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STRATEGIC ENTREPRENEURSHIP AND PERFORMANCE OF SMEs IN DEVELOPING ECONOMIES

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Abstract

In today's dynamic and competitive business environment, strategic entrepreneurship has emerged as a critical approach for enhancing the performance and sustainability of Small and Medium-sized Enterprises (SMEs), particularly in developing economies. This study investigates the influence of strategic entrepreneurship adoption on SME performance, competitiveness, and growth. A cross-sectional survey research design was adopted, and data were collected from 289 SME owners, managers, and senior administrative staff across selected business sectors in Nigeria and Ghana using a structured questionnaire titled Strategic Entrepreneurship and SME Performance Questionnaire (SESPQ). Data were analyzed using descriptive statistics, Pearson Product Moment Correlation (PPMC), and simple regression analysis. Findings reveal that strategic entrepreneurship practices, including innovation, opportunity recognition, risk-taking, and strategic flexibility, significantly enhance SME performance, competitiveness, and sustainable growth. The study concludes that strategic entrepreneurship is a key driver of both immediate performance improvements and long-term sustainability for SMEs operating in developing economies. It is recommended that SME owners and managers prioritize the adoption of strategic entrepreneurship practices and invest in building strategic capabilities to strengthen growth, resilience, and competitive advantage.

Keywords: Strategic Entrepreneurship, SME Performance, Competitiveness, Developing Economies, Innovation, Strategic Flexibility

Introduction

In today's dynamic and highly competitive business environment, strategic entrepreneurship has emerged as a vital approach for improving the performance and sustainability of Small and Medium-sized Enterprises (SMEs), particularly in developing economies. SMEs play a critical role in economic growth, employment generation, innovation, and poverty reduction across developing countries. SMEs contribute significantly to job creation and account for a large proportion of businesses in emerging economies. However, many SMEs face challenges such as limited resources, unstable business environments, poor infrastructure, and increasing market competition, which hinder their growth and survival (World Bank, 2023).

Strategic entrepreneurship combines entrepreneurial actions such as innovation, opportunity identification, and risk-taking with strategic management practices aimed at achieving long-term competitive advantage and superior organizational performance. According to Hitt, Ireland, Sirmon, and Trahms (2017), strategic entrepreneurship enables firms to simultaneously explore new opportunities and exploit existing competitive advantages for improved performance. Similarly, Kraus et al. (2021) explain that strategic entrepreneurship helps SMEs adapt to environmental uncertainty, enhance innovation, and improve business sustainability.

In developing economies, SMEs increasingly rely on strategic entrepreneurship practices such as innovation, digitalization, proactive market behavior, and strategic networking to improve operational efficiency and business performance. Research by Eniola and Entebang (2017) indicates that entrepreneurial orientation significantly enhances SME growth and profitability in developing countries. Likewise, recent studies reveal that strategic entrepreneurial behavior positively influences innovation capability, market expansion, and organizational resilience among SMEs (Khan et al., 2025).

Furthermore, the growing influence of globalization and technological advancement has intensified the need for SMEs to adopt strategic entrepreneurial approaches to remain competitive. Digital innovation, strategic flexibility, and entrepreneurial competencies have become critical determinants of SME success in emerging markets (Egere, Maas, & Jones, 2025). Strategic entrepreneurship enables SMEs to identify market opportunities, develop innovative products and services, and respond effectively to rapidly changing customer needs.

Despite its importance, many SMEs in developing economies struggle to fully implement strategic entrepreneurship practices due to inadequate managerial skills, limited access to finance, poor technological infrastructure, and weak institutional support. These constraints often reduce their ability to innovate, compete, and achieve sustainable performance (García-Cabrera & García-Soto, 2023; Kraus et al., 2021).

Therefore, understanding the relationship between strategic entrepreneurship and SME performance is essential for business owners, policymakers, and researchers seeking to enhance enterprise growth and economic development in developing economies.

Statement of the Problem

Small and Medium-sized Enterprises (SMEs) are widely recognized as major contributors to economic growth, employment

creation, and innovation in developing economies. However, despite their importance, many SMEs continue to experience poor performance, low survival rates, and limited competitiveness due to unstable business environments, inadequate resources, and weak managerial capabilities.

One of the major challenges facing SMEs in developing economies is the inability to effectively combine entrepreneurial initiatives with strategic management practices to achieve sustainable business performance. Many SMEs focus primarily on short-term survival rather than long-term strategic growth, thereby limiting their capacity for innovation, market expansion, and competitive advantage (Eniola & Entebang, 2017). In addition, poor access to finance, weak technological adoption, and limited entrepreneurial competencies continue to hinder SME performance in many developing countries.

Studies have shown that strategic entrepreneurship practices such as innovation, proactiveness, strategic flexibility, and opportunity-seeking behavior significantly improve SME performance and competitiveness (Khan et al., 2025; Egere et al., 2025).

