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ENTREPRENEURIAL RESOURCEFULNESS AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN WUKARI, TARABA STATE

Nwokah Emmanuel, PhD[1]
Department of Business Administration
Federal University Wukari
vcoffice4me@gmail.com

08063894578

Ozah, Jonathan Peter PhD[2]
Department of Business Administration
Federal University Wukari
Ozah4real2010@yahoo.com
08027897058

Awuse Godwin Nwobueze[3]
Department of Accounting
Federal University Wukari
godwinawuse@gmail.com
08032444949

Abstract

This work examined the effect of entrepreneurial resourcefulness on performance of SMEs in Wukari Local Government Area, Taraba State. The survey research design was adopted with the target population of 96 owners of SMEs. The sample size of 77 respondents was determined using Taro Yamane formula and Cronbach Alpha to measure the degree of reliability. Data were collected through primary source (questionnaire), designed in five-point Likert rating scale format for the collection of data. Out of the 77 questionnaires administered, the researcher was able to retrieve all 77 copies. Simple Linear regression analysis was adopted for the test of hypotheses. The findings revealed that there is a significant effect of entrepreneurial resourcefulness (sustainability, profitability and expansion) on performance of SMEs. The study concluded that entrepreneurial resourcefulness is a determinant of performance of SMEs. The study recommended amongst other things that government should engage owners of SMEs especially the young start-ups in training programs to enhance entrepreneurs' resourcefulness and strategic decision-making skills. These programs will provide practical insights into leveraging on available resources effectively and fostering a proactive mindset for improving entrepreneurial resilience for small business owners.

Key words: Entrepreneurial, Resourcefulness, Performance, Small and Medium Enterprise (SMEs)

Introduction

Globally, SMEs play a vital role in driving economic growth and progress. In recent years, the study of their performance has gained increasing relevance. This is particularly true for emerging nations where SMEs hold immense importance (Prasanna, Jayasundara, Naradda

Gamage, Ekanayake, Rajapakshe, & Abeyrathne, 2019). The majority of businesses fall into the SMEs category and contribute significantly to reducing unemployment and fostering economic development worldwide (Prasanna *et al.*, 2019). According to Ndubisi, Zhai, & Lai, (2020), approximately 90% of enterprises and a majority of the workforce belong to this category. In emerging economies, formal SMEs alone can account for up to 40% of the GDP, and when considering informal SMEs, their impact is even more significant (Ndubisi *et al*. 2020). However, the rate at which SMEs fall and fail becomes a worrisome syndrome that requires investigation.

According to Ibini, Henry, & Olanye, (2020), the economy of Nigeria over the years, in SMEs has occupied a crucial and irreplaceable position in the business, thus it will not be astonishing to find widely discussions surrounding the prospects and challenges of entrepreneurs in the key sector of the economy as the country struggles with the nascent naira swap which has caused untold disruption to businesses as well as hardship.

Despite their significance, SMEs in Nigeria encounter various obstacle, such as restricted finance access, insufficient infrastructure, poor management approaches, and scarcity of entrepreneurial skills (Ene & Ada, 2021). Capabilities refer to the resourcefulness, skills, and assets that entrepreneurs possess to navigate various challenging circumstances they encounter (Juan & Guadalupe, 2014). According to Juan and Guadalupe, (2014), one of the key factors that determine the existence and performance of SMEs is the resourcefulness of their entrepreneurs. Resourcefulness, in this context, signifies an entrepreneur's ability to adapt to their surroundings and extract positive outcomes from them (Powell & Baker, 2011; Ibini et al., 2020). According to them, resourcefulness entails the capacity to transform unexpected challenges into opportunities for effective SMEs management. It also signifies an entrepreneur's skill in efficiently utilizing available resources to ensure business operations continue even in challenging conditions (Oluchi & Victor, 2023). However, the degree to which young start-ups are taught entrepreneurial resourcefulness is the bane of this investigation.

