

STRATEGIC ENTREPRENEURSHIP AND SUSTAINABLE BUSINESS GROWTH OF SMES IN FOOD PRODUCTS SECTOR IN NIGERIA

Amadi, Lawrence Ph.D & Thom-Otuya, Innocent Ph.D
Department of Entrepreneurship, Faculty of Administration and Management,
Ignatius Ajuru University of Education, Port Harcourt, Nigeria.

Email:amalaw2004@yahoo.com

ABSTRACT

This study explored strategic entrepreneurship and sustainable business growth of SMEs in Nigeria. The aim of the study was to determine the relationship between strategic entrepreneurship (entrepreneurial mindset, strategic resource management and innovation) and sustainable business growth (profit growth and sales growth) of SMEs in Food Products Sector in Rivers State, Nigeria. Six (6) research questions and hypotheses were developed to address the objectives of the study. The positivist research philosophy and correlational research design were adopted. The population of this study comprised all the registered SMEs in Food Products Sector in Rivers State, Nigeria. A sample size of 400 SMEs was drawn from Rivers State. The Taro Yamen formula was used to determine the sample size. A structured questionnaire was used to collect data from the respondents (entrepreneurs). The data collected were analyzed using a combination of descriptive and inferential statistical tools. Particularly the hypotheses were tested using Spearman Rank Order Correlation Coefficient (ρ) aided by SPSS version 24.0. The findings showed that entrepreneurial mindset has significant relationship with sustainable business growth (profit growth and sales growth) of SME in in Food Product Sector in Rivers State, Nigeria. The study also found a significant relationship between strategic resource management and sustainable business growth (profit growth and sales growth) of SMEs in Food Product Sector in Rivers State, Nigeria. The study equally discovered a significant relationship between innovation and sustainable business growth (profit growth and sales growth) of SMEs in Food Products Sector in Rivers State, Nigeria. Based on these findings, it was concluded that strategic entrepreneurship is a significant predictor of sustainable business growth. Therefore, it is recommended that entrepreneurs and managers of SMEs in Food Products Sector should enhance the practice of strategic entrepreneurship as it would help to achieve sustainable business growth in the midst of the present global financial and economic challenges.

Keywords: Strategic entrepreneurship, entrepreneurial mindset, strategic resource management, innovation, sustainable business growth.

INTRODUCTION

In an emerging economy like Nigeria there is need to adopt a sustainable approach to business in order to build a sustainable economy (Mocanu et al, 2024). Integrating sustainable approach to business practices requires companies to engage in responsible production in order to encourage responsible consumption pattern and achieve a sustainable economy. Without integrating sustainable approach to business practices, it will be difficult or impossible for companies to achieve sustainable business growth in an emerging economy (Nopianti et al, 2024). Considering the fact that Nigeria is an emerging economy that is channeling its efforts and resources towards achieving a sustainable economy, businesses at various levels must make adequate effort to respond to this changing trend and achieve sustainable business growth. Achieving sustainable business growth can be quite challenging given the present global financial and economic outlook which has negatively affected emerging economies. Many SMEs in Nigeria are finding it difficult to operate successfully as they are currently experiencing sluggish growth due to a number of issues such as unfavorable exchange rate, global pricing and inflation rate (Omoshagba et al, 2021). To

obtain sustainable business growth in the midst of this adverse global financial and economic outlook, entrepreneurs at the micro, small and medium levels must review their business policies and integrate strategic approach to their entrepreneurship practices through the implementation of strategic entrepreneurship. Strategic entrepreneurship is a business concept that is developed from the combination of strategic management and entrepreneurship. While entrepreneurship focuses on the creation and development of business venture, strategic management deals with the actions taken by the firm to gain competitive advantage, create wealth and sustain the business venture in a dynamic and turbulent environment (Hitt et al, 2011). Based on this perspective, strategic entrepreneurship is defined as the integration of entrepreneurial behaviour and strategic approach to gain competitive advantage and create wealth (Hitt et al, 2011). It involves developing an entrepreneurial mindset, creating an entrepreneurial culture with good entrepreneurial leadership, managing resources strategically and adopting innovative approach to gain competitive advantage and achieve wealth creation. Strategic entrepreneurship can be practiced by firms of all sizes whether small, medium or large firms (Gancarczyk, 2018). It requires firms to identify opportunities in the environment and transform these opportunities into competitive advantage which will eventually strengthen their market position in the long-run and achieve business growth. Albhirat et al (2023) posited that firms need to combine entrepreneurial action with strategic action to transform new opportunities into sustainable competitive advantage.

Strategic entrepreneurship allows companies to build and strike a balance between opportunity-seeking behaviour and advantage-seeking behaviour which will consequently lead to sustainable business growth (Gancarczyk, 2018). It also allows companies to act strategically and innovatively to shape the future. Omoshagba et al (2021) opined that strategic entrepreneurship provides a value that enables companies to compete favourably in the market and achieve business growth. Firms need to effectively practice strategic entrepreneurship in order to create value, gain competitive advantage and achieve business growth. To effectively practice strategic entrepreneurship, firms need to develop an entrepreneurial mindset (opportunity seeking, opportunity recognition and opportunity exploitation), establish an entrepreneurial culture with entrepreneurial leadership, manage their resources strategically and apply creativity and innovation to create value, sustain competitive advantage and achieve business growth (Obeng et al, 2014). By practicing strategic entrepreneurship, companies can create superior value for customers and stakeholders, sustain their competitive advantage, grow sales and achieve business growth in a challenging environment (Ibrahim et al, 2016). It is against this backdrop that this study examines the relationship between strategic entrepreneurship and sustainable business growth in Nigeria.

Statement of the Problem

Nigeria as emerging economy is currently going through a hard time as crucial economic indices such as GDP, exchange rate and inflation rate have become unfavourable. Many businesses in Nigeria are finding it difficult to operate successfully. SMEs which are often considered as engine for economic growth are currently experiencing sluggish growth due to the global financial and economic outlook which has resulted to the increased level of poverty in the country. As poverty level increases, it becomes imperative for entrepreneurs to operate strategically to grow their businesses in a sustainable way. To sustain business growth in the midst of this adverse global financial and economic outlook, entrepreneurs need to revisit their business practices by adopting a more strategic approach to business through the practice of strategic entrepreneurship. Obviously, strategic entrepreneurship can provide a platform that is needed to achieve sustainable business growth in an emerging economy like Nigeria. Although there are no substantial empirical evidence to substantiate this claim as most of these studies conducted on strategic entrepreneurship and business growth are carried out in advanced economies while empirical studies that examined the relationship between strategic entrepreneurship and sustainable

business growth in emerging economy are scanty, hence the need for this study to bridge the gap in literature.

Conceptual Framework

The conceptual framework of strategic entrepreneurship and sustainable business growth is shown in figure 1 below:

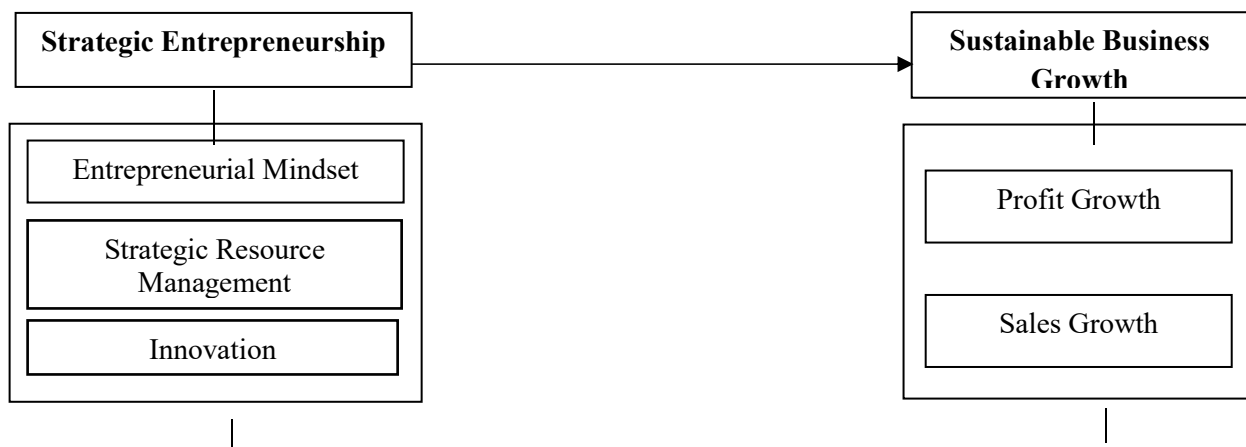


Fig 1: Conceptual framework of strategic entrepreneurship and sustainable business growth
Source: Desk Research (2024)

Aim and Objectives of the Study

The aim of this study is to examine the relationship between strategic entrepreneurship and sustainable business growth of SMEs in Food Products Sector in Rivers State, Nigeria. To achieve this aim, the study intends to:

1. determine the relationship between entrepreneurial mindset and profit growth of SMEs in Food Product Sector in Rivers State;
2. ascertain the relationship between entrepreneurial mindset and sales growth of SMEs in Food Product Sector in Rivers State;
3. examine the relationship between strategic resource management and profit growth of SMEs in Food Product Sector in Rivers State;
4. determine the relationship between strategic resource management and sales growth of SMEs in Food Product Sector in Rivers State;
5. explore the relationship between innovation and profit growth of SMEs in Food Product Sector in Rivers State and
6. ascertain the relationship between innovation and sales growth of SMEs in Food Product Sector in Rivers State.

Research Questions

The following research questions were developed in this study:

1. What is the relationship between entrepreneurial mindset and profit growth of SMEs in Food Product Sector in Rivers State?
2. To what extent does entrepreneurial mindset relate to sales growth of SMEs in Food Product Sector in Rivers State?
3. How does strategic resource management relate to profit growth of SMEs in Food Product Sector in Rivers State?
4. To what extent does strategic resource management relate to sales growth of SMEs in Food Product Sector in Rivers State?

5. What is the relationship between innovation and profit growth of SMEs in Food Product Sector in Rivers State?
6. To what extent does innovation relate to sales growth of SMEs in Food Product Sector in Rivers State?

Research Hypotheses

The following hypotheses were formulated in this study:

- Ho₁: There is no significant relationship between entrepreneurial mindset and profit growth of SMEs in Food Products Sector in Rivers State.
- Ho₂: There is no significant relationship between entrepreneurial mindset and sales growth of SMEs in Food Products Sector in Rivers State.
- Ho₃: There is no significant relationship between strategic resource management and profit growth of SMEs in Food Products Sector in Rivers State.
- Ho₄: There is no significant relationship between strategic resource management and sales growth of SMEs in Food Products Sector in Rivers State.
- Ho₅: There is no significant relationship between innovation and profit growth of SMEs in Food Products Sector in Rivers State.
- Ho₆: There is no significant relationship between innovation and sales growth of SMEs in Food Products Sector in Rivers State.

Review of Related Literature

Concept of Strategic Entrepreneurship

Strategic entrepreneurship is a business approach that is viewed from a strategic perspective. It requires business firms to exhibit opportunity-seeking behaviour (entrepreneurial behaviour) and competitive advantage-seeking behaviour (strategic behaviour) to create wealth. These behaviours can be displayed by individuals or corporate organizations (Anderson et al, 2019). Farida et al (2022) described strategic entrepreneurship as the ability of a firm to reconfigure its strategies to achieve long-term growth and sustainable advantage. Mazzei (2018) defined strategic entrepreneurship as a consequential innovation within an existing firm that combines opportunity seeking behaviour with advantage-seeking behaviour. It is a combination of entrepreneurial and strategic pursuits to manage risk and uncertainty in an increasing challenging environment (Mazzei, 2018). The goal of strategic entrepreneurship is to continuously create competitive advantage that leads to maximum wealth creation (Kimuli, 2016). It focuses more on how firms adapt to uncertainty in the business environment and exploit the opportunities to create wealth. The practice of strategic entrepreneurship leads to the creation of new market prospects, a wider range of products, and novel ways of competing with other market players. It drives the process of wealth creation. Kraus et al (2011) opined that strategic entrepreneurship helps companies to grow and survive in a turbulent environment by integrating strategic functions with entrepreneurial actions. Ionita in Alshagawi and Mabkhot (2024) stated that companies that are able to recognize opportunities but lack the skills and capabilities to use them will not realize their full potential for creating wealth. In the same vein, companies that maintain their competitive edge but fail to see new opportunities that can be exploited in the environment will face increasing risks to their businesses due to changes in the market which will result in a slowdown in the creation of value (wealth) or even a reduction in previously generated value (Ionita in Alshagawi & Mabkhot, 2024). Therefore, strategic entrepreneurship requires firms to simultaneously pursue opportunities and sustainable competitive advantage to improve their performance (Tipu & Fantasy, 2018).

Dimensions of Strategic Entrepreneurship

There are several dimensions of strategic entrepreneurship found in literature. However, this study utilized entrepreneurial mindset, strategic resource management and innovation as the dimensions of strategic entrepreneurship.

Entrepreneurial Mindset

Entrepreneurial mindset is an important dimension of strategic entrepreneurship. According to McGrath and MacMillan in Ibrahim et al (2016), entrepreneurial mindset is the ability of a firm to be passionate in exploring new opportunities, pursue the best opportunities and align it with strategic management. Entrepreneurial mindset is required to successfully practice strategic entrepreneurship (Covin & Sevin in Kumuli, 2016). Webb et al (2010) stated that managers and employees need to develop an entrepreneurial mindset as it enables them to consistently try to identify opportunities that the firm can pursue through the development of products and services, as well as the creation of new markets. With an entrepreneurial mindset, entrepreneurs, managers and employees in established firms can think and act entrepreneurially. The end result for the firm is the creation of value for customers and shareholders (Djordjevic, 2013). Lombardi et al (2020) posited that entrepreneurial mindset enables companies to spot new opportunities and proceeds to the strategic action in form of managing strategic resources for wealth creation. Kosasih et al (2019) opined that entrepreneurial mindset can help a company to gain competitive advantage in the market. Sriboonlue (2019) argued that companies with entrepreneurial mindset are capable of dealing with uncertainty and performing better than their competitors that lack entrepreneurial mindset.

Strategic Resources Management

Strategic entrepreneurship requires firms to managing their resources strategically. According to Dogan (2015), managing strategic resources involves the bundling of resources and leveraging capabilities to identify and exploit opportunities. Ireland et al in Alshagawi and Mabkhot (2024) defined strategic resource management as the strategic technique used to shape, pool and mobilize company's resource stocks to frame and filter those opportunities identified by the firm. Identifying opportunities cannot alone create innovation as much will depend on how well the firm manage, leverage and coordinate the needed the resources to exploit these opportunities and gain competitive advantage (Ibrahim et al, 2016). Hughes et al (2021) posited that translating entrepreneurial opportunities into productive market offerings requires resources. Voss and Voss (2013) noted that some firms are good at identifying novel opportunities but lack the skills to assemble and coordinate the needed resources to exploit those opportunities. Thus, firms need to strategically manage their resources particularly their human, financial and material resources in order to exploit identified market opportunities. By managing their strategic resources effectively and developing expertise with the core skills in leveraging resources, firms can create new products or services to gain competitive advantage in the market (Kyrgidou & Hughes, 2010).

Innovation

According to Rogers in Sabri et al (2018), innovation is a set of activities or changes performed by a firm to produce new or improved products or processes in order to improve its performance. However, within the context of strategic entrepreneurship, innovation is considered as a means by which entrepreneur uses new productive resources or existing resources with enhanced potential for wealth creation (Drucker in Djordjevic, 2013). Innovation is important to businesses of all sizes as it enables both small and large firms to compete favourably in the 21st century. It is a strategic tool for exploiting opportunities and sustaining competitive advantage in domestic and international market. Lombardi et al (2020) argued that innovation is central to the creative process as it helps to increase creativity and productivity of firms. It is the main source of competitive success. Danneels in Alshagawi and Mabkhot (2024) stated that innovation enable

firms to take advantage of opportunities in radical, incremental and disruptive ways to gain competitive advantage in the market. Thesmar and Thoenig in Kimuli (2016) posited that firms that innovate their products, service, process or technologies would reap the full benefit of first mover advantage. According to them, innovative first movers destroy incumbents' market power and enjoy transient monopoly advantages and abnormal profits because of rivals' lagged responses.

Concept of Sustainable Business Growth

Sustainable business growth is the ability of a firm to grow its business without compromising the value, quality and stability of the environment (Bocken et al, 2014). It requires a firm to adapt to customer changing needs, environmental policies and industry trends. Sustainable business growth is centered on developing successful processes that will continue to grow the business over time despite all challenges (Pedersen & Andersen, 2015). It is a process that is committed towards achieving a steady and meaningful growth that will stand the test of time. Schwab et al (2017) posited that sustainable business growth tends to balance economic progress with safe environment, integrity and good community relationship. It is all about increasing business profit while making a positive social impact. When businesses focus on needs beyond their bottom line, they would thrive for decades or even more while creating value for the world. Businesses of all sizes tend to sustain their growth rate (Hu & Kee, 2021). Mocanu et al (2024) described sustainable growth rate as the rate at which a company maintain its growth without seeking for additional funds (capital) from external sources. For example, if a company had a net income of \$500,000 in the previous year and its shareholders' equity is \$2,000,000, then the company's return on equity is 0.25 (25%) which is gotten by dividing \$500,000 by \$2,000,000. Nopianti et al (2024) noted that a company that is able to sustain its growth rate using sustainable business growth strategy would unlock its realm of competitive advantage which have a far-reaching impact such as long-term viability, increased profitability, increased sales, enhanced brand image and reputation, customer loyalty, and better risk management.

Measures of Sustainable Business Growth

There are several indices used to measure sustainable business growth. However, this study measures sustainable business growth using profitability growth and sales growth.

Profit Growth

Profit growth is the increase in the profit margin of a company over a given period of time (Obeng et al, 2014). Such growth indicates the company is doing well financially. Profitability growth helps a company to seduce financial stability and position the firm on the path of growth (Sriboonlue, 2019). Albhirat et al (2023) argued that a company that grows its profit periodically is likely to expand its business operations, increase its assets base and attract more investors to the firm. A steady growth of profit signifies that the company is competing favourably in its industry by making more sales than its competitors, increasing its market share and enjoying customer loyalty (Alshagawi & Mabkhot, 2024). When the profit margin of a company grows periodically, it makes shareholders to be happy, increase their trust of the management team and invest more capital to sustain business growth (Nopianti et al, 2024).

Sales Growth

Sales growth is a crucial indicator of sustainable business growth. Mocanu et al (2024) described sales growth is the increase in the sales of a company over a specific period of time. This growth manifests in the volume of sales made by the firm as well as the revenue generated from sales. A company can sustain its business growth if it continues to increase its sales volume in the midst of challenges (Schwab et al, 2017). Hu and Kee (2021) opined that sales growth brings about financial stability since it is the main source of revenue generation. When the sales of a company

grow periodically, the company will be able to expand its lines of business, generate more revenue and sustain its market competitiveness (Albhirat et al, 2023). Obeng et al (2014) noted that companies consider sales growth as one of their primary targets because of its impact on business growth. Without sales growth, it will be difficult for a company to sustain its business growth and remain relevant in its industry (Obeng et al, 2014).

Theoretical Review

This study utilized the opportunity based theory as its theoretical underpinning. The opportunity based theory which was developed by Peter Drucker in 1985 argues that firms do not cause change but exploit the opportunities that change (in technology, consumer preferences, etc.) creates (Drucker, in Simpeh, 2011). According to Drucker, firms monitor change, consider it as an opportunity and respond to it with open mind. The basic idea behind opportunity based theory is that firms consider change as an opportunity and not a problem and take advantage of it to gain a competitive advantage. Relating the opportunity based theory to strategic entrepreneurship and sustainable business growth, it can be seen that the theory argues that entrepreneurs are not the ones who cause the present changes in the global financial and economic outlook that is presently and adversely affecting businesses in emerging economies, rather they should exploit the opportunities that the present changes in the global financial and economic outlook create to sustain business growth. The theory supports the idea that firms should develop an entrepreneurial mindset by continuously seeking for new opportunities and exploit these opportunities to create superior value for customers, gain competitive advantage as first mover and achieve sustainable business growth. The opportunity based theory requires entrepreneurs to apply more strategic approach to business, see the present changes in the global financial and economic outlook as an opportunity and quickly respond to these changes in order to create superior value for customers and stakeholders. The theory believes that entrepreneurs that consider change as an opportunity and take the risk to implement change especially those that relate to consumer preference and sustainability issue stand a better chance of sustaining their business growth in the midst of the present global financial and economic outlook which adversely affect businesses in emerging economy like Nigeria.

Empirical Review

A number of studies have been carried out on strategic entrepreneurship practices across the globe. For instance, Albhirat et al (2023) explored strategic entrepreneurship orientation of firms and its impacts on business sustainability. After analyzing the data collected from entrepreneurs from Jordanian SMEs using percentages, mean and frequencies regression analysis and SPSS version 24, the researchers found out that strategic entrepreneurship orientations have significant relationship with sustainability business performance.

Kiyabo and Isaga (2019) examined strategic entrepreneurship and SMEs' performance in the welding industry in Tanzania. The researchers employed the cross-sectional survey research design and used a structured questionnaire to collect data from owners and managers of welding SMEs in Tanzania. After analyzing the data collected using Structural Equation Modeling (SEM) and factor analysis, the researchers reported that strategic entrepreneurship has significant relationship with SMEs' performance.

