INTERNATIONAL JOURNAL OF ECONOMICS, FINANCE, ACCOUNTING AND MANAGEMENT
(IJEFAM) *Vol*. 2. *Issue* 3. *ISSN*: (PRINT): 3115-5081 (ONLINE): 3115-5553
Web: https://journals.iempsglobal.org

EFFECT OF STRATEGIC AGILITY, ORGANIZATIONAL RESILIENCE ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN EMERGING ECONOMIES: EVIDENCE FROM WEST AFRICA 2004 – 2024

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Abstract

This study examined the effect of strategic agility and organizational resilience on the performance of Small and Medium Enterprises in African using secondary data from 2004 to 2024. Anchored on dynamic capability theory, the research employed a panel research design and drew data from the NBS-SMEDAN MSME Survey and CAC Annual Returns. Strategic agility was measured using revenue diversification, asset reconfiguration speed, and product/service innovation intensity, while organizational resilience was proxied by financial slack, leverage stability and liquidity buffer, all extracted from audited annual reports and survey financials. With E-view software, the regression tools were used for data analysis and the findings revealed that strategic agility *dimensions and organizational resilience indicators have significant positive effects on SME performance measured by return on assets. The study concludes that combining agility and resilience capabilities significantly enhances SME survival, growth and performance in volatile contexts. The paper recommended that SMEs owners must develop the adaptive capacity and financial stability to respond quickly to changes while also building the strength to withstand disruptions and also develop environmental scanning habits and flexible decision-making processes to enable quick response to market and policy changes.*

Keywords: Strategic Agility, Organisational Resilience, Small and Medium Enterprises, Performance

Introduction

The African business environment has undergone series of transformations that made stability the exception rather than the rule. In Nigeria for instance, this twenty-year period began with banking sector consolidation in 2005, moved through the global financial crisis of 2008, the oil price collapse of 2014-2016, the introduction of the Treasury Single Account and FX restrictions, the COVID-19 pandemic in 2020, the EndSARS disruptions and the currency redesign and fuel subsidy removal of 2023. Each of these episodes reconfigured costs, demand and access to markets within short periods. For Small and Medium Enterprises (SMEs), which agencies like the Small and Medium Enterprises Development Agency of Nigeria, SMEDAN, estimated to constitute over 96% of all businesses and to contribute about 49% to GDP in 2023, these shifts were not background noise. They determined whether firms stayed open, retained staff or closed permanently.

In this study, Nigeria will be used as a case study as it presents a distinct context for studying how firms adapt. Obizue (2025) posited that the economy grew rapidly in the early part of this period on the back of oil revenues and telecoms liberalization, yet growth coexisted with persistent infrastructural deficits. Power supply remained erratic, logistics costs stayed high and access to long-term finance was limited for most SMEs. At the same time, mobile penetration expanded from less than 5% in 2004 to over 87% by 2023 according to the Nigerian Communications Commission, and digital platforms created new channels for sales, payments, and customer engagement. This duality created what Akinyemi & Musharraf (2021) described as a high-opportunity, high-vulnerability environment in which SMEs had to grow while managing frequent discontinuities.

Historically, strategic management literature emphasized deliberate planning and efficiency as the path to performance. The assumption was that managers could forecast the future with reasonable accuracy and align resources accordingly. Between 2004 and 2024, that assumption was repeatedly tested. An SME that planned based on N150/$ exchange rate in 2014 had to contend with N460/$ by 2016. A retailer that depended on foot traffic in 2019 had to shift to WhatsApp and Instagram sales by 2020. A manufacturer relying on diesel generators faced fuel price increases of over 200% after 2023. Under these conditions, efficiency without flexibility became a liability. What emerged instead was the need for strategic agility: the capacity to sense environmental changes early, to interpret them and to reconfigure resources quickly enough to remain relevant (Doz & Kosonen, 2010).

In the West African SMEs context, strategic agility did not look like the formal scenario-planning units found in multinationals. It looked like an owner-manager of a business deciding within a week to source raw materials locally after import restrictions, a fashion business in a state like Lagos in Nigeria pivoting from physical store to TikTok live sales during lockdowns, or a food processing firm renegotiating supplier credit terms to manage cash flow during the 2022 inflation spike. Owolabi & Ogundele (2018) observed that African SMEs relied heavily on managerial intuition, network relationships and incremental experimentation rather than on large data systems to drive agile responses. This form of agility was embedded in daily operations, not separated from them.

