

# Strategic Diversity and Organisational Resilience among Small and Medium-sized Enterprises in Lagos State

Akanbi Paul Ayobami<sup>1\*</sup> and Oiku Peter Omoyegbagbe<sup>1</sup>

<sup>1</sup>Department of Business Administration, Ajayi Crowther University, Oyo Town, Oyo State, Nigeria

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## ABSTRACT

*This study delves into the relationship between strategic diversity and organisational resilience among Small and Medium-sized Enterprises (SMEs) operating in Lagos State, Nigeria. SMEs are pivotal drivers of economic development, particularly in regions like Lagos State, where they contribute significantly to economic growth and employment opportunities. Resilience, the ability to weather disruptions and adapt swiftly, is paramount for SMEs facing a dynamic and often challenging business environment. Strategic diversity, encompassing various approaches and tactics, emerges as a crucial factor influencing resilience. Despite the importance of this relationship, there is a notable research gap regarding Lagos State SMEs. This study, based on a sample of 500 individuals from diverse SME sectors, employs a structured questionnaire to gather primary data. Findings reveal a robust and positive correlation between strategic diversity and organisational resilience, signifying the significance of strategic planning for SMEs. This aligns with previous research emphasising the role of long-term strategic diversity planning in achieving SME growth and success. The study underscores the importance of effective diversity management, including demographic, cultural, educational, functional, cognitive, experience, and innovation diversity. Overall, it provides valuable insights for policymakers, entrepreneurs, and stakeholders aiming to enhance SMEs resilience, thus driving economic growth and employment opportunities in Lagos State.*

**Keywords:** Organisational Resilience, Small and Medium-sized Enterprises (SMEs), Strategic Diversity

## 1. INTRODUCTION

Small and Medium-sized Enterprises (SMEs) are pivotal drivers of economic development on the global stage, extending their influence beyond economic indicators to encompass vital roles in job creation, poverty reduction, and the promotion of sustainable economic growth (Tandon et al., 2020; Morris et al., 2019). Whether in developed or developing economies, SMEs contribute significantly to economic progress and employment opportunities. In Lagos State, Nigeria, a hub for SME activities due to its economic prominence and population density, resilience and adaptability are critical attributes for SMEs aiming not only to survive but thrive in today's business environment. SMEs form a substantial majority of Nigeria's business environment, contributing significantly to the Gross Domestic Product (GDP), accounting for approximately 40–60% of the nation's GDP (Asgary et al., 2020). Lagos State, as Nigeria's economic and commercial nucleus, further underscores the indispensable role of SMEs in fuelling economic growth and employment. Resilience, defined as an enterprise's capacity to withstand shocks and recover swiftly from disruptions (Irvine & Anderson, 2016), is vital for SMEs in the face of uncertainties. Strategic diversity, encompassing a range of approaches and resources SMEs use to achieve their objectives, equips them with agility and resilience to confront adversity (Singh & Pavlovich, 2011).

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\*Corresponding Author: [pa.akanbi@acu.edu.ng](mailto:pa.akanbi@acu.edu.ng)

In Lagos State's complex economic and social environment, SMEs face unique challenges and opportunities. To thrive, tailored strategies that consider the state's rapid urbanisation, diverse market, and entrepreneurial spirit are essential (Muritala & Ajetunmobi, 2019). Understanding these dynamics is crucial for empowering SMEs. Despite extensive research on SMEs resilience, a notable research gap exists concerning the correlation between strategic diversity and organisational resilience, particularly in Lagos State. Prior studies (Lengnick-Hall et al., 2011; Bouaziz & Smaoui, 2018; Schlosser et al., 2023) have separately examined strategic diversity, strategic leadership, and organisational resilience. Given the challenges frequently faced by small and medium-scale business entrepreneurs who employ diverse business strategies to enhance resilience, this study seeks to investigate the impact of strategic diversity on the resilience of SMEs in Lagos State and provide valuable insights into these challenges. Insights from this research will benefit policymakers, entrepreneurs, and stakeholders, fostering SMEs resilience and prosperity, and driving economic growth and employment in Lagos State.

