

Innovation and Organisational Resilience among Small and Medium-Sized Enterprises in Lagos State

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ABSTRACT

The study conducted a comprehensive examination to assess the impact of entrepreneurial innovativeness on organisational resilience within the Small and Medium-Sized Enterprises (SMEs) sector in Lagos State, Nigeria. In today's fiercely competitive business environment, it is imperative for startups and SMEs to consistently foster innovation as a core component of their operational strategy. This research employed a descriptive research design and gathered data from a sample of 500 business owners representing various SMEs sectors. The primary data collection tool was a self-structured questionnaire. The study's findings revealed a significant and positive correlation between entrepreneurial innovativeness within business organisations and their corresponding levels of organisational resilience. This correlation underscores the pivotal role that innovation plays in determining an organisation's ability to withstand and navigate through challenging and turbulent conditions, especially in the context of SMEs in Lagos State. In light of these findings, the study puts forth valuable recommendations for business owners, particularly those at the startup stage. It strongly advises that businesses, regardless of their size, should consistently integrate innovation into their product development, operational processes, and overall organisational culture. By doing so, businesses can not only survive but also make a lasting impact in the highly dynamic and competitive business environment of Lagos State. This proactive approach to innovation is essential for long-term sustainability and success.

Keywords: Innovation, Organisational Resilience, Small and Medium-Sized Enterprises (SMEs)

1. INTRODUCTION

In today's competitive business environment, innovation is crucial for the success of organisations, particularly for start-ups and newcomers in the market. Small and medium-sized enterprises (SMEs) play a vital role in a nation's economic development, contributing not only to economic indicators but also to social factors such as poverty eradication, job creation, and continuous economic growth. SMEs, which constitute a significant majority of businesses, are recognised globally as drivers of economic growth due to their substantial numbers and employment of a considerable workforce (Morris et al., 2019; Tandon et al., 2020). They contribute significantly to the Gross Domestic Product (GDP) and global trade in industrial products and services (Asgary et al., 2020). However, SMEs face numerous challenges and uncertainties in the business environment.

Entrepreneurial orientation and organisational resilience have emerged as critical factors that protect entrepreneurs and SMEs from risks and disruptions in the business environment. Entrepreneurial resilience refers to a firm's ability to endure and rebound from challenges and disturbances quickly. Resilience enables entrepreneurs to pursue their long-term goals despite

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unpredictable market conditions (Irvine & Anderson, 2004). Entrepreneurial failure can occur due to factors beyond an entrepreneur's control, emphasising the need for resilience.

The sustainability of a nation depends on the sustainability of its SMEs, given their contribution to job creation and economic expansion. Entrepreneurs must navigate uncertainty and stay motivated during challenging periods. High stress and uncertainty about business outcomes often weigh on their minds. In the Nigerian economy, SMEs face instability, and entrepreneurs encounter multiple factors affecting their opportunities and obstacles. Globalisation, rapid technological advancements, cultural diversity, and limitations in financial and human capital create significant challenges for SMEs in Nigeria.

Resilience development is essential for SMEs to withstand challenges and maintain competitiveness. The business environment presents hurdles that can lead to financial issues and even illicit business activities in the face of failure. Acquiring resources for entrepreneurial endeavors has become more challenging (Bullough & Renko, 2013). Despite the challenges, entrepreneurship remains valuable for its economic contributions, including job creation and innovation. SMEs must manage change effectively due to globalisation, population shifts, technological advancements, and evolving marketing trends (Zastempowski & Przybylska, 2016). Adapting to these shifts is crucial for securing a competitive advantage. However, inadequate resources hinder SMEs' performance and strategic planning. In Nigeria, many SMEs fail within their first three years of operation due to inadequate funding (Akingbolu & Phillips, 2018). To survive in a competitive market, SMEs must create innovative products and establish unique selling propositions.

This study aims to explore the correlation between entrepreneurial orientation and organisational resilience among SMEs in Lagos State. Achieving resilience is challenging, especially with the increasing competitiveness and uncertainties in the business environment. SMEs must adopt survival strategies to adjust to changing consumer trends, enhance revenue growth, and improve overall performance. The study's primary objective is to investigate the impact of innovation on the organisational resilience of SMEs in Lagos State, Nigeria. Understanding how innovation influences resilience is essential for SMEs to thrive in a rapidly changing business environment.

1.1 Research Hypothesis

For the purpose of this study, a null hypothesis was formulated:

H0: There is no significant relationship between innovation and organisational resilience of SMEs in Lagos State.

2. LITERATURE REVIEW

2.1 Small and Medium-Sized Enterprises (SMEs) in Nigeria

Akanbi and Ofoegbu's (2011) study underscore the pivotal role played by SMEs in driving global economies. They are fundamental contributors in both established and emerging nations, comprising about 80% of global industries. This positions them to stimulate wealth creation and job opportunities, which are critical for a country's economic well-being. SMEs have made significant contributions to improving living standards and reducing poverty worldwide, as emphasised by Kararmak (2014). They not only boost productivity but also promote socio-economic growth in nations.

SMEs are essential for a nation's sustained progress, encompassing economic and societal aspects. Their vitality lies in job creation, poverty alleviation, and fostering sustainable economic growth. In Nigeria, SMEs have gained recognition for their indispensable role, although challenges persist for entrepreneurs in this sector. Globally, enterprises grapple with substantial financial hurdles on their path to sustainability, demanding proactive measures like seizing opportunities, adapting to changing circumstances, and embracing new technologies.

The marketing environment in Nigeria is marked by unpredictability, driven by globalisation, rapid technological advances, diverse cultures, and transformative market factors. These factors intensify competitive challenges for SMEs, making it difficult to maintain a competitive edge (Muritala & Ajetunmobi, 2019). The impacts of globalisation and technological advancements contribute significantly to global economic integration, affecting various aspects of entrepreneurship (Zastempowski & Przybylska, 2016). Entrepreneurial decision-making is often complex, with entrepreneurs risking profitability and success. Lack of resilience in decision-making can lead to unfavorable outcomes, affecting business performance and continuity (Singh & Pavlovich, 2011).

Ineffective management systems erode an entrepreneur's confidence, hindering business growth and their willingness to explore fresh concepts and take risks. Leveraging available resources can enhance regional resilience, promoting stability and sustainability. Indigenous businesses also play a role in guiding consumers and advocating for sustainable progress (Saakvitne et al., 1998). Successful entrepreneurs set goals in a competitive and ever-changing business environment, where information is often insufficient and unclear. Resilient and flexible entrepreneurs are better equipped to overcome challenges and achieve success in such conditions.

2.2 Innovation

Challenges force organisations to promote innovation and explore new opportunities. Succeeding in an innovative environment requires the ability to withstand uncertainty and take significant risks. In this context, resilience becomes a crucial factor, not only providing the strength to endure adversity but also inspiring inventive approaches to doing business in the ever-changing environment (Köseoglu et al., 2011).

Innovation is a dynamic capability that adds value and fosters competitive advantages for businesses operating in a rapidly changing and uncertain business environment (Köseoglu et al., 2011). The relationship between firm performance and Entrepreneurial Orientation (EO) is influenced by innovation, both incremental and radical. Empirical evidence shows that EO not only directly affects performance but also has an indirect impact by promoting innovation (Kuckertz, 2020).

Moreover, organisations with advanced innovation capabilities demonstrate better adaptability to changing business environment conditions, as suggested by Leung et al. (2005). The connection between a firm's innovation capacity and its resilience hinges on its ability to respond and adapt to market changes. This highlights the need for firms to strategically enhance their innovation abilities through careful resource analysis and optimisation. Effective resource management in dynamic environments equips firms with the necessary capabilities to minimise turbulence's impact (Fernandes et al., 2017).

Additionally, the competence and innovation enable firms to navigate disruptions and fluctuations in the business environment effectively. Therefore, several researchers assert that innovation goes beyond being a mere business strategy; it is the essence of achieving improved performance. In this context, the importance of SMEs proactively seizing opportunities and adapting to changing circumstances by embracing product adjustments and new technologies becomes evident. Zastempowski and Przybylska (2016) strongly emphasise the growing

influence of globalisation and rapid technological changes as key factors contributing to global economic integration, affecting various aspects of entrepreneurial endeavours.

2.3 Organisational Resilience

The concept of organisational resilience illuminates the differing trajectories of investors—some exiting the scene while others navigate challenges to achieve success (Awotoye & Singh, 2017). The essence of organisation resilience lies in an entrepreneur's decisions, elucidating their capacity to surmount entrepreneurial hurdles and persevere through unfavorable circumstances and unforeseen outcomes. This attribute empowers entrepreneurs to sustain a hopeful perspective despite demanding market dynamics and unexpected adversities (Ayala et al., 2014).

The entrepreneur's influence extends to setting conditions, defining boundaries, establishing characteristics, and ultimately shaping the firm's value creation potential. Non-resilient individuals may exhibit limited capacity to undertake essential entrepreneurial actions, often opting for cautious and apprehensive responses to the uncertainties of the business realm, as highlighted by Bullough and Renko (2013). Conversely, resilient entrepreneurs are shielded from negative reactions by their optimistic emotions, fostering their growth rather than their demise (Fredrickson et al., 2003). As posited by Sine et al. (2015), entrepreneurship inherently involves risks, making the survival of a business contingent on multifaceted factors, both under the entrepreneur's influence and beyond their control (Cooper et al., 2015).

In alignment with Ayala and Manzano (2014), the entrepreneurial environment often requires decisions to be made amid ambiguous, evolving, or incomplete information. Consequently, entrepreneurs may lack comprehensive data for optimal decision-making during challenges. Relying on their cognitive abilities and past experiences, entrepreneurs make determinations that significantly impact the firm's survival prospects (Ireland & Miller, 2004). This phenomenon is attributed to psychological ownership, a deep psychological attachment entrepreneur develops with their ventures.

Entrepreneurs have a reciprocal relationship with the events occurring in their businesses, given their investment of time, energy, and resources, leading them to make the business as an integral part of themselves (De Castro, 2008). Resilient entrepreneurs possess the ability to guide underperforming businesses, reversing the course from potential failure to eventual success. Their persistence in sustaining the business signals their commitment to making it thrive. Consequently, their capability to navigate uncertainty and swiftly adapt to change distinguishes resilient entrepreneurs, better positioning them for success (Ayala & Manzano, 2014).

3. THEORETICAL REVIEW

The Combined Thriving Theory, as proposed by Ledesma in 2014, provides valuable insights into the concepts of innovation and organisational resilience within the context of SMEs. This theory integrates the notion of 'thriving', which is a relatively recent addition to the resilience framework, drawing from scientific theories related to learning and cognitive development. It emphasises individual growth, socio-economic factors, and cultural perspectives in understanding how individuals and organisations respond to challenges and crises. According to this theory, an individual's response to crises and challenges is significantly shaped by their subjective interpretation of these situations. This interpretation is influenced by a variety of factors such as personal experiences, education, exposure, interactions with others, and cultural viewpoints. In other words, how individuals perceive and make sense of adverse situations plays a crucial role in determining their ability to innovate and adapt within a business context (Ledesma, 2014; Nishikawa, 2006).

Furthermore, the concept of thriving within this theory delves into understanding why some individuals not only survive but thrive after facing adversity, while others struggle. Thriving is primarily influenced by an individual's current resilience capacity, which is driven by their personal values, self-efficacy, and energy levels. This capacity dictates their responses to adverse circumstances and disruptions. For SMEs, this means that the resilience capacity of their leaders and employees is vital in determining their ability to innovate and remain resilient in the face of challenges. As individuals mature through hardships and develop a higher resilience capacity, they become better equipped to flourish despite crises (Patterson & Kelleher, 2005). This psychological strengthening empowers them to not only bounce back but to thrive in the face of adversity (Ledesma, 2014; Sharma et al., 2010). In the context of SMEs, this translates to the idea that a workforce with higher resilience capacity is more likely to innovate, adapt, and ensure the organisational resilience of the business when faced with obstacles.

