FUW-INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES.
Volume 8, No. 1, 2023 ISSN: 2384-6224

STRATEGIC AGILITY AND GROWTH OF SMES: MEDIATING ROLE OF MARKET ORIENTATION

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ABSTRACT

Small and Medium Scale Enterprises (SMEs) are fundamental to wealth creation and economic prosperity of countries. However, in recent times, SMEs have experienced declining growth occasioned by numerous challenges. To understand what factors may account for the declining growth of SMEs, this study explores the antecedents of growth using strategic agility and market orientation. Four hypotheses were stated and tested using a sample of 168 SMEs in Nigeria. Employing Partial Least Squares Structural Equation Modeling (PLS-SEM) the study found that strategic agility impacts positively on both market orientation and growth of SMEs. The study also found that market orientation contributes to growth of SMEs. The mediating role of market orientation in the relationship between strategic agility and growth of SMEs was also supported. This study has provided support for the dynamic capabilities theory in explaining the role of strategic agility and market orientation on the growth of SMEs in Nigeria.
Keywords: strategic agility; market orientation; growth of SMEs; SMEs, PLS-SEM, Nigeria

1. INTRODUCTION

The contribution of SMEs to the growth and development of national economies has been widely acknowledged playing key roles in wealth creation, production, innovation and job creation (Iyortsuun, 2017; Adeosun and Shittu, 2021). In South Africa, SMEs account for 99% of businesses contributing 52% to the Gross Domestic Product (GDP) and 29% to employment. In the United Kingdom, they account for 99.7% while contributing 51% and 54% to GDP and employment respectively. The statistic in Nigeria reveals that SMEs comprises 99.8% of all businesses with a total contribution of 49% and 84% to the GDP and employment respectively (PriceWaterCoopers [PwC], 2020). These statistics establish the prominent role of SMEs as

vehicles of economic growth of economies desirous of achieving economic prosperity. Economic managers therefore, target policies and programmes to help support SMEs to achieve their growth potentials. Despite these regulatory and support, growth of SMEs especially in Nigeria has not achieved its desired level (Adegbite & Alli, 2021) especially giving their high mortality rate which stands as much as 61% (Brown & Rocha, 2020). Practitioners and academics have therefore, sought to understand the relatively poor growth of SMEs in Nigeria.

This study attempts to understand what factors affect growth of SMEs using strategic agility and market orientation as antecedents. This becomes even more relevant given the dynamic nature of the global economy. Competition has forced SMEs in African in general and Nigeria in particular to adapt their internal systems and exploit external opportunities to enable them to achieve firm growth. Therefore, understanding the competitive environment and customer expectations, aspirations and needs is increasingly becoming a determining force in ensuring continuous and sustainable SME growth. By understanding the internal and external environmental dynamism and complexity, SMEs are better positioned to align their internal processes, structures and systems to mitigate the environmental risks and exploit opportunities. These arguments have therefore, influenced an attempt to explore the effect that strategic agility has on the growth of SMEs in Nigeria. Strategic agility is conceptualized as an organizational capability, which captures the ability of SMEs to respond swiftly to environmental opportunities and threats by modifying internal processes, systems and technologies to exploit the opportunity or mitigate the external risk (McCann, 2004; Jamrog et al., 2006). The effect of these phenomena on growth of SMEs was therefore, tested. Furthermore, the study attempts to explore whether the effect of strategic agility on growth of SMEs is via market orientation. Taking together, this study explores the direct and indirect effect of strategic agility on the growth of SMEs in Nigeria via the mediating role of market orientation.

The sections that follow are divided into the following sections: theoretical framework and hypothesis development, which covers the dynamic capabilities theory and the concepts used in this study. The next section covers the research methodology, which is followed by data analysis and results. The discussion of findings, conclusions and limitation and suggestions for further studies were then presented.

2. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

Dynamic Capability Theory

Dynamic capability theory is the theoretical perspectives used in this study. The theory is relatively in its infancy (Di Stefano et al., 2009) and has been linked to the seminal work by Teece et al. (1997). Early research on dynamic capability focused on its definition but has been recently acknowledged as a strategic management theory (Di Stefano et al., 2009). As a theory, dynamic capability captures "the capacity of an organization to purposely create, extend and modify its resource base" (Helfat et al., 2007, p.4). Helfat et al. lists these capabilities as including intangible, tangible, human resources as well as other capabilities that firms own, control, or have access to such as organizational skills and competences. In their contribution, Eisenhardt and Martin (2000) summarizes the theory when they argued that dynamic capabilities act on a firm's resource base, an argument that is relevant in this study. Agreeing with this argument and the suggestion by Helfat et al. (2007) that researchers be specific on which dynamic capability investigated, this study explores the capabilities of SMEs in growing their firms.

