

Risk-Taking Ability and Organizational Resilience among Small Scale Business in Lagos State

OIKU, Peter Omoyebagbe

Department of Business Administration, Ajayi Crowther University, Oyo, Nigeria
Corresponding Author's e-mail address: op.oiku@acu.edu.ng

Professor. AKANBI, Paul Ayobami

Department of Business Administration, Ajayi Crowther University, Oyo, Nigeria
Co-Author's e-mail address: pa.akanbi@acu.edu.ng

DOI 10.56201/ijebm.v9.no7.2023.pg127.143

ABSTRACT

One major feature of a successful entrepreneur is the ability to take risk in business and not just any risk but calculated risk that will improve the business organization financially. This study examined the impact of risk-taking ability on organizational resilience among Small and Medium-sized Enterprises (SMEs) operating in Lagos State, Nigeria. One of the major drivers of economic growth in any nation is the small and medium scale enterprise sector. This study adopts a descriptive research design using a sample size of 500 business owners from various SME sectors a self-structured questionnaire was used as the research instrument. The finding of this study shows that there is a positive correlation between risk taking ability of a business organization and organizational resilience. This implies that risk taking positively influence organizational resilience among small and medium scale enterprises in Lagos state. For business development to take place, a calculated level of risk has to be taken.

Keywords: *Risk-taking, Organizational Resilience, Small and Medium Scale Enterprises (SMEs)*

INTRODUCTION

Entrepreneurial orientation and organizational resilience have surfaced as factors that provide entrepreneurs with protection against the risks posed by challenges or changes in the business environment. In Irvine and Anderson's (2016) term, "entrepreneurial resilience" refers to the capability of a firm or business to endure threats as well as challenges and its potential to quickly rebound and restore itself to its initial condition following disruptions or disturbances. Resilience is the dynamic ability of entrepreneurs to continually pursue future goals despite the unpredictable market conditions, relying on adaptation and flexibility. Also, entrepreneurial failure may arise from factors outside the entrepreneur's control, even when meticulous planning and calculations have been undertaken. (Bullough and Renko, 2013).

The enduring viability of a nation hinges on the enduring viability of its small and medium enterprises (SMEs), given their pivotal contribution to job generation and economic expansion. It is essential to comprehend how entrepreneurs endure uncertainty and what motivates them to engage in entrepreneurship during challenging periods. Resilience pertains to the capacity to adjust

and remain unwavering in the face of challenging conditions. According to Reivich and Shatte (2002), Business resilience encompasses a company's capability towards surpassing expectations amidst a crisis while also upholding the ethical, societal, and political values embedded in the foundational culture of the business. Entrepreneurs can enhance their resilience by fostering stronger networks, both through connecting with professional coaches and mentors and by embracing change as an inevitable aspect of life. Viewing crises as surmountable challenges is also crucial. Understanding how entrepreneurs navigate uncertainty and stay motivated during difficult periods is essential. High stress, obstacles, and uncertainty about business outcomes often weigh heavily on entrepreneurs' minds (Ligthelm, 2012).

Over the years, the Nigerian economy has experienced the instability affecting SMEs. Therefore, entrepreneurs in the crucial sector of the economy encounter multiple factors influencing their opportunities and obstacles. On a global scale, businesses confront significant economic pressures within their realm of sustainability (Betakova, Haviernikova and Dvorsky, 2014). SMEs need to be proactive and seize opportunities, making product adjustments and adopting new technologies whenever they arise. It is crucial to act swiftly in response to favorable conditions. Przybylska and Zastempowski (2016) emphasized that the growing impact of globalization and swift technological progress are key factors contributing to the integration of the global economy. Many facets of entrepreneurial activities are impacted by this ongoing process of change.

A substantial portion of enterprises consists of Micro businesses, Small business, and Medium-scale businesses (MSMEs), playing a vital role in employment generation by engaging over 65% of the workforce. The vitality of the business sector holds immense importance for the advancement of the nation and the sustenance of its job creation dynamics. However, these enterprises are vulnerable to disasters and associated risks, irrespective of their scale. Many of these businesses lack an understanding of the advantages offered by long-term resilience development and face limitations in effectively managing disaster risks due to constraints in finances, human resources, and technical capabilities (Ligthelm, 2021).

Resilience is usually triggered by situations of crisis called “disasters” which can be unexpected and potentially traumatic (Akanbi and Ofoegbu, 2011). Therefore, for small and medium enterprises (SMEs) to withstand challenges and maintain their competitiveness within a demanding business environment, it becomes essential to prioritize an enhanced comprehension and awareness of the competitive factors that shape and impact the environment. The main aim of this study is to explore the correlation between entrepreneurial orientation and organizational resilience among small-scale enterprises situated in Lagos state.