Similarly, learning from past setbacks, which enhance an entrepreneur's confidence and preparedness, it is crucial to recognize that entrepreneurs need resources to sustain business operations during both favorable and unfavorable times. Business resources, spanning from human and non-human assets, are critical for realizing business goals. Therefore, their

availability and sufficiency are pivotal for SMEs (Ibini *et al.,* 2020). Importantly, friends, family, acquaintances, social networks, peers, and financial/non-financial institutions are integral sources for obtaining the resources necessary to keep the business running, even when faced with difficulties (Ibini et al., 2020). However, drawing funds has become a difficult and challenging problem facing SMEs.

Vuong & Napier, (2014) and Brush, Edelman, and Manolova, (2008) have argued that during the process of being resourceful and seeking resources, it is important to acknowledge that the entrepreneur's credentials and reputation play significant roles in securing resources for operational continuity, especially during challenging periods. However, whether their argument is true or not calls for further investigation. Ibini et al. (2020) argued that the accumulation of various resource types is closely linked to the likelihood of achieving sales. This implies that entrepreneurs must forecast the sales of their products or services before deciding how to acquire resources, whether through gifting, borrowing, lending, or leasing, as appropriate. However, personal observation and experience has shown that within Wukari LGA, small businesses fail at random largely due to poor training, unavailability of capital and poor management of businesses or mismanagement of funds, insecurity, crisis situations and lack of resourcefulness.

Statement of the Problem

The inadequate attention given to entrepreneurial resourcefulness presents a significant challenge for SMEs, which collectively contribute to or hinder an entrepreneur ability to adapt, persevere, and thrive in the face of challenges in Nigeria as applicable in Wukari LGA. Entrepreneurs appears to face significant hardships before developing resilience which ought not to be. However, SMEs constantly face unpredictable changes in knowledge, community, environment, financial, political, and market trends, which requires them to constantly adapt their business strategies to match these trends. Similarly, entrepreneurs often pursue risky ventures as opportunities for potential gains, but they also face the risk of encountering difficulties if they approach these challenges without proper guidance and training. This is the reason SMEs fails within short period of establishment.

Also, the increasing rate of business failures among SMEs in Nigeria is a cause for concern, especially considering the scarcity of cash or inadequate resources to fund them and their inability to face competition. These challenges have had a negative impact on the operations

of SMEs in Wukari. Hence, this paper is aimed at examining entrepreneurial resourcefulness as it affects the sustainability of Small and Medium Enterprises (SMEs) in Wukari.

Objective of the Study

The specific objective of this study is to examine the impact of entrepreneurial resourcefulness on performance of Small and Medium Enterprises (SMEs) in Wukari.

Research Question

To what extend does entrepreneurial resourcefulness lead to sustainability of Small and Medium Enterprises (SMEs) in Wukari?

Hypotheses of the Study

HO_1: There is no significant relationship between entrepreneurial resourcefulness and sustainability of Small and Medium Enterprises (SMEs) in Wukari.

Literature Review

Conceptual Review

Entrepreneurial Resourcefulness on Sustainability of SMEs

Entrepreneurial Resourcefulness is the ability to effectively and creatively utilize available resources, whether physical, intellectual, or situational, in order to achieve a particular goal or solve problems. It involves finding innovative solutions, adapting to different situations, and making the most use of limited or challenging circumstances. A resourceful individual is proactive, flexible, and capable of thinking outside the box to make efficient use of the resources at their disposal.

During the process of being resourceful and seeking resources, it is important to acknowledge that the entrepreneur's credentials and reputation play significant roles in securing resources for operational continuity, especially during challenging periods (Vuong & Napier, 2014). Brush, Edelman, and Manolova (2008) and Ibini et al. (2020) argued that the accumulation of various resource types is closely linked to the likelihood of achieving sales. This implies that

entrepreneurs must forecast the sales of their products or services before deciding how to acquire resources, whether through gifting, borrowing, lending, or leasing, as appropriate. Oluchi and Victor, (2023) agreed that being resourceful or resilient necessitates that entrepreneurs focus on attainable goals rather than mere aspirations, as this guides their cost-and-benefit analysis of their decisions and actions, both before and during precarious times. The meaning is that those who did not only survived but thrived during times of recession, economic downturns, natural disasters, and unforeseen events were not necessarily the ones with the greatest financial wealth but rather those who displayed the most resourcefulness (Bill, 2014). Therefore, possessing all the necessary resources, be they financial, physical, material, or human, does not inherently ensure the success of SMEs operations, instead, it is the capacity to effectively harness these resources in the face of challenges such as competition, unfavorable economic policies, and economic downturns that matters (Akeke, Eno, & Eyo, 2018). Achieving this requires creativity and innovation. A resourceful entrepreneur possesses the skill to find practical solutions to real-world problems. This resourcefulness enables SME operators to prepare adequately and enhance their business management by systematically integrating all the necessary managerial skills into their operations (Akeke et al., 2018).