Taking cognizance of the concepts used in this study, the central theme in strategic agility literature is the notion of 'capability' which is a term that embodies the strategic agility. The capability inherent in the concept of strategic agility aims at speedily exploiting the opportunities in the external environment by realigning internal processes, systems and procedures (Tan et al., 2017) in order to achieve growth of SMEs. These capabilities in this context "refers to the vital part of strategic management for appropriate adaptation, integration and reconfiguration of internal or external organizational skills, resources and functional capabilities" (Hilman & Kaliappen, 2014) in tune with the dynamic changes in competitive and customer demand with a focus on firm growth. Acting on the capabilities of SMEs in the context of changing market environment contributes to growth improvements. These arguments provide explanations of the relationship between strategic agility, market orientation and growth of SMEs.

2.1 Strategic Agility and Growth of SMEs

The concept of strategic agility has been linked to the Iacocca Institute in the United States of America in 1991 (Kale et al., 2019). In its early conceptualization, it was focused on the capability and flexibility of firms to adapt quickly to the changing customer needs. As an important strategic management concept, strategic agility captures the ability of an SME to respond to the external business environment by rediscovering and reengineering a firm's strategic position (Ahammad et al., 2020). As argued by Sherehiy et al. (2007), strategic agility is the ability of SMEs to respond quickly to environmental factors by adjusting internal processes and systems in order to mitigate the environmental risks identified. The focus of strategic agility is therefore, the capability of SMEs to sense profit, innovation, and market opportunities in the business environment and to therefore, rapidly redesign its internal processes and systems to exploit the market opportunities (Kitchens et al., 2018). An important element of these redesign takes cognizance of the costs and time which is ultimately targeted at growth of SMEs (Seo & La Paz, 2008). This has led to calls to explore the effect of strategic agility on growth of SMEs.

Lungu (2020) have found that strategic agility of firms in the IT sector in Romania has a significant positive effect. Kale et al.'s (2019) study also established the positive role of strategic agility on the growth of hotels in Turkey. In a recent study, Palanisamy, Chelliah and Muthuveloo (2022) showed empirically that strategic agility bears positively on the growth of SMEs in Malaysia. Studies in Nigeria have also established the positive role of strategic agility on the growth of SMEs (Oyedijo, 2012; Emejulu et al., 2020; Ogunleye et al., 2021). As an organizational capability (McCann, 2004), the dynamic capability theory provides explanation to support the effect of strategic agility on firm growth. The dynamic capabilities theory argues that firms that respond speedily to environmental cues by realigning their internal processes and systems will support their growth. Based on this theoretical arguments and empirical evidence, we argue that when SMEs are capable of exploiting the opportunities in the market by responding quickly in terms of modeling their internal processes and systems, then the growth of these SMEs will increase positively. In essence the effect of strategic agility on the growth of SMEs will be positive. We therefore hypothesize that:

H1: Strategic agility improves growth of SMEs positively.

2.2 Strategic Agility and Market Orientation

To re-emphasize the significance of the concept, strategic agility is defined as the "transformation of continuous and unpredictably changing customer situations into profitable ability in a competitive environment" (Kale et al., 2019). In order words, it captures an SMEs capability to understand the competitive environment by focusing on exploring the continuous changes in customer needs, expectations and aspirations to achieve growth. The focus of strategic agility is to achieve SME growth in highly competitive and unpredictable environments by understanding the ever-changing market needs and expectations. This agrees with the debate by Lu and Ramamurthy (2011) that strategic agility focuses on responding to the market; how SMEs evaluate environmental factors and respond appropriately by implementing systemic changes to processes, procedures and techniques to achieve growth. Therefore, understanding the effect of strategic agility and market orientation is explored in this study. The concept of market orientation on its part, stresses the importance of "obtaining information from competitors and customers and emphasizing the significance of collective efforts in creating value for customers" (Hilman & Kaliappen, 2014). This therefore, implies that it is likely that an agile SME will support a culture that places emphasis on understanding customer demand and needs based on the cues present in the external environment thereby altering the internal processes and systems to grow the SME (Shin et al., 2015; Tallon & Pinsonneault, 2011).