For the purpose of this study, a null hypothesis was formulated. H<sub>0</sub>: There is no significant relationship between strategic diversity and organisation resilience of SMEs in Lagos State.

## **1. LITERATURE REVIEW**

### **1.1 Strategic Diversity in Small and Medium-scale Enterprises (SMEs)**

Strategic diversity within SMEs encompasses a range of approaches, resources, and tactics employed to achieve goals, fostering adaptability to changing market dynamics and harnessing various expertise and resources (Singh & Pavlovich, 2017). A diverse strategic portfolio allows SMEs to remain agile in uncertain business environments (Kraaijenbrink et al., 2010). This diversity spans several dimensions: demographic diversity covers age, gender, ethnicity, and more; cultural diversity arises from various cultural backgrounds; educational and skill diversity encompasses different expertise and skills; functional diversity covers various job roles; cognitive diversity relates to differing thinking styles; experience diversity involves varying work backgrounds; and innovation diversity promotes creative thinking (Kearney & Voelpel, 2012). Effectively managing this diversity is crucial, requiring mechanisms for inclusion, conflict resolution, and a harmonious working environment to leverage the strengths of all contributors. Recognising and harnessing diversity is a cornerstone of SME success and sustainability in a competitive business environment.

Implementing strategic diversity in a business plan is vital for market exploration and gaining a substantial market share (Johnson et al., 2020). It allows businesses to focus on specific market niches, enhancing sales, advertising, and customer engagement efforts. This approach also helps businesses understand customer needs and identify market gaps. A strategic diversity plan enables companies to deliver precise services to clients in routine operations and during crises (Obrenovic et al., 2020). A strategic diversity business plan may involve diversification, such as expanding product lines or acquiring complementary businesses. It includes market analysis, industry trend scrutiny, and competitor assessment. The plan aligns specific approaches with organisational objectives, focusing on a target market and outlining strategies for customer attraction (Kearney & Voelpel, 2012).

Benefits of a strategic diversity business plan include serving as a roadmap for achieving milestones, enhancing understanding of the enterprise, guiding growth, and aligning with strategic goals. It empowers executives to grasp the company's trajectory and steer it toward growth and financial targets (Kearney & Voelpel, 2012).

## **1.2 Organisational Resilience in Small and Medium-scale Enterprises (SMEs)**

Organisational resilience in SMEs refers to the enterprise's ability to effectively respond to, recover from, and continue its operations in the face of disruptions and challenges (Irvine & Anderson, 2016). These disruptions can encompass a wide spectrum of events, including economic downturns, environmental disasters, technological shifts, supply chain interruptions, and regulatory changes. The concept of resilience, particularly in the SMEs context, is multifaceted and encompasses a range of strategies and capabilities aimed at fortifying an organisation's capacity to withstand and rebound from these shocks (Annarelli & Nonino, 2016).

In the context of SMEs in Lagos State, Nigeria, the significance of resilience cannot be overstated. These businesses often operate within a dynamic and sometimes turbulent business environment characterised by unpredictable market conditions, regulatory changes, and economic fluctuations. For SMEs, resilience is not merely about recovering from setbacks; it also involves the ability to adapt and even flourish in the aftermath of crises. In essence, resilience is about much more than just bouncing back; it's about evolving, learning, and improving in the face of adversity (Singh & Pavlovich, 2011).

Numerous studies have emphasised the pivotal role of resilience in SMEs' survival and prosperity in Lagos State. This is particularly evident in the wake of unpredictable market conditions and the increasing frequency of disruptive events. Therefore, it becomes essential to delve deeper into the factors that contribute to organisational resilience, with a particular focus on the role of strategic diversity. Strategic diversity, which encompasses the range of approaches, resources, and tactics that SMEs employ to achieve their goals, is expected to play a crucial role in enhancing resilience. By exploring how different strategic approaches within SMEs in Lagos State impact their capacity to respond to and recover from disruptions, we can uncover valuable insights that are paramount for the continued growth and sustainability of these enterprises.

