

Moderating Effect of Dominant Logic on the Relationship between Innovation Capability and SMEs Performance in Abuja

¹Adeola A. Asoro, ²MI Aminu PhD & ³Bello Sabo

^{1,2,3}Department of Business Administration (Rural finance & Entrepreneurship),
Ahmadu Bello University, Zaria

Corresponding Email: [¹adeolaajaratabidemi@gmail.com](mailto:adeolaajaratabidemi@gmail.com),
[²miaminuscholar@yahoo.com](mailto:miaminuscholar@yahoo.com), [³sabobello@gmail.com](mailto:sabobello@gmail.com)

Abstract

Performance of SMEs in today's dynamic business environment is crucial for the development of any economy. However, there are still obstacles hindering the expected optimal performance of the sector. The objective of this study therefore, is to examine the moderating role of dominant logic on the relationship between product innovation, marketing innovation and firm performance among SMEs in Three local governments (Abaji, AMAC and Kuje) in Abuja. A sample of 235 questionnaires was analyzed using Structural Equation Modelling. The result indicated that, in the direct relationship, Marketing Innovation and Dominant Logic have significant effect on SMEs performance, while the direct relationship between Product Innovation and Performance was found not to be significant. It was further found that Dominant Logic significantly moderates the relationship between Product Innovation and Firm Performance. On the other hand, Dominant Logic does not significantly moderate the relationship between Marketing Innovation and SMEs performance. The study therefore recommends that businesses should ensure managerial cognition are well defined and communicated at all levels, so as to improve product innovation. Also, there is need to emphasize the idea behind new trends so as to come up with a befitting marketing innovation that makes their business stand out by delivering quality service in the most cost effective manner which will in turn enhance their performance.

Keywords: SMEs Performance, Innovation, Dominant Logic and Service Quality.

1.0 Introduction

Since they have the potential to create jobs, increase the diversification of local product innovation, foster endemic entrepreneurship, and move toward combining with large-scale industries, the performance of small and medium-sized enterprises (SMEs) is crucial for the growth of the economy of any nation. Globally, the performance of small businesses has created a platform for entrepreneurs, making them the fundamental force behind economic growth and poverty reduction, through the provision of job opportunities (Adeosun & Shittu 2022). Governments everywhere are progressively advancing and assisting their SMEs maturation as part of their gross national improvement scheme, because they are seen as the largest business sector in all global economies (World Bank, 2021). Due to these

phenomena, researchers, governments, investors, and SME owners worldwide continue to be very interested in the performance of Small and Medium-sized Enterprises (Adam & Alarifi 2021).

This is owed to the observation that SMEs performance and growth is one of the important elements influencing the degree of social action, economic transformation, urbanization, equitable income distribution, overall wellbeing, income per capital, and the quality of life experienced by the citizenry (SMEDAN, 2018; Ugwu & Hubs 2021). Through this, a fresh, exciting, potentially profitable, yet adaptable concept emerges that supports the long-term performance of SMEs (Adam & Alarifi 2021). However, as a result of the economic and social effects of present world's business issues, numerous governmental and charitable initiatives have failed to bring about the social transformation that SMEs demand (Juliana, Hui, Clement, Solomon, Elvis, & Publishing, 2021). This is brought about by the transition in the global economy from knowledge-based to idea-based activities, which call for imagination, creativity, and entrepreneurship (Omede & Aghanenu 2021). Consequently, SMEs in Nigeria following these happenings have not been able to perform as well as to be expected sabotaging their contributions to economic growth and development (PwC, 2020; Omede & Aghanenu 2021).

Accordingly, the bulk of Nigerian business people are in need of workable solutions for fusing the required opportunities and resources in various ways. This is due to the fact that our inventions and technologies are not as advanced as those in the west (Juliana *et al.*, 2021). The problem therefore is not about deliberately thinking and injecting original ideas within the business environment which translates to performance, the main issue is associated with the inability of SMEs in Nigeria to encourage corporate innovation (Olubiyi, 2022; Punch Newspaper). Implicatively, the government, commercial banks and investors have difficulties in fully committing to the continuous development of SMEs (CBN, 2017; Olubiyi, 2022), which is as a result of their sub optimal performance, caused by the barriers to the activities of innovations in SMEs.