In responding to the environmental factors, market orientation mobilizes all organizational functions to obtain customer and competitive information in an ever changing and complex environment to redesign organizational processes and systems. Based on this theoretical arguments, strategic agility will contribute to an improvement of SMEs market orientation. The unpredictable and unforeseen environmental cues will mobilize SMEs functional activities towards understanding customer needs, competitor capabilities and all other significant aspects of the market conditions. Empirical evidence supports this proposed relationship between strategic agility and market orientation (Otsupius and Akintaro, 2020; Osita-Ejikeme and Amah, 2022). As the theoretical and empirical arguments expatiate, we expect that agile SMEs will mobilize their functional units to focus on understanding customer needs and competitors capabilities holistically. This has led in the formulation of the following hypothesis:

H2: Strategic agility supports market orientation positively.

2.3 Market Orientation and Growth of SMEs

Market orientation as a strategic orientation component captures an SMEs culture that characterizes its disposition towards continuous delivery of superior value to their customers (Han et al., 1998). Sharipo (1988) identifies it as a decision-making practice that embodies the commitment of all organizational actors. Kohli and Jaworski (1990) presented market orientation as consisting of three components of intelligence gathering, intelligence dissemination and responsiveness. On their part, Narver and Slater (1990) conceptualizes it as a unidimensional construct that defines the totality of firms behavioral and decision-making emphasis on competitor orientation, customer orientation and inter-functional coordination. It could therefore, be conceptualized as an "organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across all

departments and organization-wide responsiveness to market intelligence" (Osuagwu & Obaji, 2009).

Market orientation therefore, focuses on creating value and developing competitive advantage which ultimately impacts on the growth of SMEs. Empirical studies have explored the relationship between market orientation and growth of SMEs in different research settings. In a study by Uzoamaka (2022) the author established the significant role of market orientation on the growth of manufacturing firms in South-South Nigeria. Similar research conclusions were reached in studies conducted in Nigeria and abroad (Osuagwu & Obaji, 2009; Amue et al., 2013; Nwankwo & Kanyangale, 2019; Amadasun & Mutezo, 2022). Based on the empirical evidence, we propose that market orientation will help support the growth of SMEs in Nigeria which has led to the following hypothesis:

H3: Market orientation contributes to growth of SMEs positively.

2.4 Mediating Role of Market Orientation

Strategic management scholarship has emphasized the importance of models that provide broad support to all phenomenon of interest. In an answer to that call, we model the direct and indirect effect of strategic agility on the growth of SMEs via market orientation. We draw support from the theoretical arguments by Kornelius et al. (2021) and Kohli and Jaworski (1990), that agile SMEs with a culture that supports quick decision making and precise problem solving in the application of responsive intelligence gathering and dissemination regarding competitor and customer demand and needs will be most successful. Based on these theoretical arguments, we propose that strategic agility's link on growth of SMEs is via market orientation. In order words, market orientation serves as an important intermediary mechanism through which strategic agility's impact positively on growth of SMEs in Nigeria.

This relationship holds because SMEs that are focused on understanding and adapting quickly to changing customer demands and needs by modifying their internal processes, procedures, techniques and systems to exploit such changes will be able to deliver superior value, develop competitive advantage and ultimately growth (Sherehiy et al., 2007; Kitchens et al., 2018). As argued by Saputra et al. (2022), strategic agility support SMEs in the development of future production capabilities. This requires that SMEs understand what the customers want and what the market demands which provides a justification for understanding the effect of strategic agility on growth via market orientation. In order words, SMEs with a market orientation organization-wide culture that strives on generating market intelligence regarding changing competitor and customer needs will more quickly adapt its internal processes and external outlook to grow their business. Strategic agility develops market orientation which ultimately impacts positively on growth of SMEs. Empirical studies have confirmed this relationship (Clauss et al., 2019). Based on this theoretical arguments and empirical evidence, we hypothesize that:

H4: Market orientation mediates the positive effect of strategic agility on growth of SMEs.

FUW-INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES.
Volume 8, No. 1, 2023 ISSN: 2384-6224

The proposed relationships are captured in the conceptual framework as Figure 1.