Achieving resilience is challenging yet highly sought after by entrepreneurs. The business environment presents numerous hurdles for SMEs, causing setbacks in their performance. The heightened competitiveness prevalent in the business environment has added to the challenges faced by SMEs in their quest for success. Failing to adapt to certain delicate and financial consequences can lead to significant financial issues for ventures (Branzei, and Abdelnour, 2020). The potential devastation resulting from a failed venture can push entrepreneurs towards engaging in illicit business activities. Furthermore, acquiring resources for entrepreneurial endeavors has become more challenging due to the limitations entrepreneurs face. The declining dynamism in Nigerian businesses is causing growing concerns. The increasing failure rates in the entrepreneurship sector indicate that the entrepreneurial journey is far from effortless. However,

despite the challenges, the pursuit of entrepreneurship remains worthwhile due to the economic value it brings, including job creation and innovation. (DeTienne, Shepherd, and De Castro, 2008). SMEs face a significant and daunting obstacle in managing change due to the impact of globalization, population shifts, technological advancements, and evolving marketing trends. As a result, contemporary managers are required to face and adjust to these continuous shifts in the business environment. Grasping these dynamics is imperative to secure a competitive advantage in the marketplace (Haswell, and Holmes, 2019; Mitchell et. al.2002).

SMEs' performance in the competitive business environment has been hindered due to inadequate resources to align with market demands. Consequently, this has led to short-sighted approaches in handling matters related to the process of strategizing for competition, which involves planning, formulating, implementing, evaluating competitive strategies, along with conducting research and development related to product quality and service delivery (Akinyele et. al. 2015). Also, according to (Akingbolu and Phillips, 2018) approximately 70% of SMEs in Nigeria fail to endure beyond their initial three years of operation primarily because of inadequate funding. The intensifying competition confronting SMEs in Nigeria has driven them to seek alternative survival methods. They find themselves with two choices: either create new products that better cater to customers' needs, desires, and expectations compared to their competitors, or establish a distinctive selling proposition within their products, aiming to enhance business performance and productivity. The initiation of this study aims to uncover and apply competitive strategies that can elevate overall performance, foster entrepreneurial orientation, and fortify organizational resilience among small-scale enterprises (SMEs) in Lagos State, Nigeria.

Objectives of the Study

The primary aim of this study is to investigate entrepreneurial orientation and organizational resilience among small scale enterprises in Lagos state. The designated objective is as follows:

- i. Analyze the effect of risk taking on organizational resilience of SMEs in Lagos State.

Research Questions

The following research questions are on entrepreneurial orientation and organizational resilience among small scale enterprises in Lagos state:

- i. What is the effect of risk taking on organizational resilience of SMEs in Lagos State?

Research Hypotheses

For the purpose of this research study, the following null hypotheses were formulated:

- H01. There is no significant relationship between risk taking and entrepreneurial orientation and organizational resilience of SMEs in Lagos State.

LITERATURE REVIEW

Within Nigeria's small business environment, various categories encompass micro, very small, small, and medium enterprises. However, the collective term "small and medium enterprises" (SMEs) is commonly employed. In Nigeria, one of the benchmarks for classifying SMEs revolves around the employee count. Specifically, micro enterprises in the retail sector have less than five (5) staff members, very small enterprises have less than twenty (20) staff members, small enterprises have less than fifty (50) staff members, and medium enterprises have less than two hundred and fifty (250) staff members. This aligns with the broader Nigerian definition of SMEs, which characterizes them as enterprises with an employee count under 250 (Adeniran & Johnston 2012).

The pursuit of sustainable development can be realized through entrepreneurial ventures that shoulder economic and social responsibilities. SMEs play a role in promoting Nigeria's sustainable development by generating employment opportunities, alleviating poverty both in urban and rural areas, and fostering economic growth (Akanbi and Ofoegbu 2011). SMEs encounter a substantial rate of failure within Nigeria, characterized by both internal and external challenges. The challenges faced by these enterprises span a spectrum of factors. Internally, challenges include the lack of business planning, inadequate entrepreneurial skills and mindset, limited innovation and creativity, and heightened degrees of stress and exhaustion. Externally, challenges arise from intense competition, hurdles in market access, and inadequate external financial resources (Salisu and Hshim, 2017). SMEs exhibit a disproportionate vulnerability to a myriad of internal and external disruptions. The elevated rate of failures can carry adverse ramifications, impacting the capacity of SMEs to make meaningful contributions to Nigeria's sustainable development. The resilience demonstrated by entrepreneurs might emerge as a pivotal catalyst for the triumph and enduring viability of SMEs (Ofunoye, 2017).

To effectively grasp the environment, gathering pertinent information regarding customer preferences, needs, and anticipations becomes imperative. This data collection and sharing plays a critical role in SME survival by influencing the nature of new goods and services. Given their susceptibility to the ever-shifting dynamics of economic and global competition, bolstering SME competitiveness within the market becomes crucial. This involves vigilant monitoring of business operations and optimal utilization of available resources, particularly informational resources, to not only endure but also excel in the face of fierce competition.

Competitive intelligence, encompassing data analysis and the acquisition and dissemination of information, assumes a pivotal role in heightening firms' competitive edges (Oladimeji et al. 2017). As clarified by Albesu et al. (2008) and Mirkhan et al. (2017), competitive intelligence serves as a proactive business practice entailing the identification of challenges, the collection and analysis of intelligence concerning products, competitors, customers, markets, and various functional aspects within a company, including the wider business ecosystem. This practice assists in facilitating tactical, managerial, and strategic decisions for enterprises. The results of such undertakings, combined with other marketing dynamics, intensify the demand for efficiency, productivity, and competitive organizational frameworks.