As a basis for improving performance, SMEs especially those in countries like Nigeria needs to depend on not just the opportunities provided by the foreign environment, but also those provided by their local environment (OECD, 2017). This suggests that SMEs become extremely competitive in a developing market when they prioritize creative activities that enhance their standing (Ogunyemi, 2020). Essentially, the need for businesses to improve performance and have a

competitive edge related to performance is the primary driver of innovation. In line with the issue of innovation, the director of SMEDAN stated in an opening ceremony for the sensitization of young business owners programme, that there are a lot of small business owners/manager who neglect the implementation of sustainable innovative strategies. Forgetting that continuous adherence to originality in product and marketing innovation is the bases for any brand (Guardian newspaper, 2020).

According to Imran, Salisu, Aslam, Iqbal and Hameed (2019), SMEs have a deficiency in the capabilities of innovations and other resources that large companies have. Some of the SMEs in Abuja have been found to be lacking in their ability to review practices, seek creative ways to be flexible, amplify their ability to think outside the box and exhibit greater competitiveness, either by spicing up their product or increasing their marketing scope (FATE, 2018; Akinboyo, 2020; Amin 2021). These features are associated with the ways in which their performance can be improved (Agwu 2018; Ekanem, Owen, & Cardoso, 2019). Several studies have been conducted on the effect of innovation capability and performance of SMEs in both developing and developed countries. For example, studies like, Obunike and Udu, (2018); Oduro and Nyarku (2018); Nguyen, Nguyen, Phung and Nguyen (2019) and Donkor, Donkor, Kankam-Kwarteng and Aidoo (2018). While all these studies focused on innovation capability and performance, few researches have investigated the benefit of the use of a contingent variable and those that measured with one didn't use dominant logic as seen in the works of Urban and Maphumulo (2021); Zhang, Khan, Lee and Salik (2019) and Musawa and Ahmad (2019).

Additionally, studies that used dominant logic as moderator Khan, Xuehe, Atlas and Khan (2019) and Onwe (2020) did not test it in relation to innovation capability and performance. These evidences therefore, provide the basis for the interaction of dominant logic with innovative capability to determine whether the position and property of previous findings on the performance of SMEs will change (Baron & Kenny, 1986). According to Cestino and Brendt (2018), dominant logic is an intellectually attractive mindset needed by every entrepreneur but its use has been generally restricted to developed nations and large enterprises. SMEs in Nigeria focus on recent market trends while forgetting to improve on their development activities and to also hone and perfect those practices that has kept them in business, making larger organizations benefit more from dominant logic compared to SMEs (Akpan, Udoh & Adebisi, 2020).

According to Akpan, Soopramanien, and Kwak (2021), developing a dominant logic often requires innovation, which can be more challenging for small businesses due to resource constraints and limited access to cutting-edge technology and expertise. Also, they operate in niche markets or cater to a specific customer segment, this often limit their need or ability to develop a broad, dominant logic that applies across various contexts (Ojinta 2018; Ogunsanya, 2021). Small businesses especially in the study area have been found to be focused on short-term survival and immediate revenue generation (Katere, 2021), which can lead to prioritizing day-to-day operations over long-term strategic thinking required to establish a dominant logic (Akpan *et al.*, 2021). This is evident in the failure rate of small businesses, according to the U.S. Bureau of Labor Statistics, about 20% of small businesses fail within the first year, 30% within the second year, and around 50% within the fifth year. By the tenth year, approximately 70% of small businesses have closed. This can be as a result of SMEs having limited innovative capability resources, fewer networking opportunities that limits their exposure to prevailing wisdom and best practices as seen in most cases with SMEs in Abuja.