In pursuit of resilience, organisations should focus on several key aspects:

- **Financial Resilience:** To effectively handle revenue fluctuations, increased expenses, or credit challenges, organisations must maintain a strong capital position and sufficient liquidity. Resilient companies prioritise both revenue growth and cost control, striking a balance to enhance value over time (Bravo & Hernández, 2021).
- **Operational Resilience:** Resilient organisations maintain robust production capabilities that can swiftly adapt to shifting demands and operational disruptions without compromising quality. They also reinforce supply chains and delivery systems to ensure uninterrupted product and service delivery even in the face of disruptions (Modgil et al., 2021).
- **Technological Resilience:** Resilient firms invest in adaptable and secure IT infrastructure to counter cyber threats and prevent technological breakdowns. They manage data effectively while adhering to privacy regulations and execute IT projects with quality, timeliness, and budget adherence (Karakhan et al., 2018). Strong business continuity and disaster recovery capabilities are also key.
- **Reputational Resilience:** Resilient institutions align their actions with their values and commitments, maintaining transparency and addressing societal expectations. A clear mission and purpose guide their behaviour, and they engage with stakeholders openly, adapting to changing societal norms and addressing criticisms constructively (Bravo & Hernández, 2021).
- **Business-Model Resilience:** Resilient organisations design adaptable business models that can respond to shifts in customer demand, competitive environments, technology, and regulations. They nurture innovation and embrace an entrepreneurial mindset, allowing them to tailor their business models to a dynamic and unpredictable environment, especially during crises (Karakhan et al., 2018).

### **1.3 The Relationship between Strategic Diversity and Organisational Resilience**

The interplay between strategic diversity and organisational resilience in the context of SMEs in Lagos State, Nigeria is a relatively uncharted territory within the existing body of literature. To delve deeper into this relationship, it's essential to break down and expatiate on the dynamics at play.

Strategic diversity refers to the spectrum of approaches, resources, and tactics that SMEs employ to achieve their objectives (Singh & Pavlovich, 2011). It's akin to having a toolkit with various tools for different situations. This diversity is not a one-size-fits-all strategy but rather a flexible and adaptive way of operating. It enables SMEs to navigate a rapidly changing business environment by having multiple options at their disposal (Gomber et al., 2017). For instance, if one market segment faces a downturn, a strategically diverse SME might shift its focus to another market or product line. This adaptability and resourcefulness are expected to enhance organisational resilience. Organisational resilience, in the SMEs context, denotes the capacity to weather storms, adapt to disruptions, and recover swiftly from setbacks. It's about more than just bouncing back; it's about bouncing forward, learning from adversity, and coming out stronger (Schlosser et al., 2023). In Lagos State, where SMEs often encounter volatile market conditions and regulatory changes, resilience becomes a make-or-break factor. It ensures the continuity of business operations and, ideally, growth, even when facing adversity.

The crucial juncture lies in understanding how strategic diversity contributes to this resilience. A diversified strategic portfolio offers SMEs the advantage of having multiple avenues for response when challenges arise (Aakhter et al., 2016). If a disruptive event occurs, such as a sudden shift in market demand or supply chain interruptions, SMEs with a diversified approach can swiftly pivot, minimise losses, and seize new opportunities. For instance, a textile SME in Lagos State might diversify its product range to include face masks during a health crisis, demonstrating adaptability and capitalising on emerging needs. However, the relationship between strategic diversity and organisational resilience is not straightforward. It's influenced by a multitude of contextual factors. For instance, the industry in which an SME operates plays a pivotal role. A tech start-up may require a different approach to strategic diversity compared to a manufacturing SME. The size of the SMEs matters too; larger enterprises might have more resources to allocate to diversification efforts. Moreover, the specific market conditions in Lagos State, which can be unique and dynamic, also shape this relationship (Bouaziz & Smaoui, 2018).

Furthermore, strategic diversity may not be without its trade-offs. While it enhances resilience, it could potentially increase operational complexity and cost (Baghersad & Zobel, 2022). Balancing the benefits and drawbacks is essential, and this balance might differ for each SME. In essence, the relationship between strategic diversity and organisational resilience in Lagos State's SME environment is a complex interplay of factors. Understanding this relationship and its nuances is crucial for SMEs striving to not only survive but thrive in a dynamic and often challenging business environment. This research aims to untangle these intricacies, shedding light on how SMEs in Lagos State can strategically harness diversity to bolster their resilience and navigate the unique business environment of this vibrant region.

Several empirical studies have investigated the concept of strategic diversity in the context of SMEs, offering valuable insights into its practical implications. For instance, a study by Karras et al. (2017) conducted among SMEs in Nigeria found that a diversified strategic approach, which included product diversification, market expansion, and the adoption of innovative technologies, was associated with improved financial performance and adaptability to market changes.

Nyamugabo's 2016 study delved into the causes of business project failures in Nigeria, with a focus on the impact of ineffective diversification planning strategies on project risks and value. It aimed to understand the various factors influencing the achievement of projected outcomes

outlined in the business case and identify key decision-making components to address the high rates of project failures. The research used a grounded theory approach to analyse collected data while considering aspects of validity, reliability, and triangulation. The study's findings emphasise the importance of strategic planning for project success, highlighting critical factors such as adherence to timelines, budget constraints, quality standards, scope of work, and risk assessment in alignment with the initial commitments outlined in the business case. As a recommendation, the study underscores the pivotal role of strategic diversity as a business advantage, serving as a crucial criterion for evaluating project success or failure.

Similarly, Okoli et al. (2018) explored the strategies employed by SMEs in Lagos State and observed that those with a diverse strategic portfolio were better equipped to respond to disruptions and exploit emerging opportunities. These findings corroborate the theoretical expectation that strategic diversity can enhance SMEs' ability to adapt to changing circumstances and thus contribute to their resilience. While empirical studies have independently explored strategic diversity and organisational resilience in the context of SMEs, there is a notable scarcity of research that directly examines the relationship between these two constructs within the specific business environment of Lagos State. This gap underscores the need for empirical investigations that unravel how strategic diversity contributes to enhancing the resilience of SMEs in this dynamic and often challenging setting.

## **2. 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 straightforward 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. The questionnaire featured Likert scale questions, addressing demographic characteristics, strategic diversity (independent variable), and organisational resilience (dependent variable). 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.

## **3. DATA ANALYSIS AND INTERPRETATION**

Data analysis and interpretation for demographic characteristics of respondents is presented in Table 1.

Descriptive statistics of gender showed that 70.1 percent were male, while 29.9 percent of the total respondents were female, and while male students are excluded in this study. This implies that male genders were sampled.

Descriptive statistics of age group showed that 6.8 percent of the total respondents were 18 - 25 years, 18.9 percent were between 26 - 35 Years old, 43.3 percent are 36 - 45 Years old, 31 percent are 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.

Analysis of ethnicity showed that 31.6 percent of the total respondents were Yorubas, 1 percent were Hausas, and 26.4 percent were Igbos, while the remaining 41 percent are other tribes. This implies that minority tribes participated more in the study.

