enterprises. *Society, Health & Vulnerability*, 8(1), 1350551. https://doi.org/10.1080/20021518.2017.1350551

Khan, S. B., Proverbs, D. G., & Xiao, H. (2022). The motivation of operatives in small construction firms towards health and safety–A conceptual framework. *Engineering, Construction and Architectural Management*, 29(5), 1023–1042. https://doi.org/10.1108/ECAM-06-2020-0399

Khokhar, M., Khan, M., & Islam, T. (2021). Put safety first: Exploring the role of health and safety practices in improving the performance of SMEs. *Sage Open*, 11(3), 1–12. https://doi.org/10.1177/21582440211032173

Lesabe, R. A. F. (2022). *Strategic value of harmonious employment relations in the Information Communication and Technology sector* [Doctoral dissertation, University of Johannesburg]. University of Johannesburg Institutional Repository. https://ujcontent.uj.ac.za/esploro/outputs/doctoral/Strategic-value-of-harmonious-employment-relations/9917108307691

Linde, G. J. (2024). *Assessing the effects of employee turnover at a selected agribusiness organization's performance in South Africa* [Master's thesis, North-West University]. NWU Institutional Repository. https://repository.nwu.ac.za/handle/10394/42640

Lule, B. (2022). *The role of labor union on effective industrial relations: The case of Equatorial Business Group* [Master's thesis, St. Mary's University]. St. Mary's University Institutional Repository. http://repository.smuc.edu.et/handle/123456789/7133

Masi, D., & Cagno, E. (2015). Barriers to OHS interventions in SMEs. *Safety Science*, 71, 226–241. https://doi.org/10.1016/j.ssci.2014.06.015

Mfecane, A. (2014). The impact of labour laws on small firms: Employer perceptions of the Labour Relations Act (66 of 1995) and the impact on productivity. *Journal of Labour Relations*, 12(3), 67–78. https://core.ac.uk/download/pdf/145055997.pdf

Mich, M. L. K. (1998). *Catholic social teaching and movements*. Paulist Press.

Mulunda, K. J. (2019). *Effect of employee relations on employee performance in the energy sector in Nairobi City County, Kenya* [Doctoral dissertation, Jomo Kenyatta University of Agriculture and Technology]. JKUAT Institutional Repository. http://ir.jkuat.ac.ke/handle/123456789/5101iajournals.org

Munir, S. T. (2022). *Sustainable building safety within Dhaka's supply chain network: Analysing global responses to disasters* [Doctoral dissertation, Curtin University]. Curtin University Institutional Repository. https://espace.curtin.edu.au/bitstream/handle/20.500.11937/91312/Munir%20ST%202022%20Public.pdf

Mwangi, W. W. (2009). *Relationship between human resource planning and labour turnover among microfinance institutions in Kenya* [Master's thesis, University of Nairobi]. University of Nairobi Institutional Repository. http://erepository.uonbi.ac.ke/handle/11295/23331

Ntimba, D. I., Lessing, K. F., & Swarts, I. (2020). The relationship between employment relations satisfaction and psychological contracts in the South African public sector workplace. *Journal of Employee Relations*, 22(3), 76–89. https://journals.co.za/doi/pdf/10.25159/2520-3223/8129

Onchuru, S. K. (2023). *The influence of occupational hazards on motivation and productivity of employees: A case study of SMEs in Nairobi County, Kenya* [Master's thesis, University of Nairobi]. University of Nairobi Institutional Repository. https://erepository.uonbi.ac.ke/handle/11295/166632

Ooko, J. O. (2015). *Causes of labor turnover in the farm industry in Kenya: A case study of Kapkoros Tea Factory* [Master's thesis, College of Human Resource Management]. CHRM Institutional Repository. http://ir.chrm.or.ke/bitstream/123456789/175/1/DISSERTATION%20-%20James%20Ooko%20Obwora%20.pdf

Putra, F. F. T., & Arief, N. N. (2024). Design transformation of the industrial relations peace: Towards a harmonious work relations model in the Karawang industry. *Journal Return*, 20(1), 85–97

Quadagno, J. (1988). *The transformation of old age security: Class and politics in the American welfare state*. University of Chicago Press.

Rodrigues, M. A., Sá, A., Masi, D., Oliveira, A., & Boustras, G. (2020). Occupational health & safety management practices in micro- and small-sized enterprises: The case of the Portuguese waste management sector. *Safety Science*, 132, 104996. https://doi.org/10.1016/j.ssci.2020.104996

Rydell, A., Andersson, I. M., Bernsand, C. O., & Rosén, G. (2019). Work environment investments: Critical elements for success in optimizing OHS effects. *Work*, 64(4), 521–534. https://doi.org/10.3233/WOR-192974

Samwel, J. O. (2018). Effect of employee relations on employee performance and organizational performance: A study of small organizations in Tanzania. *Global Journal of Management and Business Research*, 18(2), 45–56.

Stanford, J. (2017). The resurgence of gig work: Historical and theoretical perspectives. *The Economic and Labour Relations Review*, 28(3), 382–401. https://doi.org/10.1177/1035304617724303pinguet.free.fr+4IDEAS/RePEc+4ResearchGate+4

Subramaniam, C., & Mohd. Shamsudin, F. (2016). Safety management practices and safety compliance in SMEs: Mediating role of safety participation. *Asia-Pacific Journal of Business Administration*, 8(4), 321–338. https://doi.org/10.1108/APJBA-02-2016-0029

Tejamaya, M., Puspoprodjo, W., Susetyo, H., & Modjo, R. (2021). An analysis of pivotal factors in the implementation of occupational health and safety management systems in micro, small and medium enterprises (MSMEs): Literature review. *Gaceta Sanitaria*, 35, S348–S359. https://doi.org/10.1016/j.gaceta.2021.10.050ResearchGate+3Universitas Indonesia+3library.poltekkes-smg.ac.id+3

Tran, T. T. K. (2017). Collective bargaining and collective agreements in Vietnam: From legislation to practice. *Japan Labor Issues*, 1(3), 58–65.

Vautrero, V., Dietrich, A., & Ribérot, J. (2019). Employer-worker relations and collective bargaining frameworks in French SMEs. *Annales des Mines – Gérer et Comprendre*, 136(3), 112–118.

Zhang, J., Mei, Q., & Liu, S. (2019). Study of the influence of employee safety voice on workplace safety level of SMEs. *Nankai Business Review International*, 10(2), 215–230. https://doi.org/10.1108/NBRI-08-2017-0045