Foster, Wiewiora and Donnet (2023), have argued that dominant logic instills a level of alignment with the performance of organizations, because it fosters organizational renewal and innovation in a changing business environment (Pan, 2017; Mutonyi, Slåtten, Lien, González-Piñero, 2022). Hence, by operationalizing dominant logic and innovation, the researcher will lay groundwork for a clear connection between the two ideas and performance of SMEs. This therefore constitutes the theoretical and literature gap in this study, since, based on the available literature, no study has jointly employed these variables. As a result of this, this work intends to change directions identified by examining the moderating effect of dominant logic on the relationship between innovative capacity and the performance of SMEs in Abuja, Nigeria.

Therefore, this study seeks to examine the moderating effect of dominant logic on the relationship between innovative capability and SME performance in Abuja. The study specifically attempts to examine the moderate relationships and the effect of product innovation, marketing innovation and dominant logic on the performance of SMEs in Abuja.

2. Literature Review

2.1 Conceptual Framework

Concept of Dominant Logic

The concept of dominant logic is an idea of managerial cognition used in examining a strategic transition. It assists managers in making rapid and effective decisions by acting as a "information filter" that directs managers' attention to issues and events that are in line with the current market trend, as well as ideas that work for and fit with their own purpose, vision, and goals (Bettis & Prahalad, 1995). The manager/owner can use the concept to guide learning and knowledge production throughout the business in addition to making managerial decisions. To attain the intended strategic objectives, all organization members must share dominant logic, which gradually transforms into an organizational-level strategic framework (Bettis & Prahalad, 1995; Lampel & Shamsie, 2000; Bettis & Wong, 2003; Kor & Mesko, 2013).

Innovative Capability and Performance

Amin (2021) investigated the effects of innovation capability on performance of SME within a context of regional developing and emerging economy. Primary data was collected through questionnaire survey responded by 308 SMEs. The correlation outcome reveals that product, process, marketing and management innovation has a positive and significant effect on the performance of SMEs in Mexico. In Onitsha, Nigeria, Nwokocha and Nwankwo (2019) examined the effect of outsourcing on innovation and the performance of small and medium-sized enterprises (SMEs). Innovation in the areas of products, procedures, business, and organizational innovation has a significant effect on SMEs' performance. Other studies supported this view (Akinboyo 2020; Guzman *et al.*, 2018; Exposito & Sanchis-Liopis 2018), while some other studies (Karabulut 2015; Andries & Faems 2013; Benfratello, Schiantarelli & Sembenelli 2008) reported that there were no significant relationship between innovative capability and performance. Although some of these studies were conducted in Nigeria, and except for Amin (2021) and Akinboyo (2020) who used theories to back up their studies. There were no theories used to shore up the research. Besides, the study measured the relationship between the dependent and the independent variable directly without the inclusion of contingent variable to ascertain if the direction of the study will change. Consequently, this work aims to close this gap via incorporating a contingent variable to see if the direction of the study will change as a result of the inconsistencies in findings.

2.2 Dominant Logic and Performance

Kerfai and Ghadhab (2016) in their study researched the performance, perception, measurement and practices of manufacturing companies through the transition of the dominant logic. The findings revealed that dominant logic positively influences the performance of the manufacturing sector. Wilden and Gudergan (2017) investigate the effects of the dominant logic of a company on technological and marketing capabilities and its performance. The PLS/SEM model, which uses data from 228 businesses, is used to test hypotheses about the variables. The results show that a company's dominant logic and efficiency are fully mediated by technical and marketing capabilities. Pan (2017) investigated the interaction between the mechanisms of development of the dominant logic and performance. Dominant logic was measured using an information filter and a routine mechanism. The finding shows that the information filter and the idea of routine for improvisation has a significant effect on the performance of the company.