**Table 1** Section A – Demographic Characteristics of Respondents

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Sex</b>			
Male	347	70.1%	70.1%
Female	108	29.9%	29.9%
Total	455	100.0%	
<b>Age group</b>			
18 - 25 years	31	6.8%	6.8%
26 – 35 Years	86	18.9%	25.7%
36 – 45 Years	197	43.3%	69.0%
45 & above	141	31.0%	100.0%
Total	455	100.0%	
<b>Ethnicity</b>			
Yoruba	144	31.6%	31.6%
Igbo	120	26.4%	58.0%
Others	187	41.0%	99.0%
Hausa	4	1.0%	100.0%
Total	455	100.0%	
<b>Religion</b>			
Christian	265	58.2%	58.2%
Muslim	188	41.3%	99.6%
None	2	4%	100.0%
Total	455	100.0%	
<b>Qualification</b>			
O Level	54	11.9%	11.9%
OND/HND	113	24.8%	36.7%
B.sc	127	27.9%	64.6%
Masters	132	29.0%	85.6%
PhD & above	29	6.4%	100.0%
Total	455	100.0%	
<b>Years of Entrepreneur Experience</b>			
1 - 5 years	62	13.6%	13.6%
6 - 10 years	128	28.1%	41.7%
11 - 15 years	136	29.9%	71.6%
16 - 20 years	102	22.4%	94.0%
21 years & above	5.9	6.4%	100.0%
Total	455	100.0%	

Descriptive statistics of religion showed that 58.2 percent identified as Christians, while 41.3 percent identified as Muslims, while the remaining 4 percent belonged to no religion class. This implies that most of the respondents are sampled.

Analysis of qualification indicated by the data, 11.9 percent of the respondents possessed O Level qualifications, 24.8 percent had OND/HND degrees, 27.8 percent held B.Sc. degrees, 29 percent had attained master's qualifications, and the remaining 6.4 percent were individuals with PhDs. This data reveals that a significant portion of the sampled respondents fell within these educational categories. Next, the interpretation for strategic diversity frequencies is indicated in Table 2.

**Table 2** Section B – Strategic Diversity

<b>Questions</b>	<b>Frequencies</b>	<b>Percent</b>
<b>Question 1: Owners of companies are in a favourable position no comprehend their businesses but also to develop expertise in the industries.</b>		
Strongly agree	111	24.4%
Agree	149	32.7. %
Undecided	77	16.9%
Disagree	61	13.4%
Strongly disagree	57	12.5%
Total	455	100.0%
<b>Question 2: I have always used strategic business plan that helps me understand the direction in which my company is heading to.</b>		
Strongly agree	132	29.0%
Agree	173	38.0%
Undecided	65	14.3%
Disagree	45	9.8%
Strongly disagree	41	9.0%
Total	455	100.0%
<b>Question 3: A strategic business plan will aid in maintaining a company's trajectory to achieve growth and financial goals before, during, and after disruptions.</b>		
Strongly agree	149	31.4%
Agree	152	33.4%
Undecided	31	6.8%
Disagree	64	14.1%
strongly disagree	59	13.0%
Total	455	100.0%
<b>Question 4: Strategic diversity in a business plan does aim to identify a target market.</b>		
Strongly agree	144	31.6%
Agree	159	34.9%
Undecided	51	11.2%
Disagree	58	12.7%
Strongly disagree	43	9.4%
Total	455	100.0%
<b>Question 5: In my business I have provided better, more targeted service to my clients before, during and after crises.</b>		
Strongly agree	172	37.2%
Agree	133	29.2%
Undecided	30	6.5%
Disagree	41	9.0%
Strongly disagree	79	17.4%
Total	455	100.0%

Question 1: Analysis of question 1 reveals that 24.4 percent of the total respondents strongly agree that company owners are well-positioned not only to comprehend their business but also to attain expertise in their respective industries. Furthermore, 34.9 percent agree, 14 percent are uncertain, 16.2 percent disagree, and 9.9 percent strongly disagree. This indicates that a significant majority of respondents agree that company owners possess a distinct advantage in understanding their business and becoming industry experts.

Question 2: Examination of question 2 highlights that 42.1 percent of the respondents strongly agree that they consistently employ a strategic business plan that aids their comprehension of their company's direction. Additionally, 22 percent agree, 12 percent are undecided, 8.4 percent

disagree, and 10.3 percent strongly disagree. This suggests that most respondents consistently utilise strategic business plans to grasp their company's trajectory.