Risk- Taking

When delving into the realm of entrepreneurship, risk-taking and entrepreneurial endeavors become closely intertwined concepts. A pivotal determinant of an entrepreneur's triumph lies in their aptitude for risk-taking. Entrepreneurs are compelled to venture into risk territory in order to manifest their ideas into reality. The inclination towards risk-taking varies across businesses and individuals. The administration of risk-taking operates on three distinct tiers: strategic, tactical, and operational.

At the strategic level of risk management, the focus centers on the organization's overarching strategic objectives, encompassing aspects like innovative breakthroughs and the introduction of new products. On the tactical plane, risk management pertains to the meticulous handling of risks entailed in annual planning and the tactical decisions undertaken by the organization. Operational risk management, on the other hand, is intricately linked to the daily functioning of the company. Knight et. al. (2016) drew a distinction between risk and uncertainty, positing that uncertainty is beyond control while risk is quantifiable. According to their viewpoint,

entrepreneurs play a pivotal role in managing uncertainty. Varied types of risk confront every business venture, yet entrepreneurs bear the greatest risk when it involves the venture's survival.

Entrepreneurs grapple with four primary types of risks:

1. **Financial Risk:** Entrepreneurs frequently depend on their personal savings to fund their business ventures, and a failed venture could lead to substantial losses. This risk of failure is emblematic of entrepreneurial undertakings.
2. **Job Risk:** Entrepreneurs evaluate not only certain risks but also rational ones. They don't merely embrace ideas as functional strategies but meticulously consider the associated risks.
3. **Social Risk:** Commencing a new business demands a significant investment of time and energy. Consequently, entrepreneurs might withdraw from various social engagements to channel more focus into business development.
4. **Mental Risk:** While risks related to finances, homes, and material possessions can be managed, those associated with an entrepreneur's overall well-being—such as anxiety, stress, and tension—can detrimentally impact entrepreneurial activities.

Entrepreneurial risk-taking encompasses the potential for failure, which emboldens individuals to engage in ventures characterized by uncertainty, yielding either substantial returns or the possibility of non-success. A cornerstone for entrepreneurs to realize their visions lies in their willingness to embrace risks. When entrepreneurs contemplate the inherent risks within their endeavors, the outcome—whether success or failure—becomes a pivotal consideration.

According to Lee (2021), a myriad of advantages accompanies risk-taking. Entrepreneurs may stumble upon strategies uniquely suited to them, untapped by others due to the substantial risks involved. Succeeding in uncharted territory allows businesses to forge a niche strategy devoid of immediate competitors. This path of innovation, as evidenced in my own experience, underpins success—companies often thrive by venturing into unexplored avenues. Generally speaking, exploring novel avenues in life is imperative to unearth latent potentials. As Finnih (2020) and Lee (2021) underscore, an essential insight for entrepreneurs is that the outcome of risk-taking remains uncertain. This uncertainty might invoke fear in some or ignite a heightened drive to excel each day.

Fletcher (2022) posits that venturing into business risks does not equate to blindly leaping into the unknown; it necessitates meticulous planning, effort, and perseverance. Royce (2022) reiterates the essential role of risks in entrepreneurship. An entrepreneur might invest personal funds or forsake a secure job for a new venture—calculated risks taken to initiate a journey. It becomes imperative to cultivate comfort in consistently making potentially risky decisions, both minor and major, as the business evolves.

Hillary (2023) observes that business triumphs are often attributed to instinct-driven, well-considered risky choices. In hindsight, regrets might stem from unexplored avenues, yet the willingness to attempt something is a source of personal fulfillment. Even though not all calculated risks lead to success, each risk offers a learning opportunity. Entrepreneurs are encouraged to maintain a positive perspective, recognizing the potential for improvement, irrespective of an outcome. Gaining insights from risks can also mold an entrepreneur into a more strategic thinker, fostering continuous development as a business owner.

As Fletcher (2022) asserts, entrepreneurs willing to embrace risks gain an edge by nimbly adapting to shifting customer demands. Embracing a new product or service before others discern the potential can be risky. However, an entrepreneur attuned to the needs and desires of their target

audience stands to benefit by pioneering novel offerings. As Hillary (2023) notes, opportunities emerge hand-in-hand with risks, ushering in innovation and novel approaches that remain uncharted. While larger corporations may shy away from risk, the bold entrepreneurs reaping the rewards of venturing into the unknown are met with less competition and the potential to revolutionize the business environment.