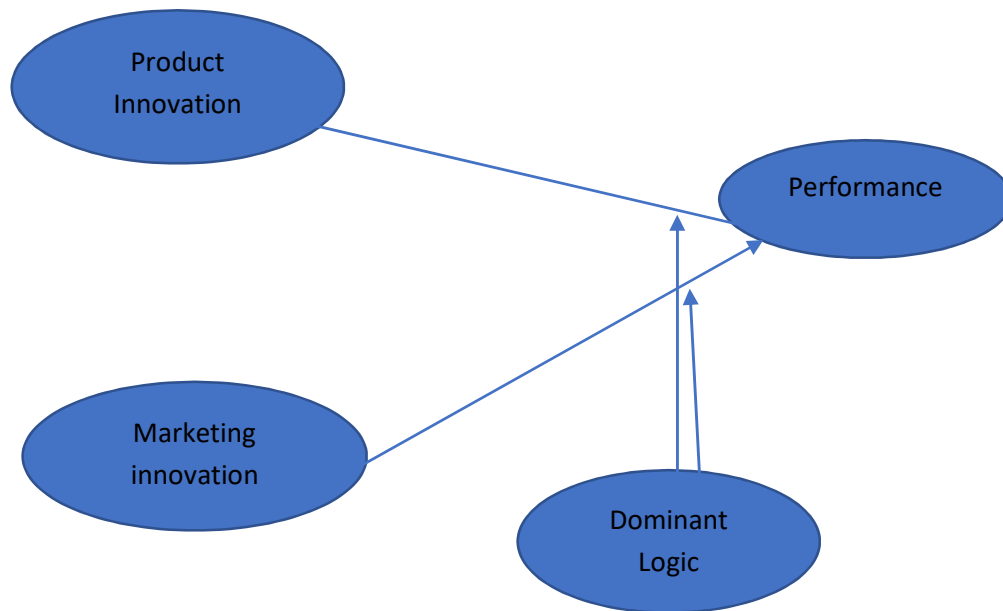
Adding to the fact that these studies were not conducted in Nigeria, the studies all show a significant relationship between the dominant logic and performance. No theory was used to align its findings with the dominant logic in rejecting and validating. A recent Nigerian study needs to be replicated incorporating the appropriate theory to support the study. Also, although dominant logic was used as a mediating variable between marketing innovation and performance, there is still the gap of using it as a moderator.

2.3 Dominant Logic as Moderator

Another important criticism of the previous literature on innovative capability with performance of SMEs is that there have been a lot of studies with almost the same conclusions. It can be said that the irregularity is related to the availability of data and its type, the weakness of the framework, the appropriate theories for the problems, the time frame and the application of incorrect techniques in the data analysis (Swoboda & Olejnik, 2014; Mudalige, 2015; Arora *et al.*, 2019). Simpson, Siguaw and Enz (2006), attributed these inconsistencies to the inappropriate and precise theory regarding the variables used in the studies. Others may be due to variations in the use of various samples and companies (Prajogo, & Ahmed, 2006), concentration in different times and time periods (Walker, 2004), insufficient control variables, and company size (Kabir & Akinnusi, 2012). Other research has found that the lack of investigation of the relationship within a single conceptual framework leads to the findings being mixed (Orlitzky, Schmidt & Rynes, 2003). Finally, in order to examine a possible change in the position of the relationship

between innovation and performance in literature, scholars such as Dooley *et al.*, (2016); Sibanda *et al.*, (2018) proposed the incorporation of moderators to test the theory. In the Nigerian context, the OECD report indicated that SMEs that possess these capabilities are generally forced to identify strategies that can improve company performance (OECD, 2019). Extending this argument to the dominant logic, the researcher stated that since the ability to absorb new information, adapt to dynamic trends, and the cognition to be resourceful and unique is a decision of the owner / manager, it is logical to argue that owners / managers will want to maintain improved performance and align their interest in ensuring that quality service delivery is their top priority at all times. This will undoubtedly ensure customer retention, positive feedback, and implementation of sound business strategies. Therefore, following the argument presented by Kamasak, Yavuz and Altuntas (2016); Effendi and Kusmantini (2015); Zhang, Khan, Lee and Salik (2019); Lopes and Carvalho (2018) and Khairuddin *et al.*, (2019) dominant logic was introduced as a moderating variable with the possibility of discovering whether or not it will strengthen the relationship between innovative capabilities (dynamic capability) and the performance of SMEs.