Question 3: Findings from question 3 suggest that 34.2 percent of the total respondents strongly agree that strategic business plans serve as effective tools for guiding a company's growth and financial objectives, both prior to, during, and after disruptions. Moreover, 46.2 percent agree, 9.1 percent are uncertain, 7.5 percent disagree, and 3.1 percent strongly disagree. This implies that a considerable portion of respondents believe in the effectiveness of strategic business plans in maintaining a company's trajectory during disruptions.

Question 4: The results from question 4 indicate that 38.2 percent of the total respondents strongly agree that strategic diversity in a business plan endeavors to identify a target market. Furthermore, 35.6 percent agree, 9.7 percent are uncertain, 10.5 percent disagree, and 5.9 percent strongly disagree. This implies that a significant number of respondents recognise the role of strategic diversity in business plans for target market identification.

Question 5: Analysis of question 5 demonstrates that 29.5 percent of the total respondents strongly agree that in their business operations, they have consistently delivered enhanced and more tailored services to their clients prior to, during, and after crises. Additionally, 31.6 percent agree, 15.4 percent are uncertain, 10.8 percent disagree, and 12.7 percent strongly disagree. This indicates that a notable proportion of respondents prioritise providing improved, targeted services to clients throughout various stages, including times of crises.

The interpretation for organisational resilience is indicated in Table 3. As can be seen in Table 3, Question 1: Analysis of question 1 reveals that 23.7 percent of the total respondents strongly agree that strategic resilience profoundly influences their business performance during unfavourable periods. Additionally, 60 percent agree, 2.4 percent are uncertain, 6.6 percent disagree, and 7.3 percent strongly disagree. This indicates that a substantial majority of respondents acknowledge the timely impact of strategic resilience on their business performance in adverse situations.

Question 2: Examination of question 2 highlights that 34.5 percent of the total respondents strongly agree that their businesses heavily rely on strategic resilience to sustain operations during times of crises. Furthermore, 43.3 percent agree, 9.7 percent are uncertain, 6.6 percent disagree, and 5.9 percent strongly disagree. This suggests that most respondents recognise the crucial role of strategic resilience in enabling business continuity during crises.

Question 3: Findings from question 3 suggest that 45.3 percent of the respondents strongly agree that strategic resilience significantly distinguishes between companies that fare relatively well during crises and those that do not. Moreover, 36 percent agree, 7.3 percent are uncertain, 6.6 percent disagree, and 4.8 percent strongly disagree. This implies that a considerable portion of respondents believe in the differentiating effect of strategic resilience on companies' performance during crises.

Question 4: The results from question 4 indicate that 39.3 percent of the total respondents strongly agree that certain industries have witnessed substantial operational performance improvement due to the implementation of exponential resilience strategies. Furthermore, 39.8 percent agree, 4.8 percent are uncertain, 11 percent agree, and 5.1 percent strongly disagree. This suggests that for most respondents, strategic resilience has played a significant role in enhancing operational performance within specific industries.



**Table 3** Section C – Organisational Resilience

<b>Questions</b>	<b>Frequencies Percent</b>	
<b>Question 1: I can promptly identify emerging unfavourable factors.</b>		
	Frequency	Percent
Strongly agree	108	23.7%
Agree	273	60.0%
Undecided	11	2.4%
Disagree	30	6.6%
Strongly disagree	33	7.3%
Total	455	100.0%
<b>Question 2: I am able to clarify our strategic positioning.</b>		
Strongly agree	157	34.5%
Agree	197	43.3%
Undecided	44	9.7%
Disagree	30	6.6%
Strongly disagree	27	5.9%
Total	455	100.0%
<b>Question 3: My company can concentrate on its fundamental operations.</b>		
Strongly agree	206	45.3%
Agree	164	36.0%
Undecided	33	7.3%
Disagree	30	6.6%
strongly disagree	22	4.8%
Total	455	100.0%
<b>Question 4: My company can effectively align strategic goals with organisational capabilities.</b>		
Strongly agree	179	39.3%
Agree	181	39.8%
Undecided	22	4.8%
Disagree	50	11.0%
Strongly disagree	23	5.1%
Total	455	100.0%
<b>Question 5: I am able pursue a holistic strategic growth model.</b>		
Strongly agree	294	64.6%
Agree	83	18.2%
Undecided	18	4.0%
Disagree	19	4.2%
Strongly disagree	41	9.0%
Total	455	100.0%