Performance of Small and Medium Enterprises (SMEs)

Organizational performance is an ability in an organization to accomplish its goals by using capital effectively and efficiently (Daft & Marcic, 2013). Organizational Performance according to them relates to the efficiency and effectiveness of the business organization in terms of growth, expansion, sales volume, numbers of customers, profitability etc. Accepting organizational goals and strategies are the first step towards understanding organizational performance. Performance entails the real yield or after-effects of a company as estimated against its planned yields (goals or objectives). According to Saha, Shashi, Cerchione, Singh, and Dahiya, (2019), argues that the term "performance" is too vague to be defined precisely. They observed that when comparing average performance across settings, industries, or companies within an industry, it is important to keep in mind that these factors are likely to vary (Garavan, McCarthy, Clarke, Carbery, Gubbins, & Saunders, 2021). As a result, several businesses have developed performance measuring models like the Balanced Scorecard (Khan *et al.* 2018). But a well-performing business may be one that achieves its goals via the development and implementation of a value-creating strategy (Al-Surmi, 2019).

Theoretical Framework

This work is based on the ***theory of thriving***. The theory was postulated by Haight, Barba, Courts, and Tesh, (2002). Since then, the theory has evolved from a gerontologic theory to a life span theory. It was believed that the theory was originally based on the concept of failure to thrive (FTT) in older adults (Newbern & Krowchuk, 1994) and infants (Lobo, 1992). According to the reviews, thriving is now applicable to many life span issues. However, for the purpose of this study, the theory of thriving will be discussed in respect to entrepreneurial resourcefulness, resilience and performance of SMEs. According to Haight et al. (2002), the assumptions of this theory states that: Humans grow and change, humans are open, freely choosing beings. Humans are in mutual process with the environment and creating patterns of relating. It also believes that thriving is an open process humans experience throughout the life span either positively or negatively. Therefore, thriving is a process of human-environment interactions, meaning that humans can describe their own experiences in ways that enhance knowledge of human thriving; hence synergy occurs when all elements of thriving come together.

The implication of the above theory is that entrepreneurs will thrive through continuous mutual process with the human and nonhuman environment. The human and nonhuman environments provide for companionship, support variety, diversity, harmony, spontaneity, and the opportunity for mutual interactions to facilitate thriving (Haight et al., 2002). The theory bears it that the uniqueness or exclusiveness of an entrepreneur's reaction to disaster, misfortunes, adversities, harsh situations, economic downturn, disturbances, and/or demanding situations affects and make them underperform; while being assisted with the aid of using training, resourcefulness, sustainability, support given to them as a result of self-experience, tenure, schooling and exposure (cognitive, reflective, emotive, and non-secular assets), plus interpersonal reports and expectations; socio-economic, and cultural views would increase their drive for success (Chukuigwe & Opara, 2020).

Correspondently, thriving explores numerous views in the wish of looking for solutions to why positive entrepreneurs thrive following a disaster or demanding situations at the same time as others fail. It is why, it has been noted that an entrepreneur's ability to thrive over time is primarily shaped by their resourcefulness, proactiveness, competitive advantage, standards, efficiency, and vigor. These factors collectively regulate an entrepreneur's response to challenging circumstances and disruptions. It is important to note that as entrepreneurs grow

in the midst of adversities and misfortunes it is expected of them to be resourceful and resilient so as to make their enterprises perform. Therefore, the theory of thriving can be applied to SMEs, by focusing on strategies and factors that enable these businesses to not only survive but to thrive and make a positive impact on the local communities. Thriving SMEs can contribute to economic sustainability by creating jobs and generating income for the local population. This, in turn, will help reduce unemployment and poverty levels in Wukari. It will also create an environment that supports their growth, innovation, and sustainability which requires a combination of economic, regulatory, and social factors to enable these businesses to prosper and, in turn, contribute to the overall well-being of the communities.