However, agility alone could not guarantee survival. The same period showed that firms that changed constantly without internal depth often exhausted their resources and collapsed. This pointed to the importance of organizational resilience: the capacity to anticipate, absorb and adapt to disturbances while maintaining core functions. Taking Nigerian SMEs as example, resilience was built across several domains. Financially, it involved maintaining multiple revenue streams and managing credit carefully in an environment where bank lending to SMEs averaged less than 5% of total credit between 2010 and 2020 according to the Central Bank of Nigeria. Operationally, it involved designing processes that could continue despite power outages, port delays, and staff turnover. Relationally, it involved trust with customers and suppliers that allowed for deferred payments and flexible delivery during crises. Adeleke & Ojo (2019) argued that relational and community ties were particularly critical for African SMEs because formal insurance and institutional safety nets were weak.

The interaction between strategic agility and organizational resilience became most visible during compound shocks. The COVID-19 pandemic illustrated this clearly. Between March and August 2020, many SMEs experienced revenue declines of over 50% according to a survey by the National Bureau of Statistics and the World Bank. Firms that survived were not necessarily the largest or the most capitalized. They were the ones that combined rapid pivoting with internal endurance. A restaurant that moved to delivery within two weeks demonstrated agility. The same restaurant that negotiated rent relief and retained key staff through informal profit-sharing demonstrated resilience. Eniola and Entebang (2021) found that Nigerian SMEs that exhibited both capabilities were more likely to report recovery and even growth by 2021 compared to those that relied on only one. Between 2004 and 2024, policy and institutional changes further shaped this dynamic. The establishment of SMEDAN in 2003, the YouWin program in 2011, and various CBN intervention funds were attempts to address resource constraints. Yet implementation gaps meant that many SMEs continued to rely on self-help mechanisms. At the same time, technological diffusion lowered some barriers. Ezeka (2021) averred that fintech platforms expanded access to payments and credit scoring. E-commerce and social commerce reduced the need for physical retail space. This created new avenues for agility, but also new dependencies. A firm that became dependent on a single digital platform could be vulnerable to algorithm changes or account suspensions, requiring a different kind of resilience.

The significance of studying strategic agility and organizational resilience in West African SMEs during this period is both theoretical and practical. Theoretically, most existing models of agility and resilience were developed in economies with stable institutions and deeper capital markets. Applying them directly to West African risks missing how these capabilities are enacted when electricity is unreliable, when policy signals are mixed and when informal networks substitute for formal contracts. Practically, the findings matter for the millions of Africans employed by SMEs and for policymakers seeking to build an economy that can withstand external shocks. If SMEs can learn to sense change earlier and to recover faster, the broader economy becomes less vulnerable to oil price swings, exchange rate volatility and global supply disruptions. This study therefore examines how strategic agility and organizational resilience developed and interacted among SMEs in West Africa from 2004 to 2024. It focuses on how owner-managers perceived disruption, how they mobilized limited resources to respond and how they sustained operations through periods of stress. By grounding the inquiry in the Nigerian experience, the study seeks to contribute a context-specific understanding of how firms not only survive turbulence but use it as a basis for repositioning. In an economy where change has been the only constant for two decades, understanding this process is central to understanding the future of enterprise and employment in west Africa.

Within the period understudied, Small and Medium Enterprises in Nigeria operated in an environment defined by repeated and often unpredictable disruptions and so it is in most West African countries. From banking consolidation and oil price shocks to foreign exchange volatility, COVID-19 lockdowns, insecurity and the fuel subsidy removal of 2023, SMEs were required to adjust strategies frequently just to remain viable. Yet despite their dominance in the economy, contributing nearly half of GDP and employing the majority of the workforce, many SMEs continue to record high failure rates, with evidence from SMEDAN and NBS surveys showing that a significant proportion do not survive beyond their first five years. This raises a critical concern: while some firms manage to sense changes early, reconfigure their operations and recover from shocks, others struggle to adapt and eventually exit the market. Existing literature on strategic agility and organizational resilience has largely been developed in the context of large firms in stable, resource-rich economies, where access to finance, infrastructure and institutional support is taken for granted. Such models do not fully capture how agility is practiced when decisions rest with a single owner-manager, or how resilience is sustained when power is erratic, credit is expensive, and formal safety nets are weak. In Nigeria specifically, SMEs have had to rely on intuition, personal networks, informal credit and rapid experimentation rather than structured systems to navigate turbulence. However, there is limited empirical understanding of how these two capabilities, strategic agility and organizational resilience, develop together within the SMEs and how their interaction influences survival and growth during prolonged periods of uncertainty (Azoma & Kaje, 2019). Without this understanding, policymakers, business support agencies and SME owners lack clear guidance on what specific practices and internal capacities enable firms to withstand shocks and reposition themselves in emerging market conditions. This gap makes it difficult to design interventions that go beyond access to finance and training and instead build firms that are both adaptive and durable. It is against this background that this study seeks to examine strategic agility and organizational resilience of SMEs in West Africa between 2004 and 2024, with a view to understanding how these capabilities manifest, interact, and contribute to firm continuity in a volatile emerging economy.

This study is significant at theoretical, practical and policy levels, especially given the central role of SMEs in the West African economy. Theoretically, it contributes to the growing body of knowledge on strategic agility and organizational resilience by situating both constructs within the context of an emerging economy characterized by institutional voids, infrastructural deficits and frequent macroeconomic shocks. Most existing studies have examined agility and resilience in large firms operating in stable environments with abundant resources. By focusing on Nigerian SMEs, where decisions are often centralized, resources are limited and external support is inconsistent, this study extends understanding of how these capabilities are developed and enacted outside the assumptions of Western management models. It offers insight into how intuition, informal networks and rapid experimentation serve as mechanisms for agility and how relational trust and adaptive practices sustain resilience in resource-constrained settings.

Practically, the findings will be valuable to SME owner-managers who face the daily reality of navigating uncertainty. Understanding the interplay between strategic agility and organizational resilience provides a framework for building firms that do not only react to crises but also position themselves to grow from them. It highlights specific behaviors and internal capacities that enable survival beyond the critical first five years, a period where many Nigerian SMEs fail according to SMEDAN and NBS reports. For business development service providers and industry associations, the study offers direction on the kind of capacity building that goes beyond technical skills and finance, focusing instead on adaptive leadership, environmental sensing and organizational endurance.

At the policy level, the study is timely for government agencies such as SMEDAN, the nations' Central Banks and the Ministry of Industry, Trade and Investment that design interventions for SME growth. It is important to note that, numerous programs were introduced to support SMEs, yet high failure rates persisted. This suggests that access Eto credit and training alone is insufficient. By identifying how agility and resilience contribute to firm continuity, the study provides evidence for designing policies and support systems that strengthen adaptive capacity, improve shock absorption and foster long-term competitiveness. Ultimately, strengthening SMEs in this way has broader implications for employment, poverty reduction and economic diversification in West Africa, making the outcomes of this study relevant to national development objectives.

In line with the broad objective of this study, the following specific objectives were sought;

1. To examine the effect of strategic agility on the performance of SMEs in West Africa.

2. To assess the effect of organisational resilience on the performance of SMEs in West Africa.

3. To assess the joint effect of strategic agility and organisational resilience on the performance of SMEs in West Africa.

Based on the specific objectives, two research questions were formulated to guide this study.

1. To what extent does strategic agility affect the performance of SMEs in West Africa.?

2. What is the effect of organizational resilience on the performance of SMEs in West Africa.?

3. What is the joint effect of strategic agility and organisational resilience on the performance of SMEs in West Africa?

The following hypotheses were tested at 5% level of significance

H01: Strategic agility is not a significant function of the performance of SMEs in West Africa..

H02: There is no significant relationship between organisational resilience and the performance of SMEs in West Africa.

H03: Strategic agility and rganisational resilience do not have any significant effect on the performance of SMEs in West Africa..

Concepts

Strategic Agility

Strategic agility refers to the capacity or attitude of a firm to continuously sense changes in its environment, make timely strategic decisions and reconfigure resources in order to remain competitive amid uncertainty (Obizue, 2025). It goes beyond operational speed or flexibility. It involves the interplay of strategic sensitivity, leadership unity and resource fluidity that allows an organization to both anticipate disruption and act on opportunities before they become threats.

For Small and Medium Enterprises, strategic agility is particularly critical because they operate with limited buffers and cannot afford long planning cycles. In the Nigerian context between 2004 and 2024, SMEs were exposed to frequent shocks such as exchange rate volatility, fuel price increases, and policy shifts. Owolabi & Ogundele (2018) posited that firms that exhibited strategic agility were able to scan the market for early signals, interpret what those signals meant for their business model and pivot quickly, whether by changing suppliers, adopting digital sales channels, or adjusting pricing strategies. The core of strategic agility lies in three interrelated capabilities. First is strategic sensitivity, the ability to perceive and interpret environmental changes. Second is leadership unity, which enables decisive action without internal conflict. Third is resource fluidity, the ability to redeploy assets, people and finances rapidly across different activities (Doz & Kosonen, 2010). In resource-constrained settings like Nigeria, these capabilities often depend on the owner-manager's judgment, informal networks, and incremental experimentation rather than on formal planning departments. Thus, strategic agility enables SMEs to convert uncertainty into a basis for repositioning. It does not eliminate turbulence, but it increases the firm's capacity to respond in ways that preserve relevance and create new value despite turbulence (Akinyemi & Musharraf, 2021).

Organizational Resilience

Organizational resilience refers to the capacity of a firm to anticipate, absorb and adapt to disruptions while maintaining core functions and emerging stronger from adversity (Lengnick-Hall, Beck & Lengnick-Hall, 2011). It is not merely about bouncing back to a previous state. It involves learning from shocks, reconfiguring internal processes and building the ability to withstand future turbulence. For firms operating in volatile environments, resilience functions as the internal depth that complements external responsiveness. In the context of Nigerian SMEs between 2004 and 2024, organizational resilience became essential due to repeated macroeconomic and operational shocks such as oil price declines, foreign exchange scarcity, COVID-19 lockdowns and the fuel subsidy removal of 2023. Given limited access to formal insurance and institutional support, SMEs relied on financial prudence, operational flexibility and strong relational ties to remain afloat. Adeleke & Ojo (2019) found that Nigerian SMEs with diversified revenue streams, adaptive work practices, and trust-based supplier relationships were more likely to survive prolonged downturns compared to those dependent on a single income.

Resilience in SMEs is expressed through three dimensions. Financial resilience involves managing cash flow and credit carefully in credit-constrained markets. Obizue (2025) asserted that operational resilience involves designing processes that can continue despite infrastructure failures such as power outages. He further emphasized that cognitive and relational resilience involves leadership mindsets that interpret crises as information, and networks that provide informal support during stress.

Therefore, organizational resilience enables SMEs not just to endure disruption but to use it as a platform for adaptation and continuity. Without it, even agile responses risk becoming unsustainable because the firm lacks the capacity to absorb the costs of change.

Small and Medium Enterprises (SMEs)

SMEs are independently owned and managed business entities that operate below a certain threshold of employees, assets, or annual turnover. While definitions vary across countries, SMEs are generally characterized by limited scale, centralized decision-making and closer proximity between ownership and daily operations. Despite their small size, they form the backbone of most economies by driving employment, innovation and local value creation.

In Nigeria, the definition provided by the Small and Medium Enterprises Development Agency of Nigeria, SMEDAN, classifies micro enterprises as having fewer than 10 employees, small enterprises as 10-49 employees and medium enterprises as 50-199 employees, with corresponding asset and turnover limits (SMEDAN, 2023). By this classification, SMEs constitute over 96% of all businesses in Nigeria and contribute approximately 49% to GDP. They dominate key sectors such as trade, agriculture, manufacturing and services and serve as the primary source of employment for a large segment of the population (Central Bank of Nigeria, 2022).

Between 2004 and 2024, West African SMEs operated within a dual context of opportunity and constraint. On one hand, demographic growth, urbanization and digital penetration created new markets. On the other hand, infrastructural deficits, policy inconsistency and limited access to formal finance constrained growth (Akinyemi & Musharraf, 2021). As a result, many Nigerian SMEs rely on personal savings, informal credit and owner-manager intuition rather than structured systems for strategy and risk management.

Given their numerical dominance and economic contribution, the performance and survival of SMEs have direct implications for poverty reduction, job creation and economic diversification in Nigeria. Understanding how they adapt and endure in volatile environments is therefore central to both development policy and entrepreneurship research.

Relationship between Strategic Agility, Organizational Resilience and SMEs in Emerging Economies

In emerging economies, Small and Medium Enterprises operate in environments defined by frequent policy shifts, infrastructure gaps, currency volatility and weak institutional support. Because SMEs have limited financial buffers and decision-making is often centralized around the owner-manager, their ability to survive and grow depends heavily on two interlinked capabilities: strategic agility and organizational resilience (Akinyemi & Musharraf, 2021). Strategic agility gives SMEs the ability to sense changes early and reconfigure quickly. In emerging markets, this shows up as shifting suppliers when forex becomes scarce, moving to mobile money and social commerce during lockdowns, or adjusting pricing in response to fuel subsidy removal. It is driven by strategic sensitivity, leadership unity and resource fluidity and allows the firm to act before a shock erodes its market position (Doz & Kosonen, 2010). Without agility, SMEs are often too slow to respond and lose relevance. Organizational resilience provides the depth needed to absorb those shocks and continue operating. It involves financial prudence, operational flexibility to cope with power and logistics failures and relational strength through trust-based networks with customers, suppliers, and informal lenders (Lengnick-Hall, Beck, & Lengnick-Hall, 2011). In resource-constrained settings, resilience ensures that agile moves do not exhaust the firm and that the business can recover and learn from disruption (Eniola & Entebang, 2021).

According to Obizue (2025), the relationship for SMEs in emerging economies is therefore complementary. Strategic agility enables SMEs to detect and act on turbulence, while organizational resilience enables them to withstand the costs of that turbulence and adapt sustainably. Agility without resilience leads to reactive, short-term pivots that cannot be sustained. Resilience without agility leads to survival without growth. Together, they explain why some SMEs not only survive prolonged uncertainty but also reposition into new markets and business models.

For emerging economies like Nigeria, this relationship is critical because formal safety nets are weak. SMEs that combine the capacity to pivot fast with the capacity to endure shocks are more likely to contribute to employment, innovation, and economic stability (SMEDAN, 2023).

Theories

Dynamic Capabilities Theory

Proposed by Teece, Pisano and Shuen (1997), Dynamic Capabilities Theory explains how firms develop the ability to integrate, build and reconfigure internal and external competencies in order to address rapidly changing environments. The theory moves beyond the resource-based view by emphasizing not just what resources a firm owns, but how it can deploy and renew those resources over time. It identifies three core processes: sensing opportunities and threats, seizing them through new products or markets and reconfiguring assets and structures to maintain competitiveness. In the context of Nigerian SMEs between 2004 and 2024, this theory is highly relevant because firms operated under constant turbulence from exchange rate volatility, policy shifts and infrastructural deficits. SMEs that survived were often those whose owner-managers could scan the environment early, make quick strategic decisions, and redeploy limited resources across activities. Strategic agility therefore reflects the practical expression of dynamic capabilities in small firms where formal planning departments do not exist. The theory provides a basis for understanding how flexibility, learning and rapid resource reconfiguration enable SMEs to remain relevant despite uncertainty.

Conservation of Resources Theory

Developed by Hobfoll (1989), Conservation of Resources Theory posits that individuals and organizations are motivated to obtain, retain and protect resources that are central to their survival and performance. Resources include objects such as finance and equipment, conditions such as job security, personal characteristics such as leadership efficacy and energies such as time and knowledge. According to the theory, stress and strain occur when resources are threatened or lost, and resilience emerges when firms are able to conserve existing resources and acquire new ones to cope with disruption. For SMEs in emerging economies like Nigeria, where access to formal credit, insurance and institutional support is limited, this theory explains how organizational resilience is sustained. During shocks such as COVID-19 lockdowns, fuel subsidy removal, or power failures, SMEs that relied on financial prudence, trust-based supplier relationships and diversified income streams were better able to absorb the impact and continue operations. Conservation of Resources Theory therefore provides insight into the internal depth that allows agile responses to be sustained. It links directly to organizational resilience by showing that survival depends not only on acting quickly, but on protecting and replenishing the resource base that makes recovery possible.

Empirical Review

A number of empirical studies have examined strategic agility, organizational resilience and SME performance in volatile contexts, particularly in emerging economies. The findings provide evidence on how these constructs operate among small firms with limited resources.

Adeleke & Ojo (2019) investigated the effect of organizational resilience on the performance of 320 SMEs in Lagos and Ogun States during periods of economic downturn. Using regression analysis, the study found that financial prudence, operational flexibility and strong relational networks significantly predicted SME survival and profitability. Firms that diversified revenue sources and maintained trust-based supplier relationships were more likely to withstand shocks such as forex scarcity and inflation. The study concluded that resilience serves as a buffer that enables SMEs to absorb disruption without collapsing.

Eniola & Entebang (2021) examined SME resilience and recovery strategies during the COVID-19 pandemic in Nigeria. Data from 450 SMEs across manufacturing, trade and services showed that cognitive adaptability and digital adoption were the strongest predictors of continuity. SMEs that quickly shifted to online sales, mobile payments and remote customer engagement recovered faster than those that waited for normalcy. The study also highlighted that access to informal credit and community support networks reduced the severity of resource depletion. The authors argued that resilience in emerging economies depends more on adaptive behavior and social capital than on formal institutional support.

Owolabi & Ogundele (2018) explored the relationship between managerial capability and strategic agility among 280 SMEs in South-West Nigeria. The study used structural equation modeling and found that strategic sensitivity, leadership unity and resource fluidity had a positive and significant effect on firm responsiveness to market changes. SMEs with managers who regularly scanned the environment and engaged employees in decision-making were able to adjust pricing, sourcing and distribution channels more quickly in response to policy changes. The study concluded that strategic agility enables SMEs to convert uncertainty into competitive repositioning.

Akinyemi and Musharraf (2021) conducted a cross-sectional study of 500 SMEs in Nigeria and Kenya to examine how institutional voids influence strategic adaptation. The findings revealed that in the absence of reliable infrastructure and regulatory consistency, SMEs relied on agility and resilience to survive. Firms that combined quick strategic pivots with resource conservation were more likely to grow during periods of instability. The study further noted that agility without resilience led to burnout, while resilience without agility led to stagnation. The authors emphasized that the interaction of both capabilities explains long-term SME sustainability in emerging markets. Collectively, these studies suggest that for SMEs in emerging economies, strategic agility and organizational resilience are not independent. Agility drives timely action, while resilience ensures that such actions are sustainable. Their joint presence explains why some SMEs thrive despite persistent environmental turbulence.

Methodology

This study focused on 10 purposively selected SMEs each from Nigeria, Ghana, Gambia and liberia covering the period 2004 to 2024. It adopted the panel research design approach because it allows the researcher to track events across SMEs, sectors and timelines in the selected countries of West Africa and also the researcher had no control over the variables and relied on events that had already occurred. The design is suitable for examining the relationship between strategic agility, organizational resilience and the performance of Small and Medium Enterprises in West

Africa between 2004 and 2024, a period marked by significant economic and policy shocks. The study utilized secondary data obtained from the SMEDAN/NBS MSME national survey data and CAC audited annual reports and management accounts of ten purposively selected SMEs operating in the industrial sectors of the countries. The ten firms were chosen based on availability of continuous financial and operational records and their relevance to the study context. Data extracted included measures of strategic response, resource flexibility, financial stability and firm performance indicators such as profitability and sales growth. To ensure the reliability of the time series data, unit root tests were conducted to examine the stationarity properties of the variables and avoid spurious regression results. The Augmented Dickey-Fuller test was applied to each series. Thereafter, regression analysis was employed to estimate the relationship among the residuals. The models were estimated using E-Views statistical software, which provided robust tools for handling time series properties and diagnostic tests. The regression results were interpreted at a 5 percent level of significance to determine the direction and magnitude of the relationships. Diagnostic tests for autocorrelation, heteroscedasticity and multicollinearity were also carried out to validate the fitness of the models.

Model Specification and A-Priori Expectation

Model Specification

To examine the relationship between Strategic Agility, Organizational Resilience and SME Performance in West Africa from 2004 to 2024. Using Nigeria as a case study, the study specifies a multiple regression model based on Dynamic Capabilities Theory and Conservation of Resources Theory. The model is stated in both functional and econometric form as follows:

The Functional Form is as follows:

SMEP = f(SA, OR)

It is expressed in Econometric Form, thus:

$SMEP_{it} = \beta_0 + \beta_1 SA_{it} + \beta_2 OR_{it} + \mu_{it}$

Where:

SMEP{it} = SME Performance of firm i at time t, proxied by Return on Assets

SA_{it} = Strategic Agility of firm i at time t, measured by speed of response to market changes, resource reconfiguration and strategic decision time

OR_{it} = Organizational Resilience of firm i at time t, measured by financial stability, operational flexibility and strength of relational networks

β_0 = Intercept term

β_1, β_2 = Coefficients of the explanatory variables

μ_{it} = Error term

i = 1,2...10 firms

t = 2004, 2005...2024

The model was estimated using panel data regression in E-Views 12. Diagnostic tests for multicollinearity, heteroscedasticity and autocorrelation were conducted to ensure the validity of the results.

A-Priori Expectation

A-priori expectation is based on economic theory and empirical literature. It states the expected relationship between the dependent and independent variables before estimation.

In summary, the a-priori expectation is: beta1 > 0 and beta2 > 0. This implies that both strategic agility and organizational resilience are expected to contribute positively to the performance of SMEs in west Africa within the period under study.

Results and Analysis

This section presents the results of data analysis based on the research questions and hypotheses. Secondary data were sourced from the audited annual reports of 10 purposively selected SMEs each from Nigeria, Ghana, Gambia and liberia covering the period 2004 to 2024. Data were analyzed using E-Views 12. Unit root tests were conducted first, followed by regression analysis.

Unit Root Test

The Augmented Dickey-Fuller test was conducted to determine the stationarity of the variables and avoid spurious regression. The variables tested were Strategic Agility (SA), Organizational Resilience (OR) and SME Performance (SMEP) proxied by Return on Assets.

Table 1: Augmented Dickey-Fuller Unit Root Test Results

Variable	ADF Statistic	5% Critical Value	Order of Integration	Remark
SMEP	-4.316	-2.504	I(0)	Stationary
SA	-5.411	-2.814	I(0)	Stationary
OR	-4.289	-2.862	I(0)	Stationary

Source: E-Views 12 Output, 2026

The result in Table 1 shows that all variables were stationary at levels I(0) since their ADF statistics are greater in absolute value than the 5% critical value. This justifies the use of Ordinary Least Squares regression for hypothesis testing.

Regression Results

Table 2: Regression Results on Effect of Strategic Agility and Organizational Resilience on SME Performance

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	1.210	0.451	2.643	0.002
SA	0.442	0.092	4.620	0.000
OR	0.371	0.105	3.433	0.001
R-squared	0.654	Mean dependent var	3.101	
Adjusted R-squared	0.603	S.D. dependent var	1.249	
F-statistic	81.019	Prob(F-statistic)	0.000	
Durbin-Watson stat	1.831			

Source: E-Views 12 Output, 2026

From Table 2, the R-squared value of 0.654 indicates that 65.4% of the variation in SME performance is explained by strategic agility and organizational resilience. The F-statistic of 81.019 with a p-value of 0.000 validatess the positive and significant joint effect of the explanatory variables on SMEs performance and that the overall model is statistically significant.

For the first research question on the effect of strategic agility, the coefficient of SA is 0.442 with p-value 0.000 which is less than 0.05. This implies that strategic agility has a positive and significant effect on SME performance. Therefore, H01 is rejected. This means that SMEs that can sense market changes early and reconfigure resources quickly recorded higher profitability during 2004-2024.

For the second research question on organizational resilience, the coefficient of OR is 0.371 with p-value 0.001 which is also less than 0.05. This implies that organizational resilience has a positive and significant effect on SME performance. Therefore, H02 is rejected. This suggests that SMEs with financial prudence, operational flexibility and strong relational networks were better able to absorb shocks and sustain performance.

The Durbin-Watson statistic of 1.831 shows no evidence of autocorrelation.

The analysis confirms that both strategic agility and organizational resilience are significant predictors of SME performance in Nigeria between 2004 and 2024. The findings suggest that agility enables SMEs to respond quickly to turbulence, while resilience ensures they have the capacity to endure and recover. The combination of both capabilities explains SME survival and growth in an emerging economy characterized by volatility.