Question 5: Analysis of question 5 demonstrates that 64.6 percent of the total respondents strongly agree that industries are observing the positive effects of the strategic growth model on their financial performance. Additionally, 4 percent agree, 4 percent are uncertain, 4.2 percent disagree, and 9 percent strongly disagree. This implies that a notable majority of respondents believe that the strategic growth model has contributed to enhanced business performance within industries.

### 3.1 Test of Hypothesis

The null hypothesis, which posits that there is no significant correlation between strategic diversity and organisational resilience of SMEs in Lagos State, was assessed using a Pearson correlation analysis. The findings of the Pearson Correlation analysis are presented in Table 4, illustrating the strength and direction of the linear relationship between the dependent variable (organisational resilience) and the independent variable (strategic diversity).

**Table 4** Correlation Analysis Between Strategic Diversity and Organisation Resilience of SMEs in Lagos State

Variables		Strategic diversity	Organisation resilience
<b>Strategic diversity</b>	Pearson Correlation	1	.718**
	Sig. (2-tailed)		.002
	N	455	455
<b>Organisation resilience</b>	Pearson Correlation	.718**	1
	Sig. (2-tailed)	.002	
	N	455	455

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

Mean

The analysis involved a survey of four hundred and fifty-five respondents. The data indicated the correlation coefficient value of 0.718\*\* indicates a highly robust and positive correlation between strategic diversity and organisational resilience.

The calculated p-value is 0.002, which is lower than the significance threshold of 0.05. This suggests a significant relationship between strategic diversity and organisational resilience among SMEs. Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted at a 5% level of significance. In conclusion, the analysis demonstrates a significant and positive relationship between strategic diversity and organisational resilience among SMEs in Lagos State.

#### 4. DISCUSSION

The null hypothesis, suggesting that no notable correlation exists between strategic diversity and organisational resilience of SMEs in Lagos State, was invalidated. The Pearson correlation analysis produced a coefficient value of 0.718\*\*, signifying a robust and positive connection between strategic diversity and organisational resilience of SMEs. The calculated p-value of 0.002 falls below the predetermined significance threshold of 0.05, indicating a substantial relationship between strategic diversity and organisational resilience. Consequently, the null hypothesis was rejected in favour of the alternative hypothesis at a 5% level of significance. Thus, it can be concluded that a significant and positive relationship exists between strategic diversity and organisational resilience of SMEs in Lagos State.

This finding concurs with the empirical investigation by Yemisi and Robert (2017), who embarked on a study to identify the importance of strategic diversity in business planning. According to Yemisi and Robert (2017), a strategic diversity business plan is oriented toward long-term growth objectives, diverging from near-term operational goals, and encompasses various types of business strategies. This kind of strategy provides companies with the tools to monitor their growth, create budgets, and get ready for unexpected shifts in the market. It also aids in refining public perception and fostering success in a globalised society by promoting diversity within the workforce. A diverse team contributes to better innovation and creativity, combining skill sets from diverse backgrounds.

In their work, Yemisi and Robert (2017) underline the imperative nature of long-term strategic diversity business planning to foster company growth and achieve success. Strategic business plans equip organisations with the means to oversee growth, establish budgets, and anticipate market shifts. These plans are geared towards attaining overarching growth objectives by incorporating diverse business strategies. To effectively optimise strategic business planning, companies need to clearly define their objectives and engage in comprehensive research to grasp

prevailing industry trends. Different strategic planning models can aid small businesses in setting long-term goals, involving in-depth analyses of the specific industry and an honest assessment of the company's strengths and weaknesses in addressing industry demands. Tactical plans complement strategic diversity business plans and play an indispensable role in realising strategic objectives.