2.4 Research Framework (model)



3. Theoretical Framework

Dynamic Capability Theory (DCT)

The Dynamic Capability Theory focuses on the fundamental premise that resources are heterogeneous across organizations and that this heterogeneity can be sustained over time. It's a theory that explains how certain businesses can achieve big profits in equilibrium, and it's basically a static vision (Barney & Locket, 2001). According to DCT, managers view all new prospects (options) for the company that will increase its efficiency via the lens of the dominant logic. The dominant logic sorts through an indeterminate set of possibilities to show the company's options. (Gupta, *et al.*, 2006). According to the theory, the Dominant Logic (DL) assists managers in conceptualizing the market and making crucial resource allocation decisions for improved service quality, whether in product creation, advertisement, or human resource management. The dominant logic acts as a knowledge filter and a competition filter, influencing the dynamic capacities of competition and the resources of an organization. According to DCT, the innovations perspective is vital to understanding the dynamics at play regarding the acceptance and purpose of innovations in SMEs to improve the quality-of-service delivery. Companies are faced with a quality-of-service reality in which they must build new capabilities in order to handle original value developments, hold out, and succeed in a rapidly evolving world. (Markides, 2006; Schumpeter, 1947, 1950; Wiggins & Ruelfi, 2005). This is particularly critical as a collection of organizational skills becomes redundant over time as customer taste and preference for better performance are met.

Furthermore, the theory buttresses that innovation is an effective means of generating intangible assets and improving performance. The development of knowledge, as well as the proper application of that knowledge for business purposes, is a factor that must be invested in and discussed for any business performance (Tzokas *et al.*, 2015). As a result, enterprises must enhance their product and process innovation skills, that is perceived as a root of competitive advantage

4. Methodology

The work employed a cross sectional research design to examine the moderating effect of dominant logic in the relationship between product innovation, marketing and SMEs performance. All small business owners in three local governments who have registered their businesses make up the study's Population (Abaji, AMAC and Kuje) in Abuja the Federal Capital Territory. Purposive sampling method was

considered, due to the density of SMEs in these local governments according to Guarte and Barrios (2006) technique to arrive at 235. Through the use of well-structured questionnaires adapted from Nelia, (2015), data was collected from primary sources. In the meantime, the structural equation model (PLS- SEM) was used to examine the data.

The information gathered from respondents with the use of questionnaires containing closed-ended questions on a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5), which allowed the respondent to show the degree to which they agree with the statement. We took into consideration the recording of responses in the questionnaire design, as suggested by the authors (Nachmias & Nachmias, 2009). Performance items were adapted from the original scale developed by Parasauraman *et al.*, (1988) and Gronroos (1994). Product and Marketing innovation items were adapted from the original scale developed by Akman and Yilmaz (2008) and dominant logic items were adapted from the original scale developed by Obloj *et al.*, (2010).

5. Result and Discussion

Prior to analysis, the data needed to be cleaned in accordance with Field's instructions (2009). The reliability was measured using Composite Reliability (CR) with the values above the cutoff of 0.70. Additionally, the Average Variance Extracted (AVE), which stands for the convergent validity of reflective constructions, is attained. According to Table 1, each construct accounts for over than 50% of the variance in its indicators since its grand mean scores (i.e., the average of the squared factor loading of each construct's items) are higher than the threshold of 0.50 (Hair et al., 2014). The HTMT criterion measured discriminant validity as shown in table 2 with values less than one indicating distinctiveness of the constructs.