The Opportunity-Based Theory, grounded in an understanding of how cultural, socio-economic, and technological dynamics influence consumer preferences and trends, provides a robust framework for elucidating the mechanisms behind innovation and organisational resilience (Elliott & Macpherson, 2010). This theory highlights the central role of entrepreneurs in recognising and seizing opportunities that arise from these external factors, thereby fostering innovation within their organisations. However, it's essential to note that this theory predominantly accentuates the pursuit of opportunities while sometimes neglecting the critical aspect of anticipating and mitigating potential threats (Elliott & Macpherson, 2010). Therefore, to ensure comprehensive resilience, SMEs should complement their opportunity-seeking strategies with a proactive approach to risk management, thereby enhancing their ability to adapt and thrive in a dynamic business environment.

Mamman and Isaac (2020) study in Yobe State, Nigeria, revealing that competitor orientation explains 11.7% of SMEs' innovation variance, has substantial implications for the topic of innovation and organisational among the SMEs. It emphasises the pivotal role competitor orientation plays in SMEs' innovation and resilience, encouraging businesses to implement effective competitive strategies, maintain consistent customer communication via various channels, offer post-service support and discounts, and utilise social media presence. These recommendations underscore the importance of adaptability and innovation in ensuring SMEs' long-term success and resilience in competitive markets. In a different study, Dijk's 2021 study explored the connection between entrepreneurial resilience and the adoption of innovation in response to challenges, notably the COVID-19 pandemic. The study, which involved ten participants, found no direct correlation between entrepreneurial resilience and innovation adoption during crises like the pandemic. This was attributed to the urgent need for revenue generation, which led entrepreneurs to prioritise innovative approaches over traditional resilience strategies. This study's impact on the subject of innovation and organisational resilience among the SMEs and suggests that fostering a culture of innovation alongside entrepreneurial resilience is crucial for SMEs facing unforeseen challenges, potentially reshaping how we understand resilience in such contexts and guiding future research and business strategies.

4. METHODOLOGY

The researcher chose a purposive sample size of 500 individuals, including personnel, management, and business owners from diverse firms such as Wholesale and Retail, Education, Hotel and Suite, Realtor and Properties, Professional Service Providers, and Fast-food Business firms. This decision was driven by the practical constraint of not being able to observe every individual in the entire population directly. The sampling method involved a random approach to ensure fairness and impartiality. Participants were selected from various SMEs concentrated in the Ikeja Local Government Area of Lagos State. Data collection was carried out using a structured questionnaire, chosen for its convenience and cost-effectiveness.

A total of five hundred (500) questionnaires were distributed, out of which four hundred and fifty-five (455) were fully completed and returned. This represents an 85 percent valid response rate, which is considered suitable for data analysis. The questionnaire featured Likert scale questions, addressing demographic characteristics, strategic diversity (independent variable), and organisational resilience (dependent variable). The data was subjected to statistical representation using the SPSS version 24 software to enhance the credibility and distinctiveness of the results. Participants were assured of confidentiality and anonymity. The study exclusively relied on primary data collection through the questionnaire, a method chosen for its advantages in terms of autonomy, anonymity, cost-effectiveness, and efficiency.

Table 1 The Propensity Rate of Registered Firms in Lagos State

S/N	Business Firms	Position	No
1	Wholesale and retail firm	Not all registered	14,358
2	Education firm	All registered	2,320
3	Hotel and suit firm	All registered	2,259
4	Realtor and properties firm	All registered	2,179
5	Professional service provider like law, internet providers, civil engineers' firm	All registered	10,867
6	Fast food business firm	Not all registered	66
7	Religious centers	Not registered	51

Source: www.directory.org.ng (2023)

5. DATA ANALYSIS AND INTERPRETATION

The result on Table 2 showed that 70.1 % were male, while 29.9 % of the total respondents were female. This implies that more male business owners were sampled. The result on the table showed that 6.8 % of the total respondents were 18 - 25 years, 18.9 % were between 26 - 35 Years old, 43.3 % were 36 - 45 Years old, 31 % were between 45 years above. This suggests that a significant portion of the participants in the study fell within the age range of 36 to 45 years.