However, many SMEs in developing economies have not fully integrated these practices into their operations. Consequently, they struggle to adapt to environmental changes, exploit emerging opportunities, and achieve sustainable growth. Furthermore, the increasing complexity of global markets and rapid technological changes have intensified competition, making it difficult for SMEs with weak strategic capabilities to survive and grow. This situation raises concerns about the ability of SMEs in developing economies to contribute effectively to national economic development.

Therefore, there is a need to critically examine strategic entrepreneurship on the performance of SMEs in developing economies in order to provide insights that can improve business sustainability, innovation, and competitiveness.

Objectives of the Study

The general objective of this study is to examine strategic entrepreneurship on the performance of SMEs in developing economies.

The specific objectives are to:

1. Assess the extent to which SMEs adopt strategic entrepreneurship practices in developing economies.
2. Examine the influence of strategic entrepreneurship on the performance of SMEs in developing economies.

Research Questions

1. To what extent do SMEs adopt strategic entrepreneurship practices in developing economies?
2. How does strategic entrepreneurship influence the performance of SMEs in developing economies?

Hypotheses

The following null hypotheses were tested:

Ho1: Strategic entrepreneurship does not significantly influence the performance of SMEs in developing economies.

Ho2: The adoption of strategic entrepreneurship practices does not significantly enhance the competitiveness and growth of SMEs in developing economies.

Review of Related Literature

Conceptual Review

Entrepreneurship and Strategic Entrepreneurship

Entrepreneurship refers to the process of identifying, evaluating, and exploiting business opportunities to create value through the introduction of new products, services, or processes. It involves innovation, risk-taking, and the ability to mobilize resources in order to establish and grow a business venture. According to Shane and Venkataraman (2020), entrepreneurship is concerned with how, by whom, and with what effects opportunities to create future goods and services are discovered and exploited. More recent perspectives emphasize entrepreneurship as a dynamic process that drives economic development, job creation, and innovation, particularly in emerging and developing economies.

Entrepreneurship plays a critical role in enabling business formation, survival, and growth. Entrepreneurs are expected to operate in uncertain environments, make strategic decisions, and continuously adapt to changing market conditions. According to Morris, Kuratko, and Audretsch (2020), entrepreneurship is not only about starting a business but also about sustaining innovation and creating value over time. In developing economies, entrepreneurship is especially important due to limited formal employment opportunities and high levels of market inefficiency, making entrepreneurial activity a key driver of economic inclusion and development.

Strategic entrepreneurship refers to the integration of entrepreneurial actions with strategic management practices to achieve both opportunity-seeking and advantage-seeking objectives simultaneously. It combines innovation, risk-taking, and opportunity recognition with structured strategic planning aimed at achieving sustained competitive advantage and improved organizational performance. According to Hitt, Ireland, Sirmon, and Trahms (2017), strategic entrepreneurship involves the joint application of entrepreneurial mindset and strategic management to create wealth and sustain competitive advantage. Similarly, Kraus et al. (2021) explain that strategic entrepreneurship is a process through which firms identify opportunities, exploit them effectively, and simultaneously develop capabilities that enhance long-term performance and competitiveness.

Strategic entrepreneurship includes key dimensions such as innovation, proactiveness, risk-taking, strategic flexibility, opportunity recognition, and resource orchestration. These dimensions enable firms to respond effectively to environmental uncertainty, improve decision-making, and create superior value in competitive markets. Recent studies also show that strategic entrepreneurial practices significantly improve innovation performance and market success, particularly among SMEs operating in volatile environments (Khan et al., 2025).

In developing economies, strategic entrepreneurship is particularly important due to unstable economic conditions, limited resources, and rapid technological changes. SMEs that adopt strategic entrepreneurial approaches are better able to identify and exploit market opportunities, adapt to environmental changes, and achieve sustainable business growth and performance.

SMEs Performance

Small and Medium-sized Enterprises (SMEs) are business organizations that operate on a relatively small scale in terms of number of employees, capital investment, and operational scope.

They are widely recognized as key drivers of economic growth, employment generation, poverty reduction, and innovation, particularly in developing economies. SME performance refers to the extent to which Small and Medium-sized Enterprises achieve their set business objectives in terms of profitability, growth, productivity, market share, customer satisfaction, and innovation. It is commonly used as a measure of business success, efficiency, and competitiveness in both domestic and international markets.

According to Eniola and Entebang (2017), SME performance can be assessed using both financial indicators such as sales growth, return on investment, and profitability, as well as non-financial indicators such as customer satisfaction, innovation capability, and market expansion. Similarly, Li et al. (2022) emphasize that organizational performance is significantly influenced by entrepreneurial orientation, strategic capability, and innovation-driven practices.