Measurement Model

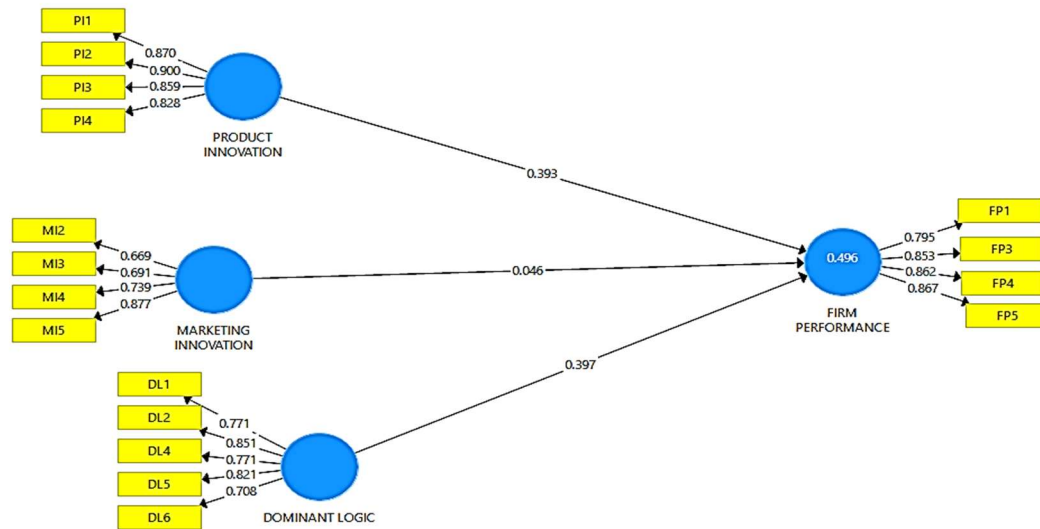


Table 1: Measurement information: convergent validity (n = 235)

CONSTRUCT	ITEMS	LOADING	AVE	CR
Product Innovation	PI1	0.870	0.56	0.834
	PI2	0.900		
	PI 3	0.859		
	PI 4	0.828		
Marketing Innovation	MI2	0.669	0.747	0.922
	MI3	0.691		
	MI4	0.739		
	MI5	0.877		
Dominant Logic	DL1	0.771	0.618	0.889
	DL2	0.851		
	DL4	0.771		
	DL5	0.821		
	DL6	0.708		
Firm Performance	FP1	0.795	0.713	0.909
	FP3	0.853		
	FP4	0.862		
	FP5	0.867		

PI5, PI6, MI1, MI6 DL3, FP2 and FP6 were deleted because of the measurement conclusion, CR: Composite reliability, AVE: Average variance extracted

Table 2: Measurement information: discriminant validity (n = 235)

Dominant Logic	0.786			
Firm Performance	0.62	0.845		
Marketing Innovation	0.553	0.619	0.865	
Product Innovation	0.117	0.146	0.136	0.748

The table shows the discriminant validity using the HTMT criterion where all the values are further below 1 show the existence of discriminant validity among the constructs.

Table 3: Variance inflation factor and formative indicators significance testing results (n = 235)

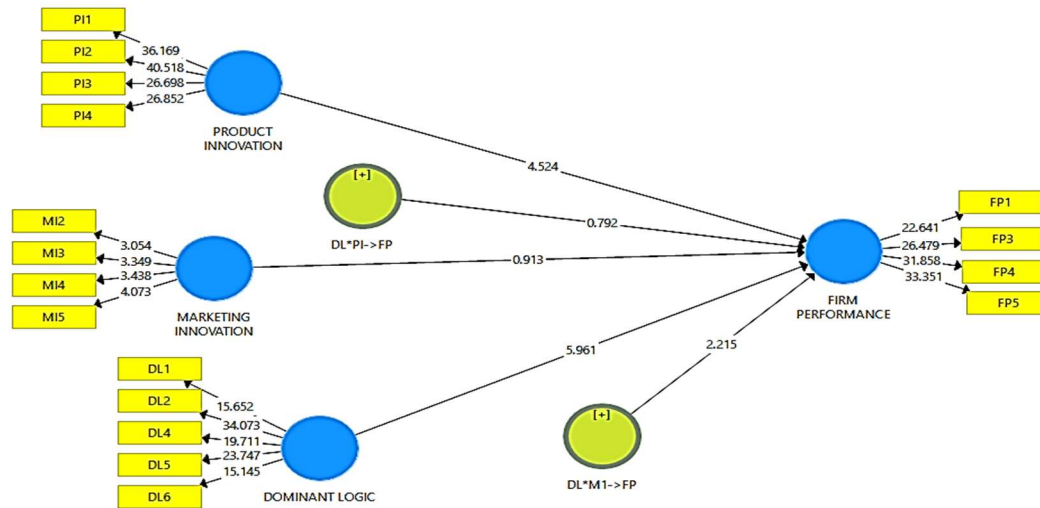
	VIF	OUTER WEIGHT	OUTER LOADING
Product Innovation	2.0073	0.6123	0.6885
Marketing Innovation	1.9648	0.6108	0.8446
Dominant Logic	2.0013	0.6007	0.6885

***p<0.01; **p<0.05; *p<0.1, the values in parentheses (i.e., outer loadings) shows absolute contribution, whereas, their corresponding values by the left (i.e. outer weights) depict the relative importance of that same indicator to the primary construct VIF: Variance inflation factor (Hair et al., 2013).