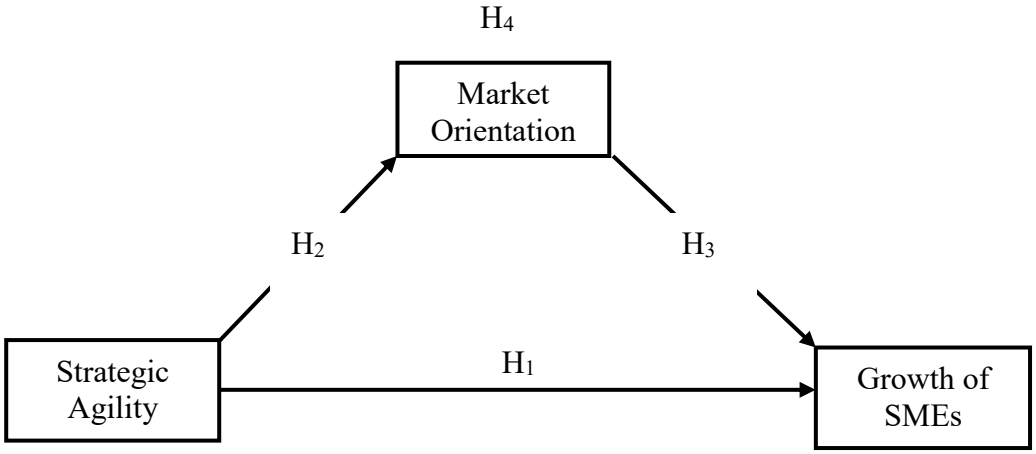

Figure 1: Conceptual Framework

3. RESEARCH METHODOLOGY

3.1 Sample

The targeted population of this study was limited to SMEs operational in the Federal Capital Territory (FCT) Abuja. The total population of the SMEs is 2825 (SMEDAN, 2017). The Krejcie and Morgan (1970) formula was used to calculate the sample size which was found to be 338. Employing simple random sampling and questionnaire as the tool of data analysis, 338 questionnaires were randomly distributed. Of the 338 distributed questionnaires, 219 were successfully retrieved from the respondents which were the owners and/or managers of the SMEs selected in the study. Of the 219 questionnaires successfully retrieved, 168 were correctly filled and without errors and were therefore, used in subsequent analysis. This produced an effective response rate of 49.7%.

Among the valid responses, 80.1% are male while 19.9% are females. Also, 71.5% indicated they are married while 22.6% and 5.9% indicated they are single or divorced respectively. In terms of their level of education, 9.7% possess a diploma/NCE certificate, 46.2% indicate they hold a HND/undergraduate degree while 29% indicated they have a master's degree. Additionally, 11.8% indicated they hold a PhD degree while 3.2% indicated they hold other certificates. Regarding their age distribution, 11.3%, 47.8%, 30.1% and 10.8% all indicated that they are in the 18-28, 29-39, 40-50 and above 50 years age brackets respectively. Likewise, 30.1% of the sampled SMEs were 1-5 years in operation, 56.5% where 6-10 years in operations while 13.4% were above 10 years in operations. Lastly, 10.8% of the sampled SMEs are in the service sector while 14.0%, 37.1%, 19.9%, 8.6% and 9.7% of the sampled SMEs are in the manufacturing, retail, education, agriculture and other sectors respectively.

3.2 Measures

In this study three variables were measured: strategic agility, market orientation and growth of SMEs. Strategic agility, which is independent variable is conceptualized in this study as SMEs capacity to respond and adapt its behavior easily and speedily to environmental threat and

opportunities. Based on this definition, the study adopts the validated scale developed by Tallon and Pinsonneault (2011) to measure strategic agility. Their validated scale is an 8-items measure that asks respondents to rate the speed with which they respond to environmental cues. Sample items include 'Our business responds quickly to changes in aggregate demand', 'We reach quickly to new product/service launches by competitors', 'We can easily adopt new technologies to offer cheaper products/services' and 'We can easily switch suppliers to enjoy lower costs'.

Market orientation as the mediating variable was conceptualized as a unidimensional variable as suggested by Narver and Slater (1990). Relying on Narver and Slater, this study operationalized market orientation as the totality of an SMEs emphasis on customer and competitor orientations. As a result, it was measured using the validated scale developed by Hilman and Kaliappen (2014). Sample items include 'We regularly collect information concerning competitors action', "We frequently evaluate the strength of key competitors', 'Our business objective is driven by customer satisfaction', and 'We measure customer's satisfaction regularly'. Lastly, growth of SMEs was measured in terms of changes in cash flow, market share, sales growth, net worth and profit margin. These items were adapted from Chandler and Hanks (1993) and Grawe et al. (2009). All the three variables were measured on a five-point scale with 5 indicating strongly agree; 4, agree; 3, undecided; 2, disagree; and 1, strongly disagree.

4. DATA ANALYSIS AND RESULTS

In analyzing the data collected using research questionnaires, Partial Least Square Structural Equation Modeling (PLS-SEM) was adopted. PLS-SEM is a multivariate statistical technique that simultaneously explores the relationship between two or more variables. PLS-SEM v.3 was used in conducting the analysis. This study followed the recommendations by Hair et al. (2019) in reporting the results of the PLS-SEM results; an approach that divides the results into two broad categories: the measurement model and structural model.