Organization Resilience

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

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

In alignment with Ayala and Manzano (2014), the entrepreneurial environment often requires decisions to be made amid ambiguous, evolving, or incomplete information. Consequently, entrepreneurs may lack comprehensive data for optimal decision-making during challenges. Relying on their cognitive abilities and past experiences, entrepreneurs make determinations that significantly impact the firm's survival prospects (Ireland & Miller, 2004). For instance, scholars have noted that entrepreneurs exhibit hesitancy in abandoning or shuttering underperforming ventures (Pierce, Kostova, and Dirks, 2021), even in scenarios with limited future potential. This phenomenon is attributed to psychological ownership, a deep psychological attachment entrepreneurs develop with their ventures.

Social Cognitive Career Theory Perspective

Social Cognitive Career Theory, formulated by Bandura in 1986, evolved from his earlier Social Learning Theory. This theory encompasses intricate reciprocal interactions among individuals, their behavior, and their surroundings. It incorporates notions such as anticipation, learning through observation, self-control, and introspection. Within his SCT model, Bandura (1986) introduced the concept of self-efficacy, grounded in the notion that individuals must first have confidence in their abilities to exert an impact on their surroundings., thereby enabling them to assert control over their actions to achieve desired outcomes.

Social cognitive career theory offers understanding into the intricate interaction among entrepreneurs, their conduct, and the continuously evolving business environment. To surmount challenges in this environment, entrepreneurs often demonstrate self-efficacy in resource management, strategic planning, and leveraging resources. This self-efficacy enhances their organizational performance within the competitive Environment. Self-efficacy, as a facet of social

cognitive theory, significantly shapes our thoughts, motivations, and actions (Ewen, 2010). According to Bandura (1989), self-efficacy beliefs serve as crucial determinants of human motivation, emotions, and behavior. Consequently, researchers across various fields have extensively examined self-efficacy within the framework of the Social Cognitive Career Theory, as it plays a pivotal role in comprehending and navigating the business environment. In their work titled "An Examination of the Influence of Some Selected Situational Factors on Entrepreneurial Intentions in Nigeria," Akanbi and Ofoegbu (2011) examined the impact of Social Cognitive Career Theory. Their findings underscored the significance of situational factors in entrepreneurial intentions. They recommended that individuals should consider these situational factors before embarking on entrepreneurial ventures, as these factors can significantly influence one's entrepreneurial aspirations.

METHODOLOGY

This research has employed a survey research design, a methodology particularly adept at delineating the attributes of a substantial population, thereby facilitating the acquisition of precise and specific results that serve as a basis for drawing conclusions and subsequently making impactful decisions. The survey approach is advantageous for gathering primary data from a wide-ranging audience, aligning with the scope of this study.

The population under consideration include business entities such as SMEs operating within Ikeja, Lagos, which serves as the study location. The various categories of business firms include Firm (A) engaged in Wholesale and Retail, Firm (B) operating in the Education sector, Firm (C) in the Hospitality industry, Firm (D) specializing in Real Estate and Properties, Firm (E) as a Professional Service Provider encompassing law, internet services, and civil engineering, Firm (F) focused on Fast Food, and Firm (G) comprising Religious Centers

Table 1. The propensity rate of registered firms in Lagos State

S/N	BSINESS FIRMS	Position	N0
1	Wholesale and Retail, Firm	Not all registered	14,358
2	Education Firm	All registered	2,320
3	Hotel and Suit, Firm	All registered	2,259
4	Realtor and properties, Firm	All registered	2,179
5	Professional Service Provider like law, internet providers, civil engineers. Firm	All registered	10,867
6	Fast food Business, Firm	Not all registered	66
7	Religious centers	Not registered	51

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

A total sample size of 500 SME owners was selected using a straightforward random sampling approach. This method was chosen by the researcher to ensure an equitable and impartial opportunity for each individual within the intended population to be incorporated into the sample of the study. The research strategy involved the application of both purposive and simple random sampling methods. A five-point Likert scale questionnaire was used to collect data from the respondents. The collected questionnaires were subjected to summarization and analysis through both descriptive and inferential statistics. Descriptive statistics were utilized to analyze and present the demographic attributes of the respondents, as well as to address the research questions by displaying the frequency distribution of responses across different sections of the questionnaire. Frequency tables and percentages were employed for this purpose. On the other hand, inferential analyses were conducted to establish and explore relationships among variables. The data obtained

from the structured questionnaire underwent analysis using frequency distribution and percentage calculation, offering a comprehensive view of the socio-demographic and economic traits of the participants, taking into consideration the various measurement scales involved.

RESULTS AND DISCUSSION

Table 2: Demographic Characteristics Of Respondents

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

Source: Field Survey (2023)

The first item on the table showed that 70.1 percent were male, while 29.9 percent of the total respondents were female. This implies that male genders were sampled. The next item 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.

Also, on ethnicity of the respondents, the result 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. Furthermore, the result showed that 58.2 percent identified as Christians, while 41.3 percent identified as Muslims, while the remaining 4 percent belonged to none religion class. This implies that most of the respondents are sampled.

The analysis of data on the 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 Masters 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.

Research Question 1: What is the effect of risk taking on organizational resilience of SMEs in Lagos State?

Table 3: Risk Taking effect on organizational Resilience of SMEs in Lagos State

Qs 1. I am consistently at alert and seize business opportunities as they arise.	Frequency	Percent
Strongly agree	234	51.4%
Agree	158	34.7%
Undecided	2	.4%
Disagree	44	9.7%
Strongly disagree	17	3.7%
Total	455	100.0%
Qs2. I conduct market research to identify potential business opportunities.		
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%
Qs3. I search systematically for business opportunities.		
Strongly agree	192	42.2%
Agree	171	37.6%
Undecided	18	4.0%
Disagree	35	7.7%
strongly disagree	39	8.6%
Total	455	100.0%
Qs4. I seek information about new ideas for products or services.		
Strongly agree	138	30.3%
Agree	136	29.9%
Undecided	69	15.2%

Disagree	52	11.4%
Strongly disagree	60	13.2%
Total	455	100.0%

Qs5. I frequently survey the environment for potential business opportunities.

Strongly agree	139	30.5%
Agree	175	38.5%
Undecided	39	7.2%
Disagree	52	11.4%
Strongly disagree	50	17.4%
Total	455	100.0%

Source: Field Survey (2023)

The result on the table above shows the analysis of risk taking effect on organizational resilience of SMEs. The first item on the table shows that 51.4 percent of the respondents strongly agree that they are consistently alert and responsive to business opportunities as they arise. Additionally, 34.7 percent agree, 0.4 percent are uncertain, 9.7 percent agree to some extent, while the remaining 3.7 percent strongly disagree. This suggests that a majority of the respondents maintain a state of alertness and readily seize business opportunities. Also, the result reveals that 64.6 percent of the total respondents strongly agree that they engage in research to identify potential markets and business opportunities, even while spending time shopping online for approximately 18.2 hours a day. Furthermore, 4 percent agree, 4 percent are unsure, 4.2 percent disagree, and 9 percent strongly disagree. This indicates that most respondents conduct research on potential markets to identify business opportunities. The result for the third item on the table shows that 42.2 percent of the total respondents strongly agree that they actively and methodically seek out business opportunities. Moreover, 37.6 percent agree, 4 percent are uncertain, 7.7 percent disagree, and 8.6 percent strongly disagree. This implies that a significant portion of the respondents systematically search for business opportunities.

The result for the next item reveal that 30.3 percent of the total respondents strongly agreed that they actively seek information about new ideas for products or services. Additionally, 29.3 percent agree, 15.2 percent are unsure, 11.4 percent disagree, and 13.2 percent strongly disagree. This suggests that a notable proportion of the respondents actively seek information about new product or service ideas. Lastly, the findings indicate that 30.5 percent of the total respondents strongly agree that they consistently monitor the environment for potential business opportunities. Furthermore, 29.3 percent agree, 15.2 percent are uncertain, 11.4 percent disagree, and 13.2 percent strongly disagree. This implies that a considerable number of respondents regularly scan the environment for business opportunities.

TABLE 4: Organisational Resilience

Statement	Frequency	Percent
I am well prepared for incoming threats and opportunities		
Strongly agree	202	44.4%
Agree	203	44.6%
Undecided	15	3.3%
Disagree	18	4.0%
Strongly disagree	17	3.7%
Total	455	100.0%
I can cope with uncertainty and unpredictable variations		
Strongly agree	154	33.8%
Agree	211	46.4%
Undecided	7	1.5%
Disagree	42	9.2%
Strongly disagree	41	9.0%
Total	455	100.0%
Pandemic has increased my workload and pressure and forced me to operate virtually		
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%
Amidst business crises, I have successfully managed to analyze situations and handle challenging or unexpected circumstances with greater effectiveness		
Strongly agree	158	34.7%
Agree	165	36.3%
Undecided	42	9.2%
Disagree	57	12.5%
strongly disagree	33	7.3%
Total	455	100.0%
I have also capitalized on changes to positively address disruptive situations and effectively manage unexpected occurrences.		
Strongly agree	166	36.5%
Agree	143	31.4%
Undecided	44	9.7%
Disagree	61	13.4%
Strongly disagree	50	11.0%
Total	455	100.0%

Source: Field Survey (2023)

The result on the table shows that reveals that 44.4 percent of the respondents strongly agree that they possess effective readiness for both incoming threats and opportunities. Furthermore, 44.6 percent agree, 3.3 percent are uncertain, 4 percent disagree, and 3.7 percent strongly disagree. This indicates that a significant majority of respondents feel well-prepared for handling forthcoming threats and opportunities.

Also, the result indicates that 33.8 percent of the total respondents strongly agree that they exhibit the capability to manage uncertainty and adapt to unpredictable variations. Additionally, 46.4 percent agree, 1.5 percent are uncertain, 9.2 percent disagree, and 9 percent strongly disagree. This implies that most of the respondents possess the ability to cope with uncertainty and unpredictable changes. Furthermore, it was revealed that 45.3 percent of the total respondents strongly agree that the pandemic has escalated their workload and pressure, compelling them to operate virtually. Moreover, 36 percent agree, 7.3 percent are uncertain, 6.6 percent disagree, and 4.8 percent strongly disagree. This suggests that a substantial portion of respondents acknowledge the increased workload and virtual operations due to the pandemic.

The next item shows that 34.7 percent of the total respondents strongly agree that they have effectively managed and deliberated on matters and handled challenging or unforeseen situations during business crises. Furthermore, 36.3 percent agree, 9.2 percent are uncertain, 12.5 percent disagree, and 7.3 percent strongly disagree. This implies that a significant number of respondents believe in their capability to navigate and make effective decisions during business crises. Lastly, the result indicates that 35.5 percent of the respondents strongly agree that they have proactively utilized change to respond positively to disruptive circumstances and manage unexpected events. Additionally, 31.4 percent agree, 9.7 percent are uncertain, 13.4 percent disagree, and 11 percent strongly disagree. This suggests that most respondents have indeed leveraged change to address disruptive situations positively and cope with the unforeseen.

Test of Hypothesis

H01. There is no significant relationship between risk taking and organizational resilience of SMEs in Lagos State.

Table 5: Correlation Analysis between Risk taking and Organizational Resilience of SMEs in Lagos State

Descriptive Statistics		Mean	Std. Deviation	N
Risk taking choices affect my business performance during business situational crises		2.5369	1.48252	455
I have also taken advantage of change, to respond to disruptive circumstances positively and to cope when the unexpected happens.		2.3546	1.53846	455

Correlations			
		Risk Taking	Organization resilience.
Risk Taking	Pearson Correlation	1	.517**
	Sig. (2-tailed)		.002
	N	455	455
Organization resilience	Pearson Correlation	.517**	1
	Sig. (2-tailed)	.002	
	N	455	455

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

Source: SPSS Version 24 output

The sixth research hypothesis, positing that there is no significant correlation between risk-taking, entrepreneurial orientation, and organizational resilience of SMEs in Lagos State, was assessed using a Pearson correlation analysis. The findings of the Pearson Correlation analysis are presented in table 4.16, illustrating the strength and direction of the linear relationship between the dependent variable (*Organizational Resilience*) and the independent variable (*Risk Taking*). The analysis involved a survey of four hundred and fifty-five respondents. The data indicated that *Organizational Resilience* had a mean of 2.3546 and a standard deviation of 1.53846, while *Risk Taking* had a mean of 2.5369 and a standard deviation of 1.48252. Also, the correlation coefficient value of 0.517** indicates a moderate and positive correlation between *Risk Taking and Organizational Resilience*. The calculated p-value is 0.002, which is lower than the significance threshold of 0.05. This suggests a significant relationship between risk-taking and organizational 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 risk-taking and organizational resilience among SMEs in Lagos State.

Discussion of Findings

The research hypothesis, which posits that no notable correlation exists between risk-taking and organizational resilience of SMEs in Lagos State, was subjected to testing using a Pearson correlation. The outcome of the Pearson Correlation analysis yielded a coefficient value of 0.517**, indicating a moderate and positive correlation between risk-taking and organizational resilience. The calculated p-value of 0.002 falls below the predetermined significance threshold of 0.05, indicating a meaningful relationship between risk-taking and organization resilience among SMEs. As a result, the null hypothesis was rejected, and the alternative hypothesis was accepted at a 5% level of significance. This implies a noteworthy and positive association between risk-taking and organizational resilience in SMEs in Lagos State.

This finding also aligns with the study conducted by Muritala and Ajetunmobi (2019), wherein they revealed that the Nigerian marketing environment is characterized by unpredictability, uncertainty, and constant dynamic changes, driven by factors like globalization, rapid environmental shifts, and cultural diversification. The intricate interplay of challenges such as financial and human capital constraints, inadequate business training, ecological systems, and subpar management systems, has intensified competitive pressures on SMEs, making it particularly challenging for them to attain a competitive advantage.

Ligthelm (2021) underscores the importance of micro, small, and medium enterprises (MSMEs) in constituting the majority of businesses and creating over two-thirds of employment opportunities. Consequently, the durability of the business landscape holds immense significance not only for national progress but also for the continuity of the job market. However, these enterprises remain susceptible to a range of disasters and disaster risks. A significant portion of these businesses lacks understanding regarding the advantages of long-term resilience development and faces constraints in managing disaster risks due to limitations in financial resources, human resources, and technical capabilities.

Sine, Haveman, and Tolbert (2015) underscore the transformative role of technology in revolutionizing how companies collaborate. This heightened technological awareness has ushered in a new industrial revolution, with leaders needing to navigate and harness the potential of these

transformative risks. The flexibility introduced by technology has facilitated innovation and the exploitation of opportunities within operations. Furthermore, Zastempowski and Przybylska (2016) highlight the urgency for SMEs to adopt a proactive stance in seizing opportunities and adapting to changing market conditions, specifically concerning product adjustments and new technologies. The ever-growing impact of globalization and swift market transformations necessitate swift adaptability.

Regarding crisis management, Zastempowski and Przybylska (2016) stress that it is now impossible to efficiently operate crisis management without integrating effective risk management. To achieve an optimal operational model in crisis management, innovative solutions are being increasingly sought. The management of risk-taking becomes crucial in managing crises effectively. The incorporation of new technologies plays a role in crisis management by expediting response times, enhancing message consistency, providing relevant and redundant information to stakeholders, and establishing effective communication channels between organizations and stakeholders.