Structure model (internal model)

Hair et al. (2013) established four main evaluation requirements of the PLS-SEM structural model. , the coefficient of determination (R^2), the effect size (f^2), and ultimately the predictive relevance (Q^2) are assessed. To ascertain the precise connection between product, marketing innovation, and performance in the FCT, Nigeria, a start-up study is required. 5000 subsamples were used for the bootstrapping process. The structural model of direct effects is shown in Figure 1

Fig 1; Structure model



Test of Hypotheses

The study tested hypotheses for the direct and the indirect moderating relationship. This study put up five hypotheses in null form. The hypotheses were used to test the effect of product innovation, marketing innovation and dominant logic on firm performance as well as the moderating effect of dominant logic in the relationship between product innovation, marketing innovation and firm performance. The t-test (t-statistics) and p-value were used to assess the study's hypotheses at the 5% level of significance. If the t-statistic is less than 1.96 and the p-value is larger than 5%, the null hypotheses will be accepted; otherwise, they will be rejected. Three hypotheses for the direct association are tested in the study first, followed by the moderator.

Table 4: Path coefficient for direct relationship

Hypotheses	Relationship	Beta	Std Error	T-value	p-value	Decision
H1	PI -> FP	0.049	0.056	0.881	0.379	Fail to Reject
H2	MI -> FP	0.356	0.080	4.475	0.000	Rejected
H3	DL -> FP	0.357	0.061	5.899	0.031	Rejected
H4	DL*PI->FP	0.087	0.041	2.157	0.046	Rejected
H5	DL*MI->FP	0.048	0.055	0.871	0.378	Fail to Reject

***P value <0.01, **P value<0.05 *P-value<0.1

4.3.1 Hypotheses

Hypothesis (Product innovation and SME performance) state that:

H₀₁: Product innovation has no significant effect on performance. This hypothesis fail to reject, (accepted) that product innovation has insignificant effect on firm performance. It implies that increased product innovation on its own won't result in improved performance for SMEs. This is in line with the studies of Ismanu, Kushmintarti, and Riwajanti (2021), Nilasari, Wanto & Susilo (2021), who all found that PI has no significant effect on FP. This means that just producing a novel product will not affect the performance of SMEs in the area of study.

Hypothesis (Marketing innovation and SMEs performance) state that:

H₀₂: Marketing innovation has no significant effect on performance. This, hypothesis was rejected, since marketing innovation has significant effect on firm performance. This implies that increasing marketing innovation will improve business performance. This is in line with the research conducted by Hussain, Ismail, and Adamu in (2020), Afriye, Du & Ibn Musa (2019) and Sari, Kusuma, Sihotang & Febrianti (2023). This means that for any SME to perform optimally Marketing innovation is critical.

Hypothesis (Dominant logic and SMEs performance) state that:

H₀₃: Dominant logic has no significant impact on firm performance. The hypothesis was rejected since dominant logic has significant impact on firm performance. By implication, it means that increase in dominant logic will lead to increase performance. This is in agreement with the study of Khan *et al.*, (2019), Obloj, Obloj & Pratt (2010), Jantuen, Tupura, Patari (2022), by implication SMEs that adopt the managerial cognition improves their performance by a long shot.

Hypothesis (Moderating effect of Dominant logic on product innovation and SMEs performance) state that:

H04: Dominant logic has no significant moderating relationship on product innovation and performance. The hypothesis was rejected, since dominant logic has significant moderating effect on product innovation and performance. By implication, it means that the introduction dominant logic as a moderating variable on product innovation lead to increased performance. This is in accord with the study of Khan *et al.*, (2019), Yiu, Ngai& Lei (2019) and hurang, Cervera & Mas-Verdu (2018), this proves that PI when combined with dominant logic through filtering of information gotten from external environment it significant.