In developing economies, SME performance is shaped by several internal and external factors, including access to finance, managerial competence, infrastructure development, technological capability, and government policy support. SMEs that are able to effectively combine entrepreneurial initiatives with strategic management practices are more likely to achieve higher levels of performance, competitiveness, and long-term sustainability. Furthermore, strategic entrepreneurship has been identified as a key driver of SME performance because it enables firms to identify and exploit opportunities, innovate continuously, and adapt effectively to changing and competitive business environments.

Developing Economies

Developing economies are countries characterized by lower levels of industrialization, income, technological advancement, and infrastructure development compared to developed nations. These economies often experience structural weaknesses in key sectors such as education, healthcare, transportation, and financial systems, which collectively slow down economic progress. As a result, they tend to rely heavily on primary industries and informal economic activities. In addition, many developing economies struggle with income inequality, weak productivity levels, and limited access to modern technologies, all of which constrain overall national development and business competitiveness (Todaro & Smith, 2020).

Developing economies rely heavily on Small and Medium-sized Enterprises (SMEs) as engines of economic growth, employment generation, and poverty reduction. SMEs form the backbone of most private sector activities in these countries, accounting for a significant proportion of total businesses and employment opportunities. They also contribute to innovation at the grassroots level by introducing affordable products and services tailored to local needs. Furthermore, SMEs play a critical role in promoting entrepreneurship, reducing unemployment among youths, and stimulating regional development through small-scale investments (World Bank, 2023).

However, SMEs in developing economies face numerous operational challenges including poor infrastructure, limited access to capital, policy instability, and technological constraints. García-Cabrera and García-Soto (2023) note that institutional and environmental factors significantly influence the growth and international expansion of SMEs in emerging economies. These challenges are further worsened by inadequate managerial capacity, high interest rates on loans, weak regulatory frameworks,

and limited access to global markets. Consequently, many SMEs struggle with survival beyond their early stages, while others operate below their full potential due to resource constraints and unstable business environments.

As a result, strategic entrepreneurship becomes essential for SMEs operating in developing economies because it provides the flexibility and innovation needed to survive and compete in uncertain business environments. Through strategic entrepreneurship, SMEs are able to identify viable market opportunities, allocate resources more efficiently, and respond proactively to environmental changes. It also enables them to adopt innovative practices, build competitive advantage, and improve long-term sustainability in highly volatile markets (Hitt, Ireland, Sirmon, & Trahms, 2017). In addition, weak digital infrastructure and inconsistent government support further limit SME competitiveness in many developing countries. Many businesses still operate with outdated technologies, limiting their productivity and efficiency in a globalized economy. Furthermore, policy inconsistency and poor implementation of SME support programs reduce investor confidence and hinder long-term planning. Therefore, strengthening institutional support systems and improving access to technology are essential for enhancing SME development (OECD, 2021).

High levels of market uncertainty make long-term planning and scaling difficult for many small businesses. Inflation, fluctuating exchange rates, and unpredictable consumer demand often disrupt business operations and reduce profitability. This instability forces many SMEs to adopt short-term survival strategies rather than long-term growth-oriented planning. As a result, their ability to expand, innovate, and compete effectively in both domestic and international markets becomes limited.

Therefore, adopting strategic entrepreneurial practices is crucial for improving resilience, growth, and sustainability among SMEs in these economies. Such practices enable firms to combine innovation with strategic planning, thereby improving adaptability and performance. In addition, they enhance the ability of SMEs to survive economic shocks and take advantage of emerging opportunities in competitive markets. Ultimately, strategic entrepreneurship serves as a key mechanism for strengthening SME performance and supporting broader economic development in developing economies.

Theoretical Framework

This study is anchored on the Resource-Based View (RBV) Theory and the Dynamic Capabilities Theory.

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) Theory was developed by Jay Barney in 1991. The theory explains that an organization's competitive advantage and performance largely depend on its internal resources and capabilities. According to the RBV theory, firms achieve superior performance when they possess valuable, rare, inimitable, and non-substitutable resources that competitors cannot easily copy. The theory emphasizes that organizational resources such as managerial skills, entrepreneurial knowledge, innovation capability, technology, and strategic competencies are essential for achieving sustained business success. In the context of SMEs, strategic entrepreneurship enables firms to effectively combine and utilize these resources to improve productivity, innovation, and competitiveness.

Resource-Based View is relevant to this study because SMEs operating in developing economies often face resource limitations and environmental uncertainties. Through strategic entrepreneurship practices such as innovation, opportunity recognition, and strategic flexibility, SMEs can maximize their available resources and build competitive advantage. The theory therefore supports the argument that strategic entrepreneurial capabilities significantly influence SME performance and sustainability. RBV explains why some SMEs perform better than others despite operating within the same business environment. Firms that effectively utilize strategic entrepreneurial resources are more likely to achieve growth, profitability, and long-term survival.

Dynamic Capabilities Theory

The Dynamic Capabilities Theory was advanced by David Teece, Gