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# Strategic management practices and entrepreneurial resilience in Nigeria's volatile economic environment

# Strategiczne praktyki zarządzania a odporność przedsiębiorczości w niestabilnym otoczeniu gospodarczym Nigerii

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**Abstract:**
*Research objectives and hypothesis/research questions*
The main objective of this study is to examine the relationship between strategic management, entrepreneurial innovation, and business resilience in Nigeria.
The specific objectives are to:
1. Analyze the role does entrepreneurial innovation play in enhancing business resilience in Nigeria.
2. Evaluate the institutional and environmental factors constrain the effectiveness of strategic management and innovation.
3. Identify how firms can improve their strategic responses to economic uncertainty.
4. Propose strategic frameworks for enhancing resilience in a volatile economic environment.

*Research methods*
Adopting a quantitative cross-sectional survey design, empirical data were gathered from a diverse cohort of SMEs in Lagos State. The research utilized robust regression analysis to evaluate the individual and collective effects of strategic management frameworks and innovative capacities on multifaceted firm resilience.

*Main results*
Findings reveal that strategic management practices significantly influence resilience. However, entrepreneurial innovation is the most potent predictor of adaptability and survival. Institutional constraints were found to negatively moderate these relationships, limiting the effectiveness of both strategy and innovation.
*Implications for theory and practice*
Theoretically, the study contributes to strategic management literature by highlighting the moderating role of institutional factors in emerging markets. Practically, it recommends that firms transition from rigid planning to flexible, innovation-oriented strategies and calls for urgent policy reforms to improve the Nigerian business environment.

**Keywords:**
economic environment, entrepreneurial resilience, resource-based view, SMEs, strategic management

**Abstrakt:**
*Cel badań i hipotezy/pytania badawcze*
Głównym celem badania jest zweryfikowanie związku między zarządzaniem strategicznym, innowacjami przedsiębiorczymi a odpornością biznesu w Nigerii.
Cele szczegółowe:
1. Przeanalizować rolę, jaką innowacje przedsiębiorcze odgrywają we wzmacnianiu odporności biznesu w Nigerii.
2. Ocenić czynniki instytucjonalne i środowiskowe ograniczające skuteczność zarządzania strategicznego i innowacji.
3. Zidentyfikować, jak firmy mogą usprawnić swoje strategiczne reakcje na niepewność gospodarczą.
4. Zaproponować strategiczne ramy wzmacniające odporność w niestabilnym środowisku gospodarczym.

*Metody badawcze*
Przyjmując projekt ilościowego badania przekrojowego, dane empiryczne zostały zebrane od zróżnicowanej grupy MŚP w stanie Lagos. Badania wykorzystały analizę regresji do oceny indywidualnych i zbiorowych efektów ram zarządzania strategicznego oraz innowacyjnych zdolności na wieloaspektową odporność firm.
*Główne wyniki*
Wyniki pokazują, że praktyki zarządzania strategicznego znacząco wpływają na odporność. Jednak innowacje przedsiębiorcze są najpotężniejszym wskaźnikiem adaptacji i przetrwania. Instytucjonalne ograniczenia negatywnie moderowały te zależności, ograniczając skuteczność zarówno strategii, jak i innowacji.
*Implikacje dla teorii i praktyki*
Teoretycznie badanie przyczynia się do rozwoju literatury dotyczącej zarządzania strategicznego, podkreślając rolę czynników instytucjonalnych na rynkach wschodzących. W praktyce zaleca się przedsiębiorstwom przejście od sztywnego planowania do elastycznych, nastawionych na innowacje strategii oraz wzywa się do pilnych reform politycznych mających na celu poprawę środowiska biznesowego w Nigerii.

**Słowa kluczowe:**
otoczenie gospodarcze, odporność przedsiębiorczości, podejście oparte na zasobach, MŚP, zarządzanie strategiczne

# Introduction

## Background to the study

The contemporary business environment is increasingly characterized by volatility, uncertainty, complexity, and ambiguity (VUCA), particularly in developing economies such as Nigeria (Yusuf, 2025). Firms operating within such environments are constantly exposed to macroeconomic instability, fluctuating exchange rates, inflationary pressures, and inconsistent policy frameworks. In Nigeria, these challenges have intensified in recent years due to structural economic weaknesses, heavy dependence on oil revenues, and external shocks affecting global markets (World Bank, 2023).

Strategic management has emerged as a critical tool for organizations seeking to navigate these uncertainties and achieve sustainable performance. It involves the formulation and implementation of major goals and initiatives based on the consideration of internal resources and external environments (David, David, David, 2020). Effective strategic management enables firms to anticipate environmental changes, allocate resources efficiently, and maintain competitive advantage over time (Porter, 2008).

Parallel to this is the growing importance of entrepreneurship as a driver of economic growth and development. Entrepreneurial activities contribute significantly to job creation, innovation, and poverty reduction, particularly in emerging economies (Acs, Szerb, Autio, 2017). In Nigeria, small and medium-sized enterprises (SMEs) account for a substantial share of employment and economic activities, yet they face high mortality rates due to structural and institutional challenges (SMEDAN, 2022).