Hypothesis (Moderating effect of Dominant logic on marketing innovation and SMEs performance) state that:

H05: Dominant logic has no significant moderating relationship on marketing innovation and firm performance. The hypothesis was failed to be rejected that dominant logic has significant moderating effect on marketing innovation and firm performance. By implication, it means that the introduction dominant logic as a moderating variable on marketing innovation does not result in a corresponding increase in firm performance. This is accordant with the study of Vargo & Lusch (2004), Wright & Russell (2012) and Ballantyne& Varey (2007) which explain that marketing innovation on its own is a force to be reckoned with, while pairing it with certain managerial cognitive ability is good. It is also counter-productive as it is not needed when wanting to improve the performance of SMEs.

Table 5 Effect Size and Predictive Relevance

Construct	F ²	Effect size	R Square (R ²)	Q ²
Product Innovation	0.005	None		
Marketing Innovation	0.566	High	0.496	0.543
Dominant Logic	0.465	High		
DL*PI->FP	0.260	Medium		
DL*M1->FP	0.021	Small		

In the table above; the effect size of product innovation which is 0.005 (0.5%), has no effect on FP. However, MI & DL has high effect on firm performance with 56% and 46% respectively. The effect size of dominant logic moderating PI and FP is 0.260 (26%) which is medium and the effect size of MI moderated by DL on FP is

small at 0.021 (2.1%). The R Square (R^2) value of 0.496 indicates that 49.6 percent variation of SMEs performance is explained by the independent variables (product innovation, marketing innovation and dominant logic which is the moderating variable) The statistical importance of the model is reflected in the second quarter. The fact that Q2 in the table has a value of 0.543 (54%), indicates that the model's explanatory variables are significant in describing the endogenous variable (performance of SMEs).

6. Conclusion and Recommendations

The study was conducted on the moderating role of dominant logic on the relationship between Product Innovation (PI), Marketing Innovation (MI) and Performance among SMEs in Three local governments (Abaji, AMAC and Kuje) in Abuja the Federal Capital Territory. The result indicated that Marketing Innovation and Dominant Logic has direct and significant effect on SMEs Performance. This is because when SMEs find new and Innovative ways to attract the attention of consumers by sticking to a set of rules that guides their actions as a business (managerial relatedness), their business would have satisfied their customers with Service Quality which relates to improved Performance. Also, It was discovered that Dominant Logic significantly moderates the relationship between Product Innovation and Firm Performance, this is because when SMEs adapt to the ever changing environment through effective and rapid response by honing in on the key drivers of profit, by so doing reinforcing the believe that they can make sense with mental models which create a map that tells you the right way to make decision.

On the other hand, dominant logic did not significantly moderate the relationship between MI and FP because MI on its own is a force to reckon with and moderating it will not be idea and cost effective. The study therefore concludes that MI and DL are good determinants of firm performance. Whereas, in this study PI is not good enough to independently determine the performance of SME, but when moderated by DL it becomes a good determinant of SME performance. Thus, the study found that DL is a good moderator between PI and SME performance.

Based on the findings, the study therefore recommends that SMEs needs to articulate DL and how well it gets transmitted to the staff and build standard business ideas in people. This is to check succession planning, while reexamining their processes, understanding the validity of their processes and products. Make routine remodeling of their products and marketing innovation, so as to determine

what works best overtime which will lead to increase the market share for their products. This can be achieved by incorporating originality which necessitates handling a broader portfolio of investment properties. It's important to note that while small businesses may lack dominant logic in certain contexts, they can still be successful by leveraging their agility, customer-centric focus, and unique value propositions that differentiate them from larger competitors. Dominant logic is not the end but a means to an end for success, and small businesses can thrive by carving out their own niches and offering innovative solutions tailored to their specific markets in the process developing their own unique dominant logic thereby increase their performance.

Based on the findings and analysis of this study, it is advised that components that have been investigated be expanded to include factors that have sensitivity related to SMEs performance for future researchers who will focus on SMEs.

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