4.1 Measurement Model Evaluation

Measurement model in PLS provides the opportunity to assess the outer loadings of items on their respective latent constructs. This is to enable the assessment of convergent validity and discriminant validity of the instruments.

Convergent Validity Assessment

In evaluating convergent validity, PLS-SEM conducts three tests: item reliability, composite reliability and average variance extracted (AVE) (Fornell & Larcker, 1981). Item reliability is conducted by evaluating the loadings of the indicators on their respective constructs (Hair et al., 2019). Relying on the rule of thumb by Chin (1998), item reliability is adequate if indicators loadings on their respective latent constructs > 0.50. As Table 1 indicates, all the indicators have factor loadings > 0.50 showing adequate item reliability. The second test is composite reliability, which is similar to internal consistency which measures the reliability of latent constructs in a PLS model. Hair et al. (2019) recommends that composite reliability be > 0.70. This is shown to be adequate for strategic agility, market orientation and growth of SMEs. A further assessment of the Cronbach's Alpha of the latent constructs also confirmed the reliability of the variables as strategic agility, market orientation and growth of SMEs all have Cronbach's Alpha > 0.70 (Hair et al., 2019). Strategic agility, market orientation and growth of

FUW-INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES.
Volume 8, No. 1, 2023 ISSN: 2384-6224

SMEs had composite reliability of 0.90, 0.928 and 0.862 while their Cronbach's Alpha values were 0.91, 0.795 and 0.871 respectively. Finally, in evaluation the AVE, we relied on the recommendation by Fornell and Larcker (1981) for AVE > 0.50 to establish convergent validity. Based on the PLS-SEM results, the AVE for strategic agility, market orientation and growth of SMEs are 0.618, 0.555 and 0.535 respectively establishing the convergent validity of the measurement instruments. All these values are captured in Table 1.

Table 1: Factor Loadings, Cronbach's Alpha, Composite Reliability, AVE

Indicators	SAG	MktO	Growth	α	CR	AVE
mktO1	**0.820**	0.607	0.650	0.795	0.928	0.555
mktO2	**0.804**	0.513	0.547			
mktO3	**0.719**	0.533	0.621			
mktO4	**0.660**	0.456	0.619			
mktO5	**0.898**	0.640	0.700			
mktO6	**0.840**	0.608	0.594			
mktO7	**0.797**	0.571	0.568			
mktO8	**0.726**	0.466	0.423			
growth1	0.468	**0.716**	0.459	0.871	0.862	0.535
growth2	0.493	**0.721**	0.410			
growth3	0.493	**0.725**	0.444			
growth4	0.593	**0.822**	0.648			
growth5	0.559	**0.737**	0.63			
sag1	0.643	0.552	**0.831**	0.91	0.90	0.618
sag2	0.547	0.488	**0.723**			
sag3	0.559	0.478	**0.747**			
sag4	0.632	0.651	**0.816**			
sag5	0.55	0.611	**0.776**			
sag6	0.595	0.513	**0.745**			
sag7	0.507	0.466	**0.704**			
sag8	0.357	0.339	**0.438**			

Note: **SAG** – Strategic Agility; **MktO** – Market Orientation; **α** - Cronbach's Alpha; **CR** – Composite Reliability; **AVE** – Average Variance Extracted

Source: Author Computations (2023)

Discriminant Validity

In SEM, discriminant validity tests whether latent constructs that are not supposed to be related are actually unrelated. For constructs to show discriminant validity, the indicators share more variance with their respective latent constructs rather than other constructs in the measurement model. Following Hair et al. (2019), we evaluate discriminant validity using three approaches: the cross-loading criteria, Fornell and Larcker (1981) criteria and the Hetetrait-Monotrait Ratio of Correlation (HTMT). Regarding the cross-loading criteria, Chin (1998) recommends that the indicator loadings on their respective latent constructs should be higher than any cross-loadings on other latent constructs. As Table 1 indicates, this criterion is satisfied as the cross-loading of indicator items on other latent constructs are less than on their respective latent construct. For the Fornell-Larcker Criterion, Fornell and Larcker (1981) recommends that

validity is achieved if the square root of the AVE is larger than the correlation of the related latent constructs. In simple terms, the diagonal elements (AVE) in Table 2 should be higher than any element in the off diagonal (correlation of latent constructs). Going by this recommendation, discriminant validity is established.