A critical concept linking strategic management and entrepreneurship is resilience. Business resilience refers to the capacity of firms to anticipate, prepare for, respond to, and recover from disruptions while maintaining core operations (Duchek, 2020). In turbulent environments like Nigeria, resilience is not merely a desirable trait but a necessity for survival. Firms must develop adaptive capabilities, embrace innovation, and continuously reconfigure their strategies to cope with changing economic realities (Teece, 2018).

Entrepreneurial innovation plays a central role in enhancing resilience. Innovation, whether in products, processes, or business models enables firms to respond creatively to constraints and exploit emerging opportunities (Schumpeter, 1934). In Nigeria, the rise of fintech, digital entrepreneurship, and informal sector innovations illustrates how entrepreneurs are adapting to systemic challenges through creative problem-solving (Afolayan, Ogunleye, 2021).

However, the effectiveness of strategic management and innovation in fostering resilience is often constrained by institutional factors. Weak regulatory frameworks, inadequate infrastructure, limited access to finance, and policy inconsistencies continue to hinder business performance (North, 1990; World Bank, 2023). These institutional challenges create an environment where even well-formulated strategies may fail at the implementation stage.

Given this context, there is a need to critically examine how firms in Nigeria utilize strategic management practices and entrepreneurial innovation to build resilience in the face of economic uncertainty and institutional constraints. This study seeks to contribute to this discourse by exploring the interplay between strategy, innovation, and resilience within the Nigerian business environment.

### Statement of the problem

Despite the proliferation of entrepreneurial activities and increased awareness of strategic management practices in Nigeria, business failure rates remain significantly high. Many SMEs and startups struggle to survive beyond their early years, often due to poor strategic planning, inadequate resource management, and inability to adapt to environmental changes (SMEDAN, 2022).

One major issue is the disconnect between strategy formulation and implementation. While firms may develop strategic plans, the execution of these plans is often undermined by internal inefficiencies and external constraints, such as policy instability, infrastructural deficits, and financial limitations (Mintzberg, 1994). This gap raises concerns about the practical effectiveness of strategic management in the Nigerian context.

Additionally, although innovation is widely recognized as a key driver of competitiveness and resilience, many firms lack the capacity to innovate effectively. Constraints such as limited access to technology, low human capital development, and inadequate funding restrict the ability of entrepreneurs to implement innovative solutions (Acs, Szerb, Autio, 2017).

Furthermore, the institutional environment in Nigeria presents significant challenges. Weak governance structures, regulatory bottlenecks, and economic uncertainties create barriers that limit the effectiveness of both strategic management and entrepreneurial innovation (North, 1990). As a result, firms are often unable to respond adequately to shocks, leading to reduced performance and, in many cases, business failure.

This study therefore addresses the critical problem of how Nigerian firms can enhance their resilience through effective strategic management and innovation despite prevailing economic and institutional constraints.

### Research questions

This study is guided by the following research questions:

1. How do firms in Nigeria adopt and implement strategic management practices in a volatile economic environment?
2. What role does entrepreneurial innovation play in enhancing business resilience?
3. What institutional and environmental factors constrain the effectiveness of strategic management and innovation?
4. How can firms improve their strategic responses to economic uncertainty?

## Objectives of the study

The main objective of this study is to examine the relationship between strategic management, entrepreneurial innovation, and business resilience in Nigeria. The specific objectives are to:

1. Analyze the role does entrepreneurial innovation play in enhancing business resilience in Nigeria.
2. Evaluate the institutional and environmental factors constrain the effectiveness of strategic management and innovation.
3. Identify how firms can improve their strategic responses to economic uncertainty.
4. Propose strategic frameworks for enhancing resilience in a volatile economic environment.

## Research hypotheses

The study tests the following hypotheses:

H1: Strategic management practices have a significant positive effect on firm resilience.

H2: Entrepreneurial innovation positively influences firm performance and adaptability.

H3: Institutional constraints negatively affect the effectiveness of strategic management.

## Significance of the study

This study is significant in several respects. First, it contributes to the academic literature on strategic management and entrepreneurship by providing empirical insights from a developing economy context. While much of the existing literature is based on developed economies, this study offers a perspective grounded in Nigeria's unique institutional and economic realities.

Second, the study has policy relevance. Findings from this research can inform policymakers on the need to create a more enabling business environment by addressing regulatory inefficiencies, improving infrastructure, and supporting innovation-driven enterprises.

Third, the study provides practical implications for entrepreneurs and business managers. By identifying effective strategic practices and innovation mechanisms, the study offers actionable insights that can enhance firm resilience and long-term sustainability.

### Scope of the study

This study focuses on firms operating within Nigeria, with particular emphasis on small and medium-sized enterprises (SMEs) and emerging startups. It examines the interaction between strategic management practices, entrepreneurial innovation, and business resilience within the context of economic uncertainty.

The study covers a defined period of ten years and utilizes both primary and secondary data sources. While the findings may have broader relevance to other developing economies, the primary focus remains on Nigeria.

### Definition of key terms

Strategic Management: The process of formulating, implementing, and evaluating strategies to achieve organizational objectives (David, David, David, 2020).

Entrepreneurial Innovation: The application of new ideas, products, or processes to create value and gain competitive advantage (Schumpeter, 1934).

Business Resilience: The ability of a firm to withstand, adapt to, and recover from disruptions (Duchek, 2020).

Institutional Constraints: Regulatory, legal, and structural barriers that affect business operations (North, 1990).

Economic Uncertainty: Unpredictability in economic conditions, including inflation, exchange rates, and policy changes.

## 1. Literature review

### Conceptual clarifications and linkages

Strategic management, entrepreneurial innovation, and organizational resilience are increasingly interconnected constructs in contemporary management research, particularly within volatile and institutionally constrained environments. Strategic management provides the framework through which firms align internal capabilities with external opportunities and threats (David, David, David, 2020). However, in uncertain contexts such as Nigeria, strategy is less about long-term planning and more about continuous adaptation and responsiveness.

Entrepreneurial innovation complements this adaptive process by enabling firms to create and exploit new opportunities despite resource limitations. Innovation, in this sense, is not limited to technological advancement but extends to business models, processes, and market approaches (OECD, 2019). In developing economies, innovation is often necessity-driven rather than opportunity-driven, which shapes both its form and impact (Abdulaziz, Mavuri, Yusuf et al., 2025).

Organizational resilience has emerged as a bridging concept linking strategy and innovation. Rather than focusing solely on performance outcomes, resilience emphasizes the capacity of firms to survive, adapt, and grow in the face of shocks (Duchek, 2020). This is particularly relevant in Nigeria, where firms must navigate persistent macroeconomic instability, infrastructure deficits, and regulatory inconsistencies.

While these concepts are individually well-established, their integration remains underexplored in developing economy contexts. Much of the existing literature treats them in isolation, limiting a holistic understanding of how firms simultaneously deploy strategy and innovation to build resilience.

## Theoretical underpinnings and limitations

The Resource-Based View (RBV) and Dynamic Capabilities Theory provide the primary theoretical foundation for this study. RBV posits that firm-specific resources drive competitive advantage (Barney, 1991), while dynamic capabilities emphasize the ability to reconfigure these resources in response to environmental changes (Teece, 2018).

However, these theories have notable limitations when applied to developing economies. RBV assumes relatively stable institutional environments, which is often not the case in Nigeria. Similarly, dynamic capabilities theory presupposes the availability of resources that firms can reconfigure, yet many SMEs operate under severe constraints.

Institutional theory helps address this limitation by emphasizing the role of formal and informal rules in shaping firm behavior (North, 1990). Recent studies suggest that institutional weaknesses in developing countries significantly moderate the effectiveness of strategic management practices (Peng, Wang, Jiang, 2019; Oludoyi, Yusuf, Adesuyi et al., 2026). Therefore, an integrated theoretical approach is necessary to fully capture the realities of firms operating in Nigeria.

## Empirical review and critical synthesis

### *Strategic management and firm performance*

Recent empirical evidence consistently shows a positive relationship between strategic management practices and firm performance. For instance, Kraus, Clauss, Breier et al. (2020) found that strategic planning enhances SME performance, particularly when combined with entrepreneurial orientation. Similarly, O'Regan, Sims, and Ghobadian (2019) demonstrated that formal strategic processes improve competitiveness, although their effectiveness depends on environmental conditions. However, these studies are largely based on developed economies, raising concerns about their applicability to contexts like Nigeria. In contrast, Akingbade (2021) found that Nigerian SMEs often adopt informal and reactive strategies due to environmental uncertainty. This suggests that the traditional notion of formal strategic planning may not fully capture the realities of firms in developing economies.

*Entrepreneurial innovation and business sustainability*

Innovation has been widely recognized as a key driver of firm survival and growth. OECD (2019) emphasizes that innovation enhances productivity and competitiveness, particularly in SMEs. Empirical studies such as Coad, Segarra, and Teruel (2021) show that innovative firms are more likely to survive economic downturns. In the Nigerian context, Adeniran and Johnston (2020) found that digital innovation significantly improved SME performance during periods of economic disruption. Similarly, Eze, Chinedu-Eze, and Bello (2021) reported that technology adoption enhances operational efficiency and market reach. Despite these positive findings, a critical limitation is that most studies treat innovation as a uniform concept, without distinguishing between types of innovation (e.g., incremental vs. radical). Moreover, access to innovation resources remains uneven, limiting the generalizability of these findings across different firm sizes and sectors (Yusuf, Afolabi, Oludoyi, 2024).

*Organizational resilience in uncertain environments*

The concept of resilience has gained prominence in recent years, particularly following the COVID-19 pandemic. Duchek (2020) conceptualizes resilience as a dynamic capability involving anticipation, coping, and adaptation. Empirical studies such as Battisti and Deakins (2019) show that resilient firms are better able to withstand crises and recover quickly. In developing economies, resilience is often linked to informal networks and adaptive strategies. Amankwah-Amoah, Khan, Wood et al. (2021) found that firms in Africa rely heavily on improvisation and flexibility to navigate disruptions. Similarly, Kuckertz, Brändle, Gaudig et al. (2020) highlight the importance of entrepreneurial resilience during crises, emphasizing agility and innovation. However, the literature tends to focus on short-term survival rather than long-term strategic resilience. There is limited empirical evidence on how firms institutionalize resilience as part of their strategic framework.

*Institutional constraints and moderating effects*

Institutional factors play a critical role in shaping business outcomes in developing economies. Peng, Wang, and Jiang (2019) argue that weak institutions increase transaction costs and uncertainty, thereby reducing firm performance. In Nigeria, studies such as Adegbite (2020) highlight the impact of regulatory inefficiencies and infrastructural deficits on business operations. Furthermore, World Bank (2023) reports that policy inconsistency and macroeconomic instability remain major barriers to private sector growth in Nigeria. These constraints not only affect firm performance directly but also weaken the effectiveness of strategic management and innovation. A key limitation in the literature is the tendency to treat institutional factors as exogenous, rather than examining how firms actively respond to and shape their institutional environment.

## Synthesis of the literature

The reviewed literature reveals several important insights into the dynamics of firm performance and survival, particularly in uncertain environments. First, strategic management is consistently identified as a key driver of firm performance. However, its effectiveness is not absolute; rather, it is highly contingent on prevailing environmental conditions. In stable environments, structured planning tends to yield predictable outcomes, whereas in more volatile contexts, the rigidity of traditional strategic approaches may limit responsiveness and adaptability.

Entrepreneurial innovation also emerges as a critical factor in enhancing both competitiveness and resilience. Firms that actively pursue innovation through new products, services, or business models are better positioned to respond to changing market demands and external shocks. This is especially important in dynamic and uncertain environments, where adaptability becomes a central determinant of survival and growth.

In this context, organizational resilience is increasingly recognized as a vital capability. It enables firms not only to withstand disruptions but also to recover and adapt in the face of adversity. Resilient organizations are typically characterized by flexibility, learning orientation, and the ability to reconfigure resources effectively, making resilience a strategic asset rather than merely a reactive outcome.

At the same time, the literature highlights the significant role of institutional constraints in shaping business outcomes. Factors such as regulatory inefficiencies, infrastructural deficiencies, and limited access to finance can weaken the positive effects of both strategy and innovation. In this sense, institutional conditions act as moderating forces that either enable or constrain firm performance.

Despite these valuable insights, the literature remains fragmented. Many studies tend to examine strategic management, innovation, and resilience in isolation, with limited efforts to integrate these constructs into a unified framework. Furthermore, there is a noticeable bias toward research conducted in developed economies, leaving a gap in understanding how these relationships operate in developing contexts such as Nigeria. This gap underscores the need for more context-specific and integrative studies that capture the complexity of business environments in emerging economies.

### Identified research gaps

Based on the review, the following gaps are identified:

1. Lack of integrated studies: Few studies simultaneously examine strategic management, innovation, and resilience.
2. Contextual gap: Limited empirical evidence from Nigeria and similar developing economies.
3. Measurement gap: Inconsistent operationalization of resilience and innovation.
4. Institutional gap: Insufficient analysis of how institutional constraints interact with firm-level strategies.
5. Dynamic perspective: Limited focus on how firms adapt strategies over time in response to changing conditions.

### Conceptual framework

This study proposes a framework where: Strategic Management Practices and Entrepreneurial Innovation → influence → Organizational Resilience. While Institutional Constraints and Economic Uncertainty act as moderating variables (see Fig. 1).


Fig. 1. Conceptual framework
Source: own elaboration

## 2. Methodology

### Research design

This study adopts a quantitative research design, specifically a cross-sectional survey approach, to examine the relationship between strategic management practices, entrepreneurial innovation, and organizational resilience in Nigeria. The choice of a quantitative design is informed by the need to test hypothesized relationships among variables and to generalize findings across a defined population. The cross-sectional nature of the study allows data to be collected at a single point in time, providing a snapshot of firm behavior within the prevailing economic environment. This approach is widely used in management and entrepreneurship research due to its efficiency and suitability for analyzing relationships among constructs.

**Area of the study**

The study is conducted in Lagos, Nigeria's commercial hub and the largest concentration of small and medium-sized enterprises (SMEs) and startups. Lagos provides an appropriate setting due to its dynamic business environment, high level of entrepreneurial activity, and exposure to economic volatility.

**Population of the study**

The population of the study comprises registered small and medium-sized enterprises (SMEs) operating in Lagos State. SMEs are selected because they play a critical role in employment generation and economic development, yet are highly vulnerable to environmental shocks. According to the Small and Medium Enterprises Development Agency of Nigeria, SMEs constitute over 90% of businesses in Nigeria, making them a suitable focus for examining strategic management and resilience.

**Sample size and sampling technique**

*Sample size*

A sample size of approximately 300 SMEs is considered adequate for this study. This size is sufficient to ensure statistical reliability and validity while allowing for meaningful generalization of findings.

*Sampling technique*

The study employs a multi-stage sampling technique:
Stage 1: Purposive selection of Lagos State due to its economic relevance.
Stage 2: Stratified sampling based on sectors (e.g., manufacturing, services, trade).
Stage 3: Simple random sampling to select firms within each stratum.
This approach ensures representation across different sectors and reduces sampling bias.

## Sources of data

The study utilizes both primary and secondary data:

- Primary data: Collected through structured questionnaires administered to business owners, managers, or senior executives;
- Secondary data: Sourced from academic journals, reports, and publications from institutions such as the World Bank and SMEDAN.

## Method of data collection

Data are collected using a structured questionnaire designed in line with the study objectives. The questionnaire is divided into sections:

- Section A: Demographic and firm characteristics.
- Section B: Strategic Management Practices.
- Section C: Entrepreneurial Innovation.
- Section D: Organizational Resilience.
- Section E: Institutional Constraints and Economic Uncertainty.

Responses are measured using a five-point Likert scale, ranging from “Strongly Disagree (1)” to “Strongly Agree (5)”. The questionnaire is administered both physically and electronically to increase response rates.

## Measurement of variables

The key variables in this study are operationalized as follows:

- Strategic Management Practices (SMP): Measured through indicators, such as strategic planning, environmental scanning, and resource allocation.
- Entrepreneurial Innovation (EI): Measured through product innovation, process innovation, and business model innovation.
- Organizational Resilience (OR): Measured through adaptability, flexibility, and recovery capability.
- Institutional Constraints (IC): Measured through regulatory challenges, infrastructure deficits, and access to finance.
- Economic Uncertainty (EU): Measured through inflation volatility, exchange rate fluctuations, and policy instability.

## Model specification

To examine the relationship among the variables, the study specifies the following functional model:

OR=f(SMP,EI, IC, EU). This can be expressed econometrically as:

$$OR = \beta_0 + \beta_1 \text{ SMP} + \beta_2 \text{ EI} + \beta_3 \text{ IC} + \beta_4 \text{ EU} + \varepsilon_t \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 1,$$

where:

OR = Organizational Resilience
SMP = Strategic Management Practices
EI = Entrepreneurial Innovation
IC = Institutional Constraints
EU = Economic Uncertainty
($\beta_0$) = Intercept
($\beta_1$-$\beta_4$) = Coefficients
($\varepsilon$) = Error term

**Method of data analysis**

Data analysis is conducted using the SPSS statistical software. The following techniques are employed:

- Descriptive Statistics: Mean, standard deviation, and frequency distribution.
- Correlation Analysis: To examine relationships among variables.
- Regression Analysis: To test hypotheses and determine the strength and direction of relationships.

**Validity and reliability of instruments**

*Validity*

The study ensures content and construct validity by adapting measurement scales from established studies and subjecting the instrument to expert review. A pilot study is conducted to refine the questionnaire.

*Reliability*

Reliability is assessed using Cronbach's alpha coefficient, with a threshold of 0.70 considered acceptable. This ensures internal consistency of the measurement scales.

**Ethical considerations**

1. The study adheres to standard ethical guidelines:
2. Participation is voluntary.
3. Respondents' anonymity and confidentiality are guaranteed.

4. Data are used strictly for academic purposes.
5. Informed consent is obtained before data collection.

**Limitations of the methodology**

- The cross-sectional design limits the ability to capture changes over time.
- Reliance on self-reported data may introduce response bias.
- The focus on Lagos State may limit generalizability to other regions.

Despite these limitations, the methodology provides a robust framework for analyzing the relationships among strategic management, innovation, and resilience in Nigeria.

## 3. Results and Discussion

**Response rate and data screening**

Out of the 300 questionnaires distributed, 247 were returned, representing a response rate of 82.3%. After data cleaning, 230 questionnaires were found valid for analysis. The high response rate enhances the reliability of the findings and reduces the likelihood of non-response bias.

**Descriptive statistics**

*Demographic characteristics of respondents*

The analysis shows that: 68% of respondents are business owners, while 32% are managers; 54% of firms have operated for more than 5 years. The majority operate in the service sector (46%), followed by trade (32%) and manufacturing (22%). Most firms are small-sized, employing fewer than 50 workers. This distribution reflects the structure of SMEs in Nigeria and supports the relevance of the sample.

## Descriptive statistics of key variables

Table 1. Descriptive statistics of key variables

| Variable | Mean | Std. Dev. | Interpretation |
|---|---|---|---|
| Strategic Management Practices (SMP) | 3.71 | 0.64 | Moderately high adoption |
| Entrepreneurial Innovation (EI) | 3.65 | 0.70 | Moderate innovation level |

*cont. tab. 1*

| Variable | Mean | Std. Dev. | Interpretation |
|---|---|---|---|
| Organizational Resilience (OR) | 3.78 | 0.61 | High resilience capacity |
| Institutional Constraints (IC) | 4.12 | 0.58 | High constraint level |
| Economic Uncertainty (EU) | 4.25 | 0.55 | Very high uncertainty |

Source: own elaboration

The descriptive statistics provide useful insight into the general behavior of firms and the environment in which they operate. The mean score of Strategic Management Practices (SMP) = 3.71 with a standard deviation of 0.64 indicates that firms exhibit a moderately high level of strategic management adoption. This suggests that most businesses engage in planning, environmental scanning, and structured decision-making. The relatively low standard deviation shows that responses are fairly consistent across firms, meaning that strategic practices are commonly applied, though not at an optimal level.

For Entrepreneurial Innovation (EI), the mean of 3.65 and standard deviation of 0.70 reflect a moderate level of innovation among firms. This implies that while businesses are engaging in innovation, it is not yet strong or widespread. The slightly higher variability suggests that some firms are highly innovative, while others lag behind.

The mean value for Organizational Resilience (OR) = 3.78 (SD = 0.61) indicates a relatively high capacity for resilience. Firms appear capable of adapting to challenges and maintaining operations despite disruptions. The low dispersion further suggests that this resilience is fairly consistent across the sample.

In contrast, Institutional Constraints (IC) show a high mean of 4.12 with a low standard deviation of 0.58, indicating that firms widely experience significant regulatory, infrastructural, and financial challenges. These constraints are pervasive and consistently felt across businesses.

Similarly, Economic Uncertainty (EU) has the highest mean of 4.25 (SD = 0.55), revealing a very high level of uncertainty in the business environment. This suggests that firms operate under intense macroeconomic instability, including inflation and exchange rate volatility.

Overall, the results indicate a paradox: while firms demonstrate reasonable levels of strategy and resilience, they operate in an environment characterized by severe constraints and uncertainty, which may limit their full performance potential.

## Correlation analysis

The Pearson correlation results are presented in Table 2.

Table 2. Pearson correlation results

| Variables | SMP | EI | OR | IC | EU |
|---|---|---|---|---|---|
| SMP | 1 | | | | |
| EI | 0.62** | 1 | | | |
| OR | 0.68** | 0.71** | 1 | | |
| IC | -0.41** | -0.38** | -0.45** | 1 | |
| EU | -0.36** | -0.33** | -0.40** | 0.59** | 1 |

Note: $p < 0.01$
Source: own elaboration

*Interpretation:*

- Strategic management and innovation show strong positive relationships with resilience.
- Institutional constraints and economic uncertainty show negative relationships with resilience.
- The absence of extremely high correlations (>0.80) suggests no multicollinearity issues.

The Pearson correlation matrix provides insight into the direction and strength of relationships among the key variables in the study. The double asterisks () indicate that all reported correlations are statistically significant at the 1% level ($p < 0.01$), meaning the relationships are unlikely to have occurred by chance.

1. Relationship between Strategic Management Practices (SMP) and Other Variables:

- SMP and Entrepreneurial Innovation (EI): $r = 0.62$. This is a strong positive relationship, indicating that firms with better strategic management practices tend to exhibit higher levels of innovation. In practical terms, structured planning and environmental analysis appear to support innovative activities.
- SMP and Organizational Resilience (OR): $r = 0.68$. This shows a strong positive relationship, suggesting that firms with effective strategic practices are more resilient and better able to withstand disruptions.
- SMP and Institutional Constraints (IC): $r = -0.41$. This is a moderate negative relationship, implying that as institutional constraints increase, the effectiveness or adoption of strategic management practices tends to decline.

– SMP and Economic Uncertainty (EU): $r = -0.36$. This indicates a moderate negative relationship, meaning that higher economic uncertainty may hinder firms' ability to effectively implement strategic management practices.

2. Relationship between Entrepreneurial Innovation (EI) and Other Variables:

– EI and Organizational Resilience (OR): $r = 0.71$, This is the strongest positive relationship in the matrix, suggesting that innovation plays a critical role in enhancing firm resilience. Firms that innovate are more adaptable and better positioned to survive shocks.

– EI and Institutional Constraints (IC): $r = -0.38$, A moderate negative relationship, indicating that institutional barriers such as poor infrastructure and regulation limit innovation activities.

– EI and Economic Uncertainty (EU): $r = -0.33$, This also shows a moderate negative relationship, suggesting that uncertain economic conditions discourage or constrain innovation.

3. Relationship between Organizational Resilience (OR) and External Factors:

– OR and Institutional Constraints (IC): $r = -0.45$, This is a moderate-to-strong negative relationship, indicating that institutional challenges significantly reduce firms' ability to remain resilient.

– OR and Economic Uncertainty (EU): $r = -0.40$, This suggests that higher uncertainty weakens firms' capacity to adapt and recover from disruptions.

4. Relationship between Institutional Constraints (IC) and Economic Uncertainty (EU):

IC and EU: $r = 0.59$, This is a strong positive relationship, indicating that institutional weaknesses are closely associated with higher economic uncertainty. In other words, poor regulatory and infrastructural systems tend to coexist with unstable economic conditions.

5. Interpretation

– The correlation results reveal a clear pattern: Internal capabilities (SMP and EI) are positively linked to resilience, meaning firms that plan strategically and innovate are more likely to survive and adapt.

– External challenges (IC and EU) are negatively associated with both strategy, innovation, and resilience, highlighting the constraining role of the business environment.

– Entrepreneurial innovation emerges as the most critical factor, given its strongest relationship with resilience.

Importantly, none of the correlation coefficients exceed 0.80, indicating that multicollinearity is not a concern, and the variables are sufficiently distinct for further regression analysis. The results suggest that while firms can enhance resilience through strategy and innovation, their efforts are significantly influenced by external institutional and economic conditions. This reinforces the need for both firm-level strategic adaptation and policy-level reforms to create a more enabling business environment.

## Regression analysis

The model explains 62% of the variation in organizational resilience, indicating strong explanatory power.

Table 3. Model summary

| *R* | $R^2$ | Adjusted $R^2$ | *F*-statistic | Significance |
|---|---|---|---|---|
| 0.79 | 0.62 | 0.61 | 93.45 | 0.000 |

Source: own elaboration

Table 4. Regression coefficients

| Variable | Coefficient ($\beta$) | *t*-value | Significance |
|---|---|---|---|
| Constant | 0.842 | 3.21 | 0.002 |
| SMP | 0.34 | 6.78 | 0.000 |
| EI | 0.41 | 7.95 | 0.000 |
| IC | -0.22 | -4.63 | 0.000 |
| EU | -0.18 | -3.89 | 0.000 |

Source: own elaboration

## Test of hypotheses

H1: Strategic management practices significantly influence resilience → Accepted ($\beta = 0.34$, $p < 0.01$).
H2: Entrepreneurial innovation positively affects firm performance → Accepted ($\beta = 0.41$, $p < 0.01$).
H3: Institutional constraints negatively affect strategic effectiveness → Accepted ($\beta = -0.22$, $p < 0.01$).

## Discussion of results

The findings of this study provide a comprehensive and nuanced understanding of how firms navigate challenging and uncertain environments, particularly within developing economies such as Nigeria. At the core of the results is the strong evidence that strategic management practices play a critical role in enhancing organizational resilience. Firms that engage in deliberate planning, continuous environmental scanning, and effective resource allocation demonstrate a greater capacity to anticipate, absorb, and respond to external shocks. This reinforces existing literature, such as Kraus, Clauss, Breier et al. (2020), which emphasizes the relevance of strategic planning under uncertainty. However, the present study advances this discourse by showing that even in highly volatile and institutionally constrained contexts, strategic management remains not just relevant but indispensable for organizational survival and stability.

Beyond strategy, entrepreneurial innovation emerges as a particularly powerful driver of resilience. The results indicate that firms that embrace innovation – whether through new business models, digital transformation, or process improvements – are significantly more adaptable and better positioned to withstand disruptions. This finding aligns with studies such as Adeniran and Johnston (2020) and OECD (2019), which underscore the role of innovation in enhancing competitiveness. More importantly, the current study highlights that in environments characterized by instability and rapid change, innovation is no longer optional but a necessity for survival. Firms that fail to innovate risk becoming rigid and vulnerable in the face of evolving market conditions.

At the same time, the study reveals the constraining influence of institutional factors. The negative relationship between institutional constraints and organizational resilience confirms that regulatory inefficiencies, infrastructural deficits, and limited access to finance continue to pose significant barriers to firm performance. This supports the arguments of Peng, Wang, and Jiang (2019) and the World Bank (2023), which stress the importance of strong institutional frameworks in facilitating economic activity. The implication here is particularly critical: even firms that are strategically sound and innovation-driven may struggle to achieve optimal performance in weak institutional environments. This underscores the structural limitations that businesses face and the need for broader systemic reforms.

Similarly, economic uncertainty is found to exert a significant negative effect on resilience. Factors such as inflation volatility, exchange rate fluctuations, and inconsistent policy environments create unpredictability that complicates decision-making and long-term planning. However, an important insight from the findings is that the negative impact of economic uncertainty is relatively weaker compared to the positive influence of innovation. This suggests that while firms cannot fully control macroeconomic instability, they can mitigate its effects through adaptive strategies and continuous innovation. In this sense, innovation serves as a buffering mechanism that enhances organizational flexibility and responsiveness.

Taken together, the findings offer an integrated perspective that highlights the interplay between internal capabilities and external conditions. Strategic management and entrepreneurial innovation jointly contribute to building resilience, while institutional constraints and economic uncertainty undermine these efforts. Notably, innovation appears to exert a more dominant influence than strategy in highly volatile environments, suggesting that firms must move beyond traditional, rigid planning approaches and adopt more dynamic, innovation-driven models. This integrated insight represents a key contribution of the study, as it shifts the focus from isolated factors to a more holistic understanding of organizational resilience.

From a practical standpoint, the findings carry important implications for both managers and policymakers. For managers, the results emphasize the need to invest in innovation and develop flexible strategic approaches that can adapt to changing conditions. Strategic planning should not be treated as a static exercise but as a continuous, responsive process informed by ongoing environmental scanning. Managers must also foster a culture that encourages creativity, experimentation, and rapid learning. For policymakers, the study highlights the urgency of addressing institutional bottlenecks that hinder business performance. Efforts to improve infrastructure, streamline regulatory processes, and expand access to finance are essential for creating an enabling environment where firms can thrive. Additionally, policies that promote innovation such as incentives for research and development and support for digital transformation can significantly enhance economic resilience at a broader level.

Summarily, the study demonstrates that organizational resilience is shaped by a combination of strategic intent, innovative capacity, and the broader institutional and economic context. While strategic management provides direction and structure, innovation drives adaptability and responsiveness. However, the effectiveness of these internal capabilities is contingent upon the external environment in which firms operate. Therefore, an integrated approach that combines adaptive strategy, continuous innovation, and supportive institutional frameworks is essential for firms seeking to survive and succeed in uncertain and resource-constrained settings.

## 4. Conclusion and Recommendations

### Summary of findings

The study examined the relationship between strategic management practices, entrepreneurial innovation, and organizational resilience within the context of economic uncertainty and institutional constraints in Nigeria. The key findings are summarized as follows:

- Strategic management practices have a significant positive effect on organizational resilience. Firms that engage in structured planning and environmental scanning are better positioned to withstand economic shocks.
- Entrepreneurial innovation emerged as the strongest predictor of resilience, indicating that firms that innovate are more adaptable and competitive.
- Institutional constraints, including regulatory inefficiencies and infrastructural challenges, have a significant negative effect on firm resilience.

– Economic uncertainty also negatively affects business performance, although firms can partially mitigate its effects through innovation and adaptive strategies.
– The results highlight the importance of an integrated approach, where strategy and innovation work together to enhance resilience.

## Conclusion

This study concludes that organizational resilience in Nigeria is not driven by a single factor but by the interaction of strategic management practices and entrepreneurial innovation within a challenging institutional environment. While strategic planning remains important, it is insufficient on its own in highly volatile contexts. Entrepreneurial innovation plays a more dominant role, serving as a critical mechanism through which firms adapt to uncertainty and exploit emerging opportunities. However, the effectiveness of both strategy and innovation is significantly constrained by institutional weaknesses and macroeconomic instability. Therefore, building resilient firms in Nigeria requires a shift from rigid, traditional strategies to flexible, innovation-driven approaches supported by an enabling institutional framework.

## Recommendations

*Recommendations for business managers and entrepreneurs*

1. Firms should adopt dynamic strategic management practices that allow for flexibility and rapid response to environmental changes.
2. Entrepreneurs should prioritize continuous innovation, particularly in business models and digital technologies.
3. Organizations should invest in capacity building and skills development to enhance innovation capability.
4. Firms should strengthen risk management systems to anticipate and respond to uncertainties.

*Recommendations for policymakers*

1. Government should streamline regulatory processes to reduce bureaucratic bottlenecks.
2. There is a need to improve infrastructure, particularly power supply and digital connectivity.
3. Policies that promote access to finance for SMEs should be strengthened.

4. Authorities should implement innovation-friendly policies, including tax incentives and support for research and development.

*Recommendations for institutions and stakeholders*

1. Financial institutions should design flexible financing models tailored to SMEs.
2. Academic and training institutions should enhance entrepreneurial education and innovation training.
3. Industry associations should promote knowledge sharing and collaboration among firms.

*Contribution to knowledge*

This study contributes to the existing literature in several ways:
1. It provides an integrated framework linking strategic management, entrepreneurial innovation, and organizational resilience.
2. It offers context-specific insights from Nigeria, addressing the gap in developing economy research.
3. It demonstrates the moderating role of institutional constraints and economic uncertainty.
4. It highlights the dominant role of innovation in driving resilience in volatile environments.

## Limitations of the study

The study adopted a cross-sectional design, which limits the ability to capture changes over time. Data were based on self-reported responses, which may introduce bias. The focus on Lagos State may limit the generalizability of findings to other regions.

## Suggestions for further research

Future studies should: Adopt a longitudinal approach to examine changes in firm behavior over time. Explore sector-specific analysis (e.g., fintech, manufacturing, agriculture). They could as well investigate the role of digital transformation and ESG factors in enhancing resilience. Finally, they can also extend the study to other developing countries for comparative analysis.

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