Empirical Review

Oluchi and Victor (2023) examined the relationship between entrepreneurial resilience and growth of small and medium enterprises in Port Harcourt. Objectives of the study were to examine how dimensions of entrepreneurial resilience such as proactiveness and resourcefulness enhance measures of growth in terms of sales growth and business expansion. The survey research design was adopted. The target population for this study comprised of 316 owners and employees of some selected SMEs in Port Harcourt, Rivers State. The sample size of 175 respondents was determined by using Krejcie and Morgan sample size determination table. Data were collected through primary (questionnaire) and secondary (textbooks, journal articles and internet) sources. A structured questionnaire designed in four-point Likert rating scale format was adopted for the collection of data. Out of 175 questionnaires administered, the researcher was able to retrieve 152 copies. Spearman Ranking (r) was used for the test of hypotheses via SPSS Version 23.0. The findings revealed that there is a significant relationship between entrepreneurial resilience (proactiveness and resourcefulness) and growth (sales growth and business expansion) of small and medium enterprises in Port Harcourt. The study concluded that entrepreneurial resilience has a favorable outcome on growth of small and medium enterprises in Port Harcourt as it reveals that entrepreneur's proactiveness and resourcefulness are veritable resilient components to combat with adversity, internal and external to the business, as it promotes effective sales growth and business expansion. The study recommended amongst other things that management of small and medium enterprises in Port Harcourt should create new fits between demand and supply towards identifying new opportunities in line with perceived disruption and delving into it to enhance effective operations and sales growth as the turbulence emerge; Creating a good social network is a

source to acquire resources in times of difficulty. Thus, entrepreneurs should improve their social network base as they will help during perilous times by directly or indirectly providing resources for entrepreneurs thereby improving their business expansion.

Methodology

The study employed a descriptive survey design, using questionnaires to gather data from SME owners and staff in Wukari LGA, Taraba State. The target population included SMEs across eight districts: Wukari, Auyi, Rafin Kada, Chonku, Kente, Gidan Idi, Arufu, and Bantaje, with a sample size of 77 derived from a total of 96 SMEs using the Taro Yamane formula. Data was collected personally and analyzed using descriptive statistics and simple linear regression with SPSS version 21. Hypotheses were tested at a 0.05 significance level, accepting the null hypothesis if the p-value was greater than 0.05 and rejecting it if less.

Results/Discussion

Responses from respondents based on Entrepreneurial resourcefulness

Table 1: Responses on entrepreneurial resourcefulness is a key driver of sustainability for SMEs.

Source: Field Survey 2023

		Frequency	Percent
Valid	Strongly Agree	9	11.7
	Agree	43	55.8
	Undecided	7	9.1
	Disagree	9	11.7
	Strongly Disagree	9	11.7
	Total	**77**	**100.0**

The above table 1 shows the responses from the respondents on the "Entrepreneurial resourcefulness is a key driver of sustainability for SMEs." the study revealed that 9 (11.7%) strongly agreed, 43 (55.80%) agreed, 7 (9.1%) Undecided, 9 (11.7%) disagreed, while 9 (11.7%) strongly disagreed. This implies that majority of the respondents agreed with the statement.

Table 2: Responses on the ability to make efficient use of available resources is critical for SMEs sustainability.

		Frequency	Percent
Valid	Strongly Agree	15	19.5
	Agree	37	48.1
	Undecided	7	9.1
	Disagree	9	11.7
	Strongly Disagree	9	11.7
	Total	**77**	**100.0**

Source: Field Survey 2023

The above table 2 shows the responses from the respondents on the "The ability to make efficient use of available resources is critical for SMEs sustainability." the study revealed that 15 (19.5%) strongly agreed, 37 (48.1%) agreed, 7 (9.1%) Undecided, 9 (11.7%) disagreed, while 9 (11.7%) strongly disagreed. This implies that majority of the respondents agreed with the statement.