Furthermore, the result reveals that 31.6 % of the total respondents were Yorubas, 1 % were Hausas, and 26.4 % were Igbos, while the remaining 41 % were other tribes. This implies that minority tribes participated more in the study. On religion, 58.2 % identified as Christians, while 41.3 % identified as Muslims, while the remaining 4 % belonged to no religion class. This implies that most of the respondents are sampled. Lastly, the result on the table shows that 11.9 % of the respondents possessed O-level qualifications, 24.8 % had OND/HND degrees, 27.8 % held B.Sc. degrees, and 29 % had attained master's qualifications and the remaining 6.4 % were individuals with PhDs. This data reveals that a significant portion of the sampled respondents fell within these educational categories.

Table 2 Demographic Characteristics of Respondents

Demographic Characteristics	Frequency	Percent
Sex		
Male	347	70.1%
Female	108	29.9%
Total	455	100.0%
Age		
18 - 25 years	31	6.8%
26 - 35 years	86	18.9%
36 - 45 years	197	43.3%
45 & above	141	31.0%

Total	455	100.0%
Ethnicity		
Yoruba	144	31.6%
Igbo	120	26.4%
Others	187	41.0%
Hausa	4	1.0%
Total	455	100.0%
Religion		
Christian	265	58.2%
Muslim	188	41.3%
None	2	.4%
Total	455	100.0%
Educational Qualification		
O Level	54	11.9%
OND/HND	113	24.8%
B.Sc	127	27.9%
Masters	132	29.0%
PhD & above	29	6.4%
Total	455	100.0%

The survey results reveal that a substantial majority of respondents demonstrate confidence and competence in various essential business skills. Based on Table 3, 83.7% of participants exhibit proficiency in brainstorming, with 30.5% strongly agreeing and 53.2% agreeing with their ability to generate new ideas. Additionally, 82.7% possess the capability to make plans and estimate customer demand for new products, with 40.9% strongly agreeing and 41.8% agreeing. In terms of disaster risk management, 70.0% are adept at efficiently handling their business and personnel during such crises, comprising 34.7% who strongly agree and 36.3% who agree. Moreover, 82.9% demonstrate skill in effectively managing day-to-day business crises, with 47.3% strongly agreeing and 35.6% agreeing. Finally, 86.1% display competence in financial asset management, with 51.4% strongly agreeing and 34.7% agreeing. These findings underscore the participants' proficiency across a range of critical business competencies.

Table 3 Impact of Innovation on Organisational Resilience Among SMEs in Lagos State

Statement	Frequency	Percent
I possess the capability and confidence to generate innovative concepts for a product or service.		
Strongly agree	139	30.5%
Agree	242	53.2%
Undecided	9	2.0%
Disagree	23	5.1%
Strongly disagree	42	9.2%
Total	455	100.0%
I have the ability to create a plan and gauge the potential customer demand for a novel product or service		
Strongly agree	186	40.9%
Agree	190	41.8%
Undecided	28	6.2%
Disagree	33	7.3%
Strongly disagree	18	4.0%
Total	455	100.0%

I can clearly and concisely control my business and its personnel during disaster risk		
Strongly agree	158	34.7%
Agree	165	36.3%
Undecided	42	9.2%
Disagree	57	12.5%
strongly disagree	33	7.3%
Total	455	100.0%
I am capable of effectively handling and resolving day-to-day business crises.		
Strongly agree	215	47.3%
Agree	162	35.6%
Undecided	24	5.3%
Disagree	31	6.8%
Strongly disagree	23	5.1%
Total	455	100.0%
I possess the ability to effectively manage the financial assets of my business		
Strongly agree	234	51.4%
Agree	158	34.7%
Undecided	2	.4%
Disagree	44	9.7%
Strongly disagree	17	3.7%
Total	455	100.0%