Table 2: Fornell-Larcker Criterion

	Marketing Orientation	Growth	Strategic Agility
Marketing Orientation	**0.786**		
Growth	0.705	**0.745**	
Strategic Agility	0.759	0.711	**0.732**

Note: diagonal elements represent AVE; off diagonal elements represent correlations

However, the argument against the cross-loading criteria and Fornell and Larcker criterion led Henseler, Ringle and Sarstedt (2015) to recommend the HTMT criterion. HTMT evaluates the ratio of the correlations of the indicators across their latent constructs relative to the correlations of indicators within a particular latent construct. HTMT values < 0.90 suggest that the measures show discriminant validity (Henseler et al., 2015). Based on the results as presented in Table 3, all the HTMT values are < 0.90 indicating that discriminant validity of strategic agility, market orientation and growth of SMEs is established.

Table 3: Heterotrait-Monotrait (HTMT) Criterion

	Marketing Orientation	Growth	Strategic Agility
Marketing Orientation			
Growth	0.814		
Strategic Agility	0.845	0.829	

Source: Author Computations (2023)

4.2 Structural Model Evaluation

In PLS-SEM, structural model evaluation is conducted after the measurement demonstrates satisfactorily. As the preceding sections shows, the measurement model provided strong convergent and discriminant validity which provided the justification for evaluating the structural model in this section. In testing the significance of the structural model, the following criteria were implemented: bootstrapping resamples – 500; test type – 2-tailed; significance level – 0.05; confidence interval level – Bias-Corrected Accelerated (BCa) Bootstrap. The model demonstrated acceptable fit as shown by the Standardized Root Mean Square Residual (SRMR) value. Because SRMR = 0.054 and going by the suggestion by Henseler et al. (2016) that SRMR value be < 0.08, this study indicates the overall fitness of the model. The goodness of the structural model was evaluated by the R-square value which should be equal to or greater than 0.10 (Latif et al., 2019). This result shows that the R-square for market orientation and growth of SMEs was 0.576 and 0.570 respectively. In addition, the study estimated the predictive relevance of the endogenous latent constructs with values of $Q^2 > 0.00$ indicating out-of-sample predictive relevance (Hair et al., 2017). The PLS-SEM results shows Q^2 of 0.342 and 0.302 for marketing orientation and growth of SMEs respectively. This provides clear support for the models predictive relevance regarding the two endogenous variables.

FUW-INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES.
Volume 8, No. 1, 2023 ISSN: 2384-6224

Hypotheses test was subsequently conducted on the structural model to evaluate the significance of hypotheses stated. The results are shown in Table 4 and 5 while both the measurement and structural models are presented in Figure 2. The results as captured in Table 4 reveals that strategic agility has a significant and positive impact on both growth of SMEs ($\beta = 0.415$, $t = 5.153$, $p < 0.001$) and market orientation ($\beta = 0.759$, $t = 20.277$, $p < 0.001$); hence, H1 and H2 are supported. Likewise, market orientation was found to have a significant and positive impact on the growth of SMEs ($\beta = 0.390$, $t = 3.854$, $p < 0.001$) providing support for H3.

Table 4: Direct Relationship

	β	SD	t	p	Remarks
SAG ---> Growth (H1)	0.415	0.081	5.153	0.000	Supported
SAG ---> MktO (H2)	0.759	0.037	20.277	0.000	supported
MktO ---> Growth (H3)	0.390	0.101	3.854	0.000	Supported

Note: **SAG** – Strategic Agility; **MktO** – Market Orientation
Source: Author Computations (2023)

Evaluating the indirect effect, the results indicate that market orientation fully mediates the direct effect of strategic agility on growth of SMEs in Nigeria ($\beta = 0.296$, $t = 3.928$, $p < 0.001$) as shown in Table 5.

Table 5: Mediation Analysis

Total Effect (SAG --> G)		Indirect Effect (SAG --> G)		Indirect Effect of SAG on Growth (G)				
β	p	β	P		β	SD	t	p
0.711	0.000	0.415	0.000	SAG --> MktO --> G	0.296	0.078	3.807	0.000

Source: Author Computations (2023)

FUW-INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES.
Volume 8, No. 1, 2023 ISSN: 2384-6224