Table 3: Responses on resourceful entrepreneurs can identify and influence opportunities for sustainability in challenging environments.

		Frequency	Percent
Valid	Strongly Agree	2	2.6
	Agree	50	64.9
	Undecided	9	11.7
	Disagree	8	10.4
	Strongly Disagree	8	10.4
	Total	**77**	**100.0**

Source: Field Survey 2023

The above table 3 shows the responses from the respondents on the "Resourceful entrepreneurs can identify and influence opportunities for sustainability in challenging environments." the study revealed that 2 (2.6%) strongly agreed, 50 (64.9%) agreed, 9 (11.7%) Undecided, 8 (10.4%) disagreed, while 8 (10.4%) strongly disagreed. This implies that majority of the respondents agreed with the statement.

Table 4:

Responses on a lack of entrepreneurial resourcefulness can hinder the long-term sustainability of SMEs.

		Frequency	Percent
Valid	Strongly Agree	17	22.1
	Agree	35	45.5
	Undecided	9	11.7
	Disagree	7	9.1
	Strongly Disagree	9	11.7
	Total	**77**	**100.0**

Source: Field Survey 2023

The above table 4 shows the responses from the respondents on the "A lack of entrepreneurial resourcefulness can hinder the long-term sustainability of Small and Medium Enterprises (SMEs." the study revealed that 17 (22.1%) strongly agreed, 35 (45.5%) agreed, 9 (11.7%) Undecided, 7 (9.1%) disagreed, while 9 (11.7%) strongly disagreed. This implies that majority of the respondents agreed with the statement.

Table 5: Responses on SMEs that prioritize resourcefulness are more likely to withstand economic downturns.

		Frequency	Percent
Valid	Strongly Agree	22	28.6
	Agree	30	39.0
	Undecided	7	9.1
	Disagree	9	11.7
	Strongly Disagree	9	11.7
	Total	**77**	**100.0**

Source: Field Survey 2023

The above table 5 shows the responses from the respondents on the "SMEs that prioritize resourcefulness are more likely to withstand economic downturns." the study revealed that 22 (28.6%) strongly agreed, 30 (39.0%) agreed, 7 (9.1%) Undecided, 9 (11.7%) disagreed, while 9 (11.7%) strongly disagreed. This implies that majority of the respondents agreed with the statement.

Hypothesis

HO_1; There is no significant relationship between entrepreneurial resourcefulness and sustainability of Small and Medium Enterprises (SMEs) in Wukari.

Table 6: **Coefficient[a]**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.597	.495		3.225	.002
	Entrepreneurial resourcefulness	.579	.109	.519	5.290	.000

a. Dependent Variable: Performance

The table 6 show the coefficient table of entrepreneurial resourcefulness on sustainability of SMEs in Wukari LGA. From the above table entrepreneurial resourcefulness has a coefficient of 0.579, T value of 5.290, and a p-value of 0.000 which is less than the 5% level of significant. From the coefficient table, it shows that entrepreneurial resourcefulness has strong statistical influence on sustainability of SMEs. This implies that if SMEs increase their level of resourcefulness there will be an increase in sustainability by 0.579.

Discussion of Findings

The analyses of data revealed that there is a significant relationship between entrepreneurial resourcefulness and sustainability of SMEs in Wukari LGA. This support the finding of Juan-Carlos and Guadalupe (2014) that resourcefulness is the capabilities, skills and resources the entrepreneur possesses to control the different adverse conditions they have to face. Essentially the overall strength in an entrepreneurial venture is in resources. This implies that resourcefulness is an appropriate measure of entrepreneurial resilience and influences the performance and sustainability of SMEs in general.

Conclusion/Recommendation

Based on the findings of the study, the study concludes that entrepreneurial resourcefulness is a determinant of performance of Small and Medium Enterprises (SMEs) in Wukari Local Government Area, Taraba State. Hence, recommends that **g**overnment should engage owners

of SMEs in training programs to enhance entrepreneurs' resourcefulness and strategic decision-making skills. These programs can provide practical insights into leveraging on available resources effectively and fostering a proactive mindset for improving entrepreneurial resilience for business owners.

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