Yemisi and Robert (2017) also outline the rationales behind strategic plans. A strategic diversity business plan proves indispensable for effective market research and achieving a substantial market share. By concentrating on a specific niche, improvements in sales, advertising, and customer management are realised. This kind of plan empowers companies to gain a comprehensive understanding of customer needs and identify gaps in the market that require attention. In times of crises and beyond, a strategic diversity business plan enables companies to deliver enhanced, precise services to their clients. Moreover, strategic objectives might centre around diversification, such as introducing new products to a company's portfolio. These objectives drive actions like acquiring businesses with distinct product lines or sourcing novel products. Integral elements of a strategic business plan include market research, industry trends, and competitor analyses. The plan furnishes specific details about how the company will pursue its objectives. For instance, a strategic diversity business plan strives to identify a target market, refine it, and establish a strategy for customer acquisition.

Yemisi and Robert (2017) further elucidated the benefits of strategic diversity, highlighting that a strategic plan functions as an organisational instrument to steer a company toward growth and financial aims. Developing a strategic business plan offers a multitude of advantages, including the delineation of effective achievement of company milestones. It empowers business owners not only to grasp the intricacies of their enterprise but also to establish themselves as authorities within their respective industries. Through the evaluation of past advancements and the implementation of enhancements, a strategic plan furnishes executives with a well-defined path for the company's progression and advancement.

## **5. CONCLUSION**

The literature review underscores resilience's critical role in Lagos State's dynamic SMEs environment, given unpredictable market conditions, regulatory changes, and economic fluctuations. This study explores the relationship between strategic diversity and organisational resilience, considering industry, SME size, and market conditions. Strategic diversity provides SMEs with tools to pivot, minimise losses, and seize opportunities, but it entails trade-offs and complexities requiring careful consideration.

In conclusion, this research validates a significant positive correlation between strategic diversity and organisational resilience in Lagos State's SMEs. This aligns with the work of Yemisi and Robert (2017), highlighting the importance of long-term strategic diversity planning for SMEs growth. Strategic diversity equips SMEs with flexibility to respond to market shifts, adapt to disruptions, and recover swiftly, as explained through various dimensions such as financial, operational, technological, organisational, reputational, and business-model resilience. Effective management of diversity is key, encompassing demographic, cultural, educational, functional, cognitive, experience, and innovation diversity.

Overall, this research sheds light on how Lagos State's SMEs can strategically leverage diversity for resilience and success in a competitive and ever-changing business environment, emphasising the importance of long-term strategic planning and effective diversity management.

## **6. LIMITATION OF THE STUDY**

The study has certain limitations worth noting. Firstly, its cross-sectional design restricts the ability to draw causal relationships between variables. Additionally, the reliance on structured

questionnaires may have limited the capture of qualitative insights. Furthermore, the study's exclusive focus on SMEs in Lagos State may limit the generalisability of its findings to other regions. Moreover, the multifaceted nature of defining and measuring strategic diversity introduces potential variations across studies. Lastly, while the study explored the overall relationship between strategic diversity and resilience, future research could investigate individual dimensions of resilience for a more detailed perspective. Researchers should bear these limitations in mind when interpreting the results, and future studies can delve deeper into these areas to offer a more comprehensive understanding of the relationship.

## 7. RECOMMENDATION FOR FURURE STUDIES

Future studies in this field should consider employing a mixed-methods approach, incorporating structured questionnaires, qualitative interviews, and case studies for a more comprehensive perspective on the impact of strategic diversity. It is advisable to extend research to diverse regions beyond Lagos State to evaluate the generalisability of findings and identify potential regional variations in the relationship between strategic diversity and resilience. Additionally, exploring individual dimensions of resilience, such as financial, operational, technological, organisational, reputational, and business-model resilience, will offer insights into their specific relationship with strategic diversity and their collective contribution to overall resilience.

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