Afifa (2022) underscores the importance of risk management in sustaining business viability. Among the risk mitigation strategies, a proactive strategy stands out as highly effective. Mitigation, aimed at reducing or minimizing the potential negative impact of a problem, involves the observation of inventory, manufacturing, and logistics within a company. Such mitigation efforts are vital in identifying and addressing potential risks that could hinder company activities, forming the basis for strategic decisions and the development of risk evaluation models.

Santoso et al. (2018) defined a risk mitigation strategy as a standardized approach applied to reduce potential risks. Employees participate both as executors and management in implementing this strategy. According to Study.com (2023), risk-taking entails a person's willingness to embrace uncertainty in outcomes. Within the realm of business, risk-taking plays a pivotal role, influencing the success of individuals, companies, and the economy at large. Risk-taking often involves a process known as trial and error, where decision-makers confront the unknown and are willing to accept failure as a stepping stone to learning. This approach emphasizes learning from failure and adapting strategies accordingly.

Study.com (2023) further delves into the concept of trial and error, highlighting three core principles. The first, early failure, advocates for refuting bad ideas promptly to minimize associated losses. The second, cheap failure, recommends small-scale experimentation and cost analysis before larger-scale implementation. The third principle is to fail often, emphasizing the importance of adjusting and retrying regularly to achieve success. This approach facilitates iterative refinement, driving progress through a cycle of failure, assessment, and improvement.

Conclusion

It can be concluded that the risk taking ability of business organization has a significant effect on the organization resilience in that it helps business organization to identify new market opportunities and stand firm in the face of challenges, thereby fostering innovative performance within the organization. For smaller business or startups, the business owners must be ready to take calculative risk that can lead to increase in the profit of the organization and a major recognition strategy.

REFERENCES

- Adelaja, S, A (2017) Managerial issues and problem-solving in the formative years. *Journal of Small Business Management*, 28(2), 9-19.
- Adeniran, T. & Johnston, K. (2012) *Investigating the dynamic capabilities and competitive advantage of South African SMEs*. *Afr. J. Bus. Manag.* 2012, 6, 4088–4099
- Afifa, V, (2022) Implementation of Risk management and reducing risk, observations of inventory, manufacturing and logistics
- Akanbi, Paul Ayobami, & Onyema .E. Ofoegbu. (2011). An Examination of the Influence of Some Selected Situational Factors on Entrepreneurial Intentions in Nigeria. *International Business and Management*, 3 (1), 189-196
- Akingbolu, G, K & Phillips, S, W (2018) Effect of competitive intelligence on competitive advantage o micro small and medium enterprises in Nigeria. *International Journal of Management and Social Sciences* 9 (2): 179–193.
- Albesu J, F, Abdullah, N., Hadi, N., & Dana, L (2008) Small and medium enterprises and global risks: Evidence from manufacturing SMEs in Turkey, "*International Journal of Disaster Risk Sciences*, Vol.11, pp. 59–73.
- Ayala, J.C., & Manzano, G. (2014). The resilience of the entrepreneur. Influence on the success of the business. A longitudinal analysis. *Journal of Economic Psychology*, 42, 126-135.
- Becherer, E, H & Maurer, A, K (2017) Social enterprise and community resilience: Examining a Greek response. *Journal of Rural Studies*, 70, 215-224.
- Branzei, O., & Abdelnour, S. (2020). Another day, another dollar: Enterprise resilience under terrorism in developing countries. *Journal of International Business Studies*, 41(5), 804-825.
- Bullough, A., & Renko, M. (2013). Entrepreneurial resilience during challenging times. *Business Horizons, Journal of Entrepreneurship and Small Business*, (3), 343-350
- Cooper, E, Folta, R, & Woo H, (2015) *the education and training of entrepreneurs in Asia*," *Education + Training*, 43(8/9).405–416.
- De Castro, J. O., Balkin, D. B., & Shepherd, D. A. (2008). Can entrepreneurial firms benefit from product piracy? *Journal of Business Venturing*, 23(1), 75-90.
- DeTienne, D. R., Shepherd, D. A., & De Castro, J. O. (2008). The fallacy of only the strong survive: The effects of extrinsic motivation on the persistence decisions for underperforming firms. *Journal of Business Venturing*, 23(5), 528-546.
- Ewen, E, O (2010) *Policy and Practice: Recursive Learning from Crisis*. *Group and Organization Management*, 35(5), 572–605.
- Ewen, E, O, (2010). *Strengthening the Capacity of SMEs for Global Competitiveness in the Development Discourse: A, Social Cognitive Career Theory, Growth and Economic Efficiency in India, Bangalore, Fess*.
- Finnih, S, H. (2020) Building Strategic Resilience in The Food Supply Chain. *British Food Journal*, 118(6), 1477-1493. <https://doi.org/10.1108/BFJ-10-2015-0350>
- Fletcher , R, S(2022) Implication for New Product Development and businedss Management. *European Business Review*, 18(3), 214
- Fredrickson, B. L., Tugade, M. M., Waugh, C. E., & Larkin, G. R. (2003). What good are positive emotions in crisis? A prospective study of resilience and emotions following the terrorist attacks on the United States on September 11th, 2001. *Journal of Personality and Social Psychology*, 84(2), 365.