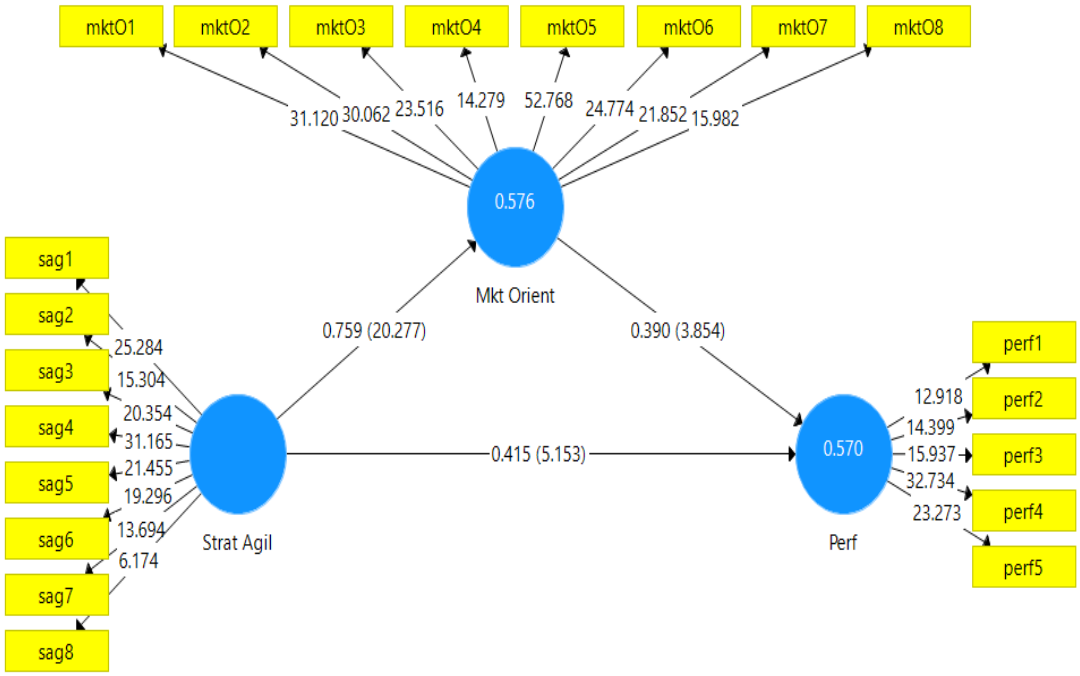

Figure 2: Results of Measurement and Structural Models
Source: PLS-SEM Results (2023)

4.3 DISCUSSION OF FINDINGS

The objective of this study was to explore the direct effect of strategic agility on market orientation and growth of SMEs in Nigeria. The study also explored the direct effect of market orientation on growth while also exploring the mediating role of market orientation on the direct effect of strategic agility on the growth of SMEs in Nigeria. Four hypotheses were tested in this study with the following findings reported and discussed.

In hypothesis one, strategic agility was hypothesized to have a significant and positive effect on growth of SMEs in Nigeria. Based on the results of the analysis, the hypothesis is supported. The implication of the findings is that SMEs that are able to respond to sense profit, innovation, and market opportunities in the external business environment and respond by rediscovering and reengineering a firm's strategic position (Kitchens et al., 2018; Ahammad et al., 2020) will enjoy growth in form of sales, net worth and market share. In order words, agile SMEs speedy response to environmental factors contribute positively to their growth. This finding mirrors earlier research findings reported by Oyedijo (2012) Emejulu et al. (2020) and Ogunleye et al. (2021) who also established the positive role of strategic agility on the growth of SMEs.

Regarding hypotheses two, strategic agility was also hypothesized to have a positive effect on the growth of SMEs in Nigeria. Going by the results of the analysis, the evidence supports the acceptance of this hypothesis. This implies that agile SMEs will develop the capability to understand the ever-changing competitive actions and market needs and expectations (Shin et al., 2015; Lu & Ramamurthy, 2011). In addition, agile SMEs focus their actions, internal processes, procedures and systems to respond to the market especially giving their continuous environmental assessment. This finding is important as evidence suggest that SMEs who fail to focus their attention on the market as a result of the overwhelming impact that external

environmental forces have bearing on their growth (Yusuf & Mohd, 2022). In support of this research evidence, studies conducted by Otsupius and Akintaro (2020) and Osita-Ejikeme and Amah (2022) also found a strong link between strategic agility and market orientation.