Hughes et al (2021) carried out a study to determine the relationship between strategic entrepreneurship behaviour and innovation ambidexterity of young technology-based firms in incubators. Their study employed the survey research design where structured questionnaire was used to collect data from 211 lead entrepreneurs and managers of incubating, young technology based firms in the United Kingdom (UK). The data collected were analyzed using descriptive

statistics, confirmatory factor analysis and Structural Equation Modeling (SEM), and the findings showed that strategic entrepreneurship behaviours facilitate explorative and exploitative innovations in young technology-based firms in incubators.

Kosasih et al (2020) explored the role of strategic entrepreneurship in enhancing competitiveness advantage of pharmacy colleges. The researchers adopted the descriptive survey research design and qualitative research approach. Their data were collected through observations and interview conducted in Pharmaceutical colleges in the city of Bandung, Indonesia. After analyzing the data collected using content analysis, the researchers discovered that effective practice of strategic entrepreneurship plays crucial role in increasing the competitiveness of pharmacy colleges.

Xin et al (2023) examined strategic entrepreneurship and sustainable supply chain innovation from the perspective of collaborative advantage. The researchers adopted the survey research design and quantitative research approach. Their data were collected from 432 manufacturing firms in China using a structured questionnaire. The data collected were analyzed using statistically while the hypotheses were tested using structural equation modeling. The findings revealed that strategic entrepreneurship is significantly related to collaborative advantage.

Kimuli et al (2016) explored the relationship between strategic entrepreneurship and performance of secondary schools in Uganda. Data were collected from 182 private schools in Wakiso District while percentage and frequency tables, Pearson correlation and multiple regression analysis and SPSS version 18.0 were used for data analysis. The findings revealed that strategic entrepreneurship has positive and significant relationship with school performance.

Waliyyan et al (2024) carried out a study to determine the impact of strategic entrepreneurship on business development of MSMEs in Indonesia. The researchers adopted the survey research design and quantitative research approach where data were collected from entrepreneurs and managers of MSMEs using a structured questionnaire. Graphs, bar chart and pie chart were used for data analysis and the findings revealed that strategic entrepreneurship has a positive impact on business development of MSMEs in Indonesia.

Amani and Babil (2018) carried out a study to determine the relationship between strategic entrepreneurship and organizational performance with the mediating role of human resource information systems in social security organization of East Azerbaijan Province. The researchers adopted the descriptive survey research design and used a structured questionnaire to obtain data from 273 employees of the Social Security Organization in the East Azerbaijan province. The data collected were analyzed using descriptive statistics while the Pearson correlation and structural equation modeling (SEM) were used to test the hypotheses. The study found a positive and significant relationship between strategic entrepreneurship and organizational performance.

Gap in Reviewed Literature

From the empirical studies reviewed, it was observed that none of these previous studies related strategic entrepreneurship to sustainable business growth in emerging economy like Nigeria. As the most populace African economy, Nigeria like other emerging economies is adversely affected by the present global financial and economic outlook and as such adequate research needs to be conducted on strategic entrepreneurship in this economy to see if it has the capability of achieving sustainable business growth in the midst of this unfavourable global financial and economic outlook. Unfortunately, studies that examined the relationship between strategic entrepreneurship and sustainable business growth in Nigeria are lacking, hence the need for this study to fill the gap in literature.

METHODOLOGY

This study applied the positivist research philosophy alongside with the correlational research design. The target population of this study consisted of all the registered SMEs in Nigeria while the accessible population was limited to SMEs in Food Product Sector in Rivers State. A sample size of 400 SMEs was drawn from the population of 309,568 registered SMEs in Food Product Sector in Rivers State. The figure of SMEs in the Food Product Sector was obtained from SME department of Rivers State Ministry of Commerce and Industry. The Taro Yamene's formula was used to determine the sample size of 400. Data were collected from entrepreneurs using a structured questionnaire. The questionnaire was structured using the modified four (4) point Likert scale which range from Strongly Agree, Agree, Disagree to Strongly Disagree. The validity of the research instrument (questionnaire) was determined while its reliability was confirmed using Cronbach Alpha method. The questionnaire was administered to the respondents (entrepreneurs) of SMEs in Rivers State. A total of 400 copies of questionnaire were administered to the respondents and 363 copies were retrieved. The data collected were analyzed using a combination of descriptive and inferential statistical tools. Particularly, the hypotheses were tested using Spearman Rank Order Correlation Coefficient (ρ). The SPSS version 24.0 aided the analysis.

RESULTS AND DISCUSSION

The results of the analysis carried out were presented in this section. The SPSS software program version 24.0 was used to correlate the data obtained on strategic entrepreneurship (entrepreneurial mindset, strategic resource management and innovation) and sustainable business growth (profit growth and sales growth). The results of the bivariate analysis are presented in the tables below:

Table 1: Result of bivariate analysis between entrepreneurial mindset and profit growth of SMEs

			Entrepreneurial Mindset	Profit Growth
Spearman Rank (rho)	Entrepreneurial Mindset	Correlation Coefficient	1.000	.715**
		Sig. (2 tailed)	.	.001
		N	363	363
	Profit Growth	Correlation Coefficient	.715**	1.000
		Sig. (2 tailed)	.001	.
		N	363	363

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 1 presents the result of bivariate analysis carried out between entrepreneurial mindset and profit growth of SMEs. The result indicated that entrepreneurial mindset has a strong and positive correlation with profit growth ($\rho = .715^{**}$) and that this correlation is significant at 0.01 level as indicated by the symbol **. Based on this result, the null hypothesis is rejected and the alternate hypothesis is accepted. This means that there is significant relationship between entrepreneurial mindset and profit growth of SMEs in Nigeria.

Table 2: Result of bivariate analysis between entrepreneurial mindset and sales growth of SMEs

			Entrepreneurial Mindset	Sales Growth
Spearman Rank (rho)	Entrepreneurial Mindset	Correlation Coefficient	1.000	.629**
		Sig. (2 tailed)	.	.001
		N	363	363

	Sales Growth	Correlation Coefficient	.629**	1.000
		Sig. (2 tailed)	.001	.
		N	363	363

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 2 shows the result of bivariate analysis carried out between entrepreneurial mindset and sales growth of SMEs. The result indicates that entrepreneurial mindset is strongly and positively correlated to sales growth ($\rho = .629^{**}$) and the symbol ****** signifies that this correlation is significant at 0.01 level. As a result of this, we then reject the null hypothesis and accept the alternate hypothesis which states that there is significant relationship between entrepreneurial mindset and sales growth of SMEs in Nigeria.

Table 3: Result of bivariate analysis between strategic resource management and profit growth of SMEs

			Strategic Resource Management	Profit Growth
Spearman Rank (rho)	Strategic Resource Management	Correlation Coefficient	1.000	.684**
		Sig. (2 tailed)	.	.001
		N	363	363
	Profit Growth	Correlation Coefficient	.684**	1.000
		Sig. (2 tailed)	.001	.
		N	363	363

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 3 above contains the result of bivariate analysis carried out between strategic resource management and profit growth of SMEs. The result shows a strong and positive correlation between strategic resource management and profit growth ($\rho = .684^{**}$) and this correlation is significant at 0.01 level. Consequently, the null hypothesis is rejected and the alternate hypothesis is accepted. This means that there is significant relationship between strategic resource management and profit growth of SMEs in Nigeria.

Table 4: Result of bivariate analysis between strategic resource management and sales growth of SMEs

			Strategic Resource Management	Sales Growth
Spearman Rank (rho)	Strategic Resource Management	Correlation Coefficient	1.000	.631**
		Sig. (2 tailed)	.	.001
		N	363	363
	Sales Growth	Correlation Coefficient	.631**	1.000
		Sig. (2 tailed)	.001	.
		N	363	363

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 4 above shows the result of bivariate analysis carried out between strategic resource management and sales growth of SMEs. The result indicates that strategic resource management is strongly and positively correlated to sales growth ($\rho = .631^{**}$) and the symbol ** signifies that this correlation is significant at 0.01 level. Therefore, the null hypothesis is rejected and the alternate hypothesis is accepted. This means that there is significant relationship between strategic resource management and sales growth of SMEs in Nigeria.

Table 5: Result of bivariate analysis between innovation and profit growth of SMEs

			Innovation	Profit Growth
Spearman Rank (ρ)	Innovation	Correlation Coefficient	1.000	.891 **
		Sig. (2 tailed)	.	.001
		N	363	363
	Profit Growth	Correlation Coefficient	.891 **	1.000
		Sig. (2 tailed)	.001	.
		N	363	363

** Correlation is significant at 0.01 levels (2 tailed)

* Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 5 presents the result of bivariate analysis carried out between innovation and profit growth of SMEs. The result shows a very strong and positive correlation between innovation and profit growth ($\rho = .891^{**}$) and the symbol ** indicates that this correlation is significant at 0.01 level. Based on this result, we then reject the null hypothesis and accept the alternate hypothesis which states that there is significant relationship between innovation and profit growth of SMEs in Nigeria.

Table 6: Result of bivariate analysis between innovation and sales growth of SMEs

			Innovation	Sales Growth
Spearman Rank (ρ)	Innovation	Correlation Coefficient	1.000	.823 **
		Sig. (2 tailed)	.	.001
		N	363	363
	Sales Growth	Correlation Coefficient	.823 **	1.000
		Sig. (2 tailed)	.001	.
		N	363	363

** Correlation is significant at 0.01 levels (2 tailed)

* Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 6 shows the result of bivariate analysis carried out between innovation and sales growth of SMEs. The result indicates that innovation has a very strong and positive correlation with sales growth ($\rho = .893$) and this correlation is significant at 0.01 level. Based on this result, the null hypothesis is rejected and the alternate hypothesis is accepted. This implies that there is significant relationship between innovation and sales growth of SMEs in Nigeria.

Discussion of Findings

This study discovered a significant relationship entrepreneurial mindset and profit growth. This finding was obtained from the result of the bivariate analysis carried out on the two variables. The result revealed that entrepreneurial mindset has a strong and positive correlation with profit growth ($\rho = .715^{**}$) and that this correlation is significant at 0.01 level. Based on this result, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that that

there is significant relationship between entrepreneurial mindset and profit growth of SMEs in Nigeria. This finding is supported by Mazzei (2018) and Obeng et al (2014) as both studies reported that entrepreneurial mindset enable firms to increase their profit margin and achieve business growth.

This study also discovered a significant relationship between entrepreneurial mindset and sales growth of SMEs in Nigeria. This finding emerged from the result of the bivariate analysis carried out on the study variables. The result revealed that entrepreneurial mindset is strongly and positively correlated to sales growth ($\rho = .629^{**}$) and this correlation is significant at 0.01 level. As a result of this, we then rejected the null hypothesis and accepted the alternate hypothesis which states that there is significant relationship between entrepreneurial mindset and sales growth of SMEs in Nigeria. This finding is consistent with the research conducted by Sriboonlue (2019) which reported that entrepreneurial mindset allows to develop strategies that will increase their sales. Tipu and Fantasy (2018) noted that a company is likely to experience massive sales growth if its managers and employees have an entrepreneurial mindset.

This study found a significant relationship between strategic resource management and profit growth of SMEs. This finding was deduced from the result of the bivariate analysis carried out on the two variables. The result showed a strong and positive correlation between strategic resource management and profit growth ($\rho = .684^{**}$) and this correlation is significant at 0.01 level. Consequently, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that there is significant relationship between strategic resource management and profit growth of SMEs in Nigeria. This finding is in line with the research conducted by Waliyyan et al (2024) and Ibrahim et al (2016) as both studies revealed that managing resources strategically has significant impact on the profitability of firms.

A significant relationship was equally reported between strategic resource management and sales growth of SMEs in Nigeria. This finding was derived from the result of the bivariate analysis carried out on the two variables. The result revealed that strategic resource management is strongly and positively correlated to sales growth ($\rho = .631^{**}$) and this correlation is significant at 0.01 level. Therefore, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that we then accepted there is significant relationship between strategic resource management and sales growth of SMEs in Nigeria. This finding is supported by Hitt et al (2011) who revealed that strategic management of resources enables companies to increase their sales volume in a resource constrained environment.

This study discovered that innovation has a significant relationship with profit growth of SMEs in Nigeria. This finding emerged from the result of the bivariate analysis carried out on the two variables. The result showed a very strong and positive correlation between innovation and profitability growth ($\rho = .891^{**}$) and this correlation is significant at 0.01 level. Based on this result, we rejected the null hypothesis and accepted the alternate hypothesis which states that there is significant relationship between innovation and profitability growth of SMEs in Nigeria. This finding is supported by Sabri et al (2018) who revealed that innovation has the capability of increasing the profit margin of firms. Hughes et al (2021) also agreed with this finding when they reported that companies can increase their profitability if they adopt innovation strategies.

Finally, it was reported that innovation has a significant relationship with sales growth of SMEs in Nigeria. This finding emanated from the result of the bivariate analysis carried out on the two variables. The result revealed that innovation has a very strong and positive correlation with sales growth ($\rho = .893$) and this correlation is significant at 0.01 level. Based on this result, the null hypothesis is rejected and the alternate hypothesis is accepted. This implies that there is significant relationship between innovation and sales growth of SMEs in Nigeria. This finding is

consistent with the research conducted by Anderson et al (2019) which revealed that innovation significantly boost up sales of firms. Xin et al (2023) also remarked that companies would experience massive sales growth if they embrace innovation and creativity.

CONCLUSION

Given the global financial and economic outlook especially the unfavourable exchange rate, global pricing and inflation which have adversely affected businesses in emerging economies, it becomes imperative for SMEs to practice strategic entrepreneurship to sustain business growth in this midst of these global challenges. This study has proved beyond reasonable doubt that strategic entrepreneurship practices such as entrepreneurial mindset, strategic resource management and innovation are significant predictors of profitability and sales growth of SMEs in Nigeria. The implication of this finding is that if entrepreneurs and managers in the informal sector engage in strategic entrepreneurship by developing an entrepreneurial mindset, managing resources strategically and embracing innovation, it would enable them sustain business growth in this present global financial and economic challenges which drastically affect businesses in Nigeria.

RECOMMENDATIONS

The study provided the following recommendations based on the findings:

1. That, SMEs in Nigeria especially those that are struggling to sustain business growth in this present global impediment should adopt strategic entrepreneurship as it would enable them achieve sustainable business growth.
2. That, entrepreneurs and managers of SMEs in Nigeria should develop an entrepreneurial mindset as it would enable them see the present global financial and economic challenges as an opportunity to create superior value for customers and stakeholders in line with the opportunity based theory and achieve sales and profitability growth .
3. That, entrepreneurs and managers of SMEs in Nigeria should manage their resources strategically by bundling resources and leveraging on their capabilities as this would enable them to increase their productivity, sales and profitability in the midst of this present global financial and economic challenges.
4. That, entrepreneurs and managers of SMEs in Nigeria should embrace innovation and become more creative in their approach to business as this would enable respond quickly to the changes in the global business environment and sustain their business growth.
5. Finally, it is recommended that entrepreneurs should review their business policies and strategies by incorporating sustainable element into it as this would enable them produce their products in a responsible way, exploit the opportunities that arise from responsible consumption pattern and achieve sustainable business growth.

REFERENCES

- Albhirat, M.M., Zulkiffli, S.N.A , Salleh, H.S., & Zaki, N.A.M. (2023). A study on strategic entrepreneurship orientations: Indicators, differential pathways, and multiple business sustainability outcomes. *International Journal of Sustainable Development and Planning*, 18(5), 1625-1637.
- Alshagawi, M. & Mabkhot, H. (2024). The impact of strategic entrepreneurship and entrepreneurial marketing, entrepreneurship values on small and medium enterprises' performance: Evidence from Saudi Arabia. *Cogent Business & Management*, 11 (1), 2316947.
- Amani, A. & Babil, S.K. (2018). Study of strategic entrepreneurship on organizational performance with the mediating role of human resource information systems (study case: social

security organization of East Azerbaijan Province). *International Journal of Applied Research in Management and Economics*, 1 (2), 86-104.