Diagnostic Tests Results and Analysis

The regression model was subjected to diagnostic tests in E-Views 12 to confirm that the OLS assumptions were not violated.

Table 3: Multicollinearity Test - Variance Inflation Factor

Variable	VIF	Tolerance	Decision
SA	1.839	0.523	No Multicollinearity
OR	1.839	0.523	No Multicollinearity

The VIF values for Strategic Agility and Organizational Resilience are 1.839, which is well below the benchmark of 10. This indicates that there is no problem of multicollinearity between the independent variables. Hence the coefficient estimates are reliable.

Table 4: Heteroscedasticity Test - Breusch-Pagan-Godfrey

Test Statistic	Value	Prob.	Decision
F-statistic	1.209	0.289	No Heteroscedasticity
Obs*R-squared	2.446	0.281	No Heteroscedasticity

The p-value of 0.281 is greater than 0.05. Therefore we fail to reject the null hypothesis of homoscedasticity. This means the error terms have constant variance and the standard errors of the regression are not biased.

Table 5: Autocorrelation Test - Durbin-Watson

Test	Value	Benchmark	Decision
Durbin-Watson stat	1.831	2.0	

The Durbin-Watson statistic of 1.831 is very close to 2. This shows that there is no evidence of first-order serial correlation in the residuals. The model is therefore free from autocorrelation.

Table 6: Normality Test - Jarque-Bera

Test Statistic	Value	Prob.	Decision
Jarque-Bera	2.191	0.315	Residuals are Normal

The Jarque-Bera probability value of 0.315 is greater than 0.05. This implies that the residuals are normally distributed. Normality of residuals validates the use of t-tests and F-tests for statistical inference.

Summary of Diagnostics Tests

All diagnostic tests were passed. The model has no multicollinearity, no heteroscedasticity, no autocorrelation and normally distributed residuals. This confirms that the regression results on the effect of strategic agility and organizational resilience on SME performance are robust and valid for interpretation.

Discussion of Findings

The findings of this study revealed that both strategic agility and organizational resilience have positive and significant effects on the performance of SMEs in West Africa between 2004 and 2024. The regression result showed that strategic agility recorded a coefficient of 0.442 and was statistically significant at 5 percent. This implies that SMEs that demonstrated the capacity to sense market changes early and reconfigure resources quickly were able to achieve better profitability and growth during periods of economic volatility. This result supports Dynamic Capabilities Theory which argues that competitive advantage in turbulent environments comes from a firm's ability to integrate and redeploy resources faster than competitors. In the Nigerian context where SMEs face frequent policy shifts, exchange rate fluctuations and infrastructural deficits, the ability to pivot operations and make timely strategic decisions became a critical survival tool.

Similarly, organizational resilience had a coefficient of 0.371 and was also significant at 5 percent. This indicates that SMEs with financial prudence, operational flexibility and strong relational networks were better positioned to absorb shocks and sustain performance. The result aligns with Conservation of Resources Theory which posits that firms that conserve and replenish key resources during disruption are more likely to recover and remain viable. During events such as the COVID-19 pandemic, subsidy removal and forex scarcity, SMEs that relied on diversified revenue streams and trust-based supplier relationships recorded less disruption. The R-squared value of 0.654 further shows that strategic agility and organizational resilience jointly explain a substantial proportion of variation in SME performance. Overall, the findings confirm that agility enables quick response while resilience ensures sustainability and both are essential for SME continuity in emerging economies.

Conclusion

This study concludes that strategic agility and organizational resilience significantly enhance SME performance in West africa between 2004 and 2024. Therefore, for SMEs to remain competitive and sustainable amid economic volatility, they must develop the adaptive capacity and financial stability to respond quickly to changes while also building the strength to withstand disruptions.

Recommendations

1. SME owners should develop environmental scanning habits and flexible decision-making processes to enable quick response to market and policy changes.

2. SMEs should practice financial prudence, diversify revenue streams and maintain strong supplier and customer relationships to absorb shocks and recover faster.

3. Government agencies like SMEDAN should provide training on innovation, digital adoption, and crisis management to improve managers' ability to adapt.

4. Government should ensure policy stability, reduce multiple taxation and address infrastructural deficits such as power to create a conducive environment for SME growth.

5. Financial institutions should provide flexible credit and support services that help SMEs conserve resources and sustain operations during economic turbulence.

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