Discussing hypothesis three, which evaluated the direct effect of market orientation on the growth of SMEs in Nigeria, the result of the analysis was sufficient to support the hypothesized relationship. The result showed that market orientation has a significant and positive effect on the growth of SMEs in Nigeria. Such research conclusions have also been established in earlier research studies (Nwankwo & Kanyangale, 2019; Amadasun & Mutezo, 2022). What the findings implies is that SMEs with a culture that characterizes continuous delivery of superior value which is possible when all employees show commitment to firm goals will contribute positive to the growth of the SMEs (Han et al., 1998; Sharipo, 1998). Using the argument by Kohli and Jaworski (1990) and Narver and Slater (1990), SMEs that are responsive to environmental cues and are focused on intelligence gathering and dissemination will be able to grow especially when every activity in the SME leans towards behavioral disposition, competitor and customer orientations. This important research finding places emphasis on generating market intelligence to understand the ever-changing customer and competitor needs. Such intelligence as established in this study contributes to the growth of SMEs in Nigeria.

In hypothesis four, the mediating role of market orientation in the positive effect of strategic agility and growth of SMEs in Nigeria was evaluated. Based on the results of the analysis, this hypothesis was also supported. Market orientation mediated fully the positive effect of strategic agility on the growth of SMEs in Nigeria. Such research conclusions have been confirmed empirically (Clauss et al., 2019). The implication of this finding reveals that agile SMEs with a culture that supports speedy readjustment and realignment of internal processes, systems and structures to respond to environmental opportunities and threats will be able to achieve growih (Kornelius et al., 2021). In order words, agile SMEs that have systems that are tailored towards understanding customer and competitor needs and then adjusting internal processes and systems to exploit the external environment opportunities and manage the associated risks will be able to deliver customer value, competitive advantage and ultimately growth of their SMEs (Kitchens et al., 2018). In simple terms, agile SMEs with a market orientation culture with a focus on generating market intelligence regarding unpredictable changes in competitor and customer needs will be adept at modifying internal systems to grow. Therefore, a market orientation culture support fully the positive effect that agility have on growth.

4.4 IMPLICATIONS

Based on the results of this study, there are notable theoretical, policy and practical implications. study presents some theoretical and practical contributions to academics and policymakers. The study was able to establish the unidimensionality of the strategic agility and market orientation constructs. The study also established that these constructs' effect on growth of SMEs is significant and positive. Market orientation was also found to fully mediate the positive effect of strategic agility on the growth of SMEs. Agile SMEs that focus on the market conditions will fully benefit from this combination as this helps them to grow. Likewise, the study showed that the Dynamic Capability Theory theoretical (Teece et al., 1997) perspectives provides clarity in understanding the role of strategic agility, market orientation and growth of SMEs. The theory supports the argument that the capability inherent in the concept of strategic agility in the context of changing environmental factors will lead to growth if the SMEs' culture

values understanding customer needs and expectations and competitor actions. Employing the dynamic capability theory to the phenomena of strategic agility, market orientation and growth is therefore, justified as the evidence in this study supports.

In terms of the policy and practical implications, the study established the need for promoters and regulators of SMEs to provide the tools that will assist owners or managers of SMEs to grow their businesses. This could include entrepreneurship training programmes which may be at the tertiary level or post-firm formation. The essence is to build their capacity to understand how businesses work and to equip them with the skills, competences and knowledge to be better of management. Lastly, managers or owners of SMEs that are desirous of achieving growth in their SMEs must build a workplace culture and internal mechanisms that has the capacity to respond speedily to external and internal environmental cues with the aim of exploiting any opportunities or mitigating any risks. These actors must therefore strive for an organization-wide effort to redesign systems and processes that respond rapidly to environmental cues with a focus on the market; this is what guarantees SME growth.

4.5 LIMITATION AND SUGGESTION FOR FURTHER STUDIES

This study noted a few limitations. One of the notable limitations is the cross-sectional research design that was employed in this study. Causality is not achieved in cross-sectional research designs hence future studies should explore the possibility of employing longitudinal research designs in future research studies. This study is also limited to the conceptualization of strategic agility and market orientation as unidimensional constructs. There are theoretical debates that question such conceptualizations; hence future studies could explore these constructs by employing multidimensional aspects as this approach best indicates which aspects of the dimensions has more influence on growth of SMEs. Likewise future studies could consider other aspects of strategic orientation such as entrepreneurial orientation or learning orientation. These aspects of strategic orientation could be used either as moderators or mediators in future research studies. Finally, other populations could be used to test the hypotheses explored in this study, which was limited to only SMEs in the Federal Capital Territory (FCT) Abuja in Nigeria. A multi-state or multi-country study would best present the actual findings that can be generalized to other populations. Despite these notable limitations, this study was able to contribute to the theoretical debate on the role of strategic agility, market orientation and growth of SMEs in Nigeria.

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