Table 4 Organisational Resilience

Statement	Frequency	Percent
I have also learnt lessons from a series of unexpected situations and can respond to disruptive circumstances		
Strongly agree	196	43.1%
Agree	163	35.8%
Undecided	22	4.8%
Disagree	38	8.4%
Strongly disagree	36	7.9%
Total	455	100.0%
I have improved myself over time through gaining experience and using that experience to create knowledge to survive my business		
Strongly agree	188	41.3%
Agree	149	32.7%
Undecided	41	9.0%
Disagree	32	7.1%
Strongly disagree	45	9.9%
Total	455	100.0%
The creation, retention and transfer of knowledge in my business during disruptive circumstances have strengthen my business		
Strongly agree	155	34.1%
Agree	175	38.5%
Undecided	43	10.8%
Disagree	40	8.9%

strongly disagree	42	9.2%
Total	455	100.0%
The importance of creating a learning culture during disruptive circumstances has benefited me in my business		
Strongly agree	197	43.3%
Agree	181	39.8%
Undecided	30	6.6%
Disagree	22	4.8%
Strongly disagree	25	5.9%
Total	455	100.0%

In question one, 43.1% strongly agree they've learned from unexpected situations and can handle disruptions, while 35.8% agree. Only 4.8% disagree, and 8.4% are indecisive, with 7.9% strongly disagreeing. This indicates that most respondents have learned from unexpected situations and can manage disruptions. Question two reveals that 41.3% strongly agree they've improved over time by gaining experience and using it to survive in their business, with 32.7% in agreement. Only 9% are indecisive, 7.1% disagree, and 9.9% strongly disagree. This suggests they have indeed improved through experience. For question three, 34.1% strongly agree that creating, retaining, and transferring knowledge during disruptions has strengthened their business, while 38.5% agree. Only 10.8% are indecisive, 8.9% disagree, and 9.2% strongly disagree. This implies that most respondents see the value in knowledge management during disruptions. Lastly, in question four, 43.3% strongly agree that creating a learning culture during disruptions has benefited their business, and 39.8% agree. Only 6.6% are indecisive, 4.8% disagree, and 5.9% strongly disagree. This suggests that most respondents recognise the benefits of fostering a learning culture during disruptions.

H₀: There is no significant relationship between innovations and organisational resilience of SMEs in Lagos State.

Table 5 Correlation Analysis between Innovations and Organisational Resilience of SMEs in Lagos State

Descriptive Statistics		Mean	Std. Deviation	N
I am able and confident in brainstorming (coming up with new ideas for a product or service)		2.2813	1.40829	455
Pandemic has increased my workload and pressure and forced me to operate virtually,		2.0078	1.31314	455
		Correlations		
		Innovation	Organisational Resilience	
Innovation	Pearson Correlation		1	.743**
	Sig. (2-tailed)			.000
	N		455	455
Organisational Resilience	Pearson Correlation	.743**		1
	Sig. (2-tailed)	.000		
	N	455	455	

** . Correlation is significant at the 0.01 level (2-tailed).

The research hypothesis, which asserts that there is no substantial correlation between innovation and organisational resilience among SMEs in Lagos State, was examined through a Pearson correlation analysis. The findings of the Pearson Correlation analysis are presented in

Table 5, demonstrating the strength and direction of the linear association between the dependent variable (organisational resilience) and the independent variable (innovation). The examination was carried out using a sample comprising four hundred and fifty-five participants. The data revealed that organisational resilience had a mean of 2.2813 and a standard deviation of 1.40829, while innovation had a mean of 2.0078 and a standard deviation of 1.31314. Furthermore, the correlation coefficient value of 0.743** indicates a strong and positive correlation between innovation and organisational resilience. The calculated p-value is 0.001, which is below the significance threshold of 0.05. This suggests that a significant relationship exists between innovation and organisational resilience among SMEs in Lagos State.

Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted at a 5% level of significance. In conclusion, the analysis illustrates a notable and positive correlation between innovations and organisational resilience within SMEs in Lagos State.

6. DISCUSSIONS AND CONCLUSIONS

The null hypothesis positing that no notable correlation exists between innovation and organisational resilience of SMEs in Lagos State was invalidated. The analysis yielded a robust correlation coefficient value of 0.743**, indicating a strong and positive association between innovation and organisational resilience among SMEs. The calculated p-value, which stands at 0.001, falls below the predetermined significance threshold of 0.05. This compellingly signifies the presence of a noteworthy relationship between innovation and organisational resilience. As a result, the null hypothesis was discarded, and the alternative hypothesis was accepted at a 5% level of significance. In conclusion, there exists a substantial and positive connection between innovation and organisational resilience within SMEs in Lagos State. These findings resonate with the insights presented by Köseoglu et al. (2011) who elucidated those adversities compel organisations to foster innovation and envision novel prospects and opportunities. Being innovative demands high endurance toward uncertainty and a willingness to undertake substantial risk. Resilience, in this context, becomes a vital attribute, providing the impetus to endure adversity and devise innovative solutions for navigating the altered business environment. Furthermore, Köseoglu et al. (2011) underlined that innovation constitutes a dynamic capability that augments value and cultivates competitive advantages for firms in a rapidly evolving and uncertain business environment. Kuckertz (2020) also emphasised the interplay between EO, innovation, and firm performance, demonstrating that EO not only directly influences performance but also indirectly influences it through the mediating role of innovation. This underlines the pivotal role of innovation in the relationship of EO.

Leung et al. (2005) argued that companies possessing strong innovation capabilities are more adept at adjusting to various business environment situations. The importance of innovation in facilitating firms' agile responses to disturbances and fluctuations in the business environment. They postulated that the capability to innovate is not solely a strategic choice but the core essence of achieving enhanced performance. The swift pace of globalisation and technological advancements, as highlighted by Zastempowski and Przybylska (2016), profoundly impacts entrepreneurial environments, making innovation pivotal for addressing the challenges and opportunities they bring. In light of this, further articulated that the ability to innovate is not merely an effective business strategy but a fundamental element for attaining superior performance. For SMEs, seizing opportunities and adapting to product modifications and new technologies is paramount to staying proactive and relevant.

From the findings of this study, it can be concluded that the innovativeness of business organisation has a significant influence on organisational resilience. For any small business to expand there is a need for the introduction of new things. This means that for a business organisation to be resilient to the challenging environment of business, the organisation has to dish out innovative ideas. This will enable them to stay ahead of the competition and be relevant

in the business world. It is therefore recommended that business organisation should always add innovation to their product and also engage expertise with innovative ideas in their team. The study's focus on resilience among local SMEs uncovered a robust model, with certain SMEs exhibiting heightened resilience strategies. Notably, Firms B and C (Education and Hotel and Suites) displayed advanced resilience strategies due to their extensive operational history and substantial crisis experience. With four out of six firms adopting customer relations and product diversification, these entities illustrated a proactive approach to resilience. In response to the crisis, SMEs expressed intent to bolster networking with customers, employ technological tools like social media to diversify their products, and venture into new market sectors. Remarkably, dynamic learning emerged as a pivotal component, with four out of six firms expressing an inclination to refine and fortify their crisis management strategies. Moreover, five firms expressed willingness to invest in learning specifically geared towards crisis management. Remarkably, Firms B and C, exemplifying profound dynamic learning in their resilience approaches, swiftly recovered from the crisis. These findings align with the studies conducted by Saunders et al. (2014), and Bullough and Renko (2018), validating that SMEs equipped with strong dynamic and innovative capacities, along with a willingness to extract lessons from crises, are aptly positioned for rapid recuperation. A dichotomy emerged, with firms of shorter operational history and limited crisis experience, such as Firms D and E (Realtor and Properties, Professional Service Providers), demonstrating a lack of resilience and strategic renewal plans.

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