- Anderson, B.S., Eshima, Y. & Hornsby, J.S. (2019). Strategic entrepreneurial behaviours: Construct and scale development. *Strategic Entrepreneurship Journal* 13(2), 199–220.
- Bocken, N.M., Short, S.W., Rana, P. & Evans, S. (2014). A literature and practice review to develop sustainable business model archetypes. *Journal of Cleaner Production*, 65, 42-56.
- Djordjevic, B. (2013). Strategic entrepreneurship. *Mediterranean Journal of Social Sciences*, 4 (15), 127-135.
- Dogan, N. (2015). The intersection of entrepreneurship and strategic management: Strategic entrepreneurship. *Procedia - Social and Behavioural Sciences*, 195, 1288–1294.
- Farida, F.A.; Hermanto, Y.B.; Paulus, A.L.; Leylasari, H.T. (2022). Strategic entrepreneurship mindset, strategic entrepreneurship leadership, and entrepreneurial value creation of SMEs in East Java, Indonesia: A strategic entrepreneurship perspective. *Sustainability*, 14, 10321.
- Gancarczyk, J. (2018). Strategic entrepreneurship: Essence and definition. Jagiellonian University Press.
- Hitt, M.A., Ireland, R.D., & Sirmon, D.G. (2011). Strategic entrepreneurship: Creating value for individuals, organisations and society. *Academy of Management Perspectives*, 25(2), 57–75.
- Hu, M, K. & Kee, D.M.H. (2021). SMEs and business sustainability: Achieving sustainable business growth in the new normal. Retrieved from: <https://www.researchgate.net>.
- Hughes, M., Hughes, P., Morgan, R. E., Hodgkinson, I. R., & Lee, Y. (2021). Strategic entrepreneurship behaviour and the innovation ambidexterity of young technology-based firms in incubators. *International Small Business Journal*, 39(3), 202-227.
- Ibrahim, N., Rizal, A.M. & Mahadi, B. (2016). Strategic entrepreneurship in family business. *International Journal of Innovation and Business Strategy*, 6 (2), 45-59.
- Kimuli, S.N.L., Ajagbe, M.A., Udo, E.E.U. & Balunywa, W. (2016). Strategic entrepreneurship and performance of secondary schools in Uganda. *International Journal of Economics, Commerce and Management* 4 (7), 466-493.
- Kosasih, K., Indradinata, D., Firdaus, O.M. & Fadjar, A. (2020). Strategic entrepreneurship in enhancing the role and competitiveness advantage of pharmacy colleges. *Advances in Social Science, Education and Humanities Research*, 409, 542-547.
- Kraus, S., Kauranen, I. & Reschke, C.H. (2011). Identification of domains for a new conceptual model of strategic entrepreneurship using the configuration approach. *Management Research Review*, 34 (1), 58–74.
- Kyrgidou, L.P. & Hughes, M. (2010). Strategic entrepreneurship: Origins, core elements and research directions. *European Business Review*, 22, 43–63.

- Lombardi, R., Tiscini, R., Trequattrini, R., & Martiniello, L. (2020). Strategic entrepreneurship: Personal values and characteristics influencing SMEs' decision-making and outcomes. The Gemar Balloons case. *Management Decision*, 59(5), 1069–1084.
- Mazzei, M.J. (2018). Strategic entrepreneurship: Content, process, context, and outcomes. *International Entrepreneurship and Management Journal*, 14(3), 657–670.
- Mocanu, A.A., Bratucu, G., Ciobanu, E., Chitu, I.B., Szakal, A.C. (2024). Can the circular economy unlock sustainable business growth? Insight from qualitative research with specialists in Romania. *Sustainability*, 16 (5), 45-57.
- Nopianti, R., Ismail, T., Hanfah, I.A., & Mulyasari, W. (2024). A conceptual framework for sustainable business growth in small and medium enterprises. *International Information and Engineering Technology Association*, 10, 2539-2548
- Omoshagba, P.O. Adeyeye, M.M. & Sajuyigbe, A.S. (2021). Strategic entrepreneurship and performance of Nigerian banks: A quantitative approach. *International Entrepreneurship Review*, 7(2), 21-30.
- Obeng, B. A., Robson, P., & Haugh, H. (2014). Strategic entrepreneurship and small firm growth in Ghana. *International Small Business Journal*, 32(5), 501-524.
- Pedersen, E.R.G. & Andersen, K.R. (2015). Sustainability innovators and anchor draggers: A global expert study on sustainable fashion. *Journal of Fashion Marketing and Management*, 19 (3), 315-327.
- Sabri, Y., Micheli, G.J.L. & Nuur, C. (2018). Exploring the impact of innovation implementation on supply chain configuration. *Journal of Engineering and Technology Management*, 6(3), 121-139.
- Schwab, L., Gold, S., Kunz, N. & Reiner, G. (2017). Sustainable business growth: Exploring operations decision-making. Retrieved from: <https://www.researchgate.net>.
- Simpeh, K.N. (2011). Entrepreneurship theories and empirical research: A summary review of the literature. *European Journal of Business and Management*, 3 (6), 1-8.
- Sriboonlue, P. (2019). Strategic entrepreneurial awareness and business performance: Empirical evidence from small and medium-sized enterprises in Thailand. *Procedia Computer Science*, 158, 653–661.
- Tipu, S.A.A., & Fantazy, K. (2018). Exploring the relationships of strategic entrepreneurship and social capital to sustainable supply chain management and organizational performance. *International Journal of Production and Performance Management*, 67, 2046–2070.
- Waliyyan, U., Purbasari, R. & Purnomo, M. (2024). Strategic entrepreneurship in MSME business development. *Indonesian Interdisciplinary Journal of Sharia Economics*, 7(2), 3558-3578.
- Xin, B., Zhang,W., Zhang, W., Lou, C.X., & Shee, H.K. (2023). Strategic entrepreneurship and sustainable supply chain innovation from the perspective of collaborative advantage. *Sustainability*, 15, 12879. <https://doi.org/10.3390/su151712879>.