- Haswell, S., & Holmes, S. (2019). Estimating the small business failure rate: A reappraisal. *Journal of Small Business Management*, 27(3), 68.
- Hillary, E.E, (2023) Building resilience capabilities at 'Big Brown Box'. *Strategy and Leadership*, 40(4), 43-45
- Ireland, R. D., & Miller, C. C. (2004). Decision-making and firm success. *The Academy of Management Executive*, 18(4), 8-12.
- Irvine, W., & Anderson, A. R. (2016). The impacts of foot and mouth disease on a peripheral tourism area: The role and effect of crisis management. *Journal of Travel & Tourism Marketing*, 19(2-3), 47-60.
- Knight, W, G& Frank M, S (2016) *Establishing the psychometric qualities of the Connor-Davidson Resilience Scale (CD-RISC)* using exploratory and confirmatory factor analysis in a trauma survivor sample. *Psychiatry Research*, 179(3), 350–356
- Lee, Y, H (2021) advantages and disadvantage of taking risk by business organization
- Ligthelm, A. S. (2012). *Businesses Struggling*. Retrieved from <https://mg.co.za/article/2011-10-30-sowetos-small-businesses-struggle-to-survive>
- Mirkhan, K., M. Abdullah, and S. Alsamarai. (2017). The role of competitive intelligence types in marketing of banking services. *International Journal of Business and Social Science* 8 (10): 98–118.
- Mitchell, R. K., Busenitz, L., Lant, T., McDougall, P. P., Morse, E. A., & Smith, J. B. (2002). Toward a theory of entrepreneurial cognition: Rethinking the people side of entrepreneurship research. *Entrepreneurship Theory and Practice*, 27(2), 93-104
- Muritala, A.S. and Ajetunmobi, O. A. (2019). Competitive Intelligence and Sustainable Competitive Advantage of Selected Insurance Companies in Nigeria. *International Journal of Advanced Research in Statistics, Management and Finance* 7(1): 214–224
- Muritala, A.S. and Ajetunmobi, O. A. (2019). The Nigerian marketing environment is unpredictable, uncertain, dynamic, constantly changing, *International Journal of Project Management*, 36(2), 255-266
- Ofunoye, C.M. (2017) *Innovation and Resilience of Small-Medium Entrepreneurs in Port Harcourt*. Sch. J. Sci. Res. Essay 2017, 6, 61–66.
- Oladimeji, M. S., B. U. Eze, and K. A. Akanni. 2017. Effect of competitive intelligence on competitive advantage o micro small and medium enterprises in Nigeria. *Lapai International Journal of Management and Social Sciences* 9 (2): 179–193.
- Pierce, E, F Kostova O, O, & Dirks, H, A(2021) the relationship between written business plans and the failure of small businesses in the US. *Journal of Small Business Management*, 39(3), 201-208.
- Reivich, K & Shatte, A. (2002). *The Resilience Factor; 7 Essential Skill For Overcoming Life's Inevitable Obstacle*.
- Royce, W, E, (2022) . Risk Minimization Strategy for Apple Dodol Supply Chain with Analytical Hierarchy Process Approach (Case Study In SMEs Brosem, Batu City, East Java)
- Salisu, I.; Hshim, N. (2017), *A critical review of the scales used in resilience research*. IOSR J. Bus. Manag. 2017, 19, 23–33
- Santos A, F, Caetano M, D, & Curral, A, A (2018) Risk-taking as an important quality in many business positions, 193, 332-342. <https://doi.org/10.1016/j.ijpe.2017.07.024>
- Sine, Haveman, and Tolbert, Herman (2015) Commission presents European *Skills Agenda for sustainable competitiveness, social fairness, and resilience*," (accessed Nov, 22, 2021).

- Sine, W. D., Haveman, H. A., & Tolbert, P. S. (2015). Risky business? Entrepreneurship in the new independent-power sector. *Administrative Science Quarterly*, 50(2), 200-232.
- Study.com (2023) the impact or taking risks in business and the principle of risk taking <https://doi.org/10.1108/10878571211242948>
- Van Praag, C. M. (2003). Business survival and success of young small business owners. *Small Business Economics*, 21(1), 1-17
- Yemisi, A and Robert, F (2017) Managerial issues and problem-solving in the formative years. *Journal of Small Business Management*, 28(2), 9-19.
- Yemisi, A., & Robert, P.S. (2017). Entrepreneurial resilience, high impact challenges, and firm performance. *Journal of Management Policy and Practice*, 18(2), 28-37
- Zastempowski, M., & Przybylska, N. (2016). Cooperation in creating innovation in Polish Small and Medium-Sized Enterprises in the Light of Empirical Studies. *Journal of Competitiveness*, 8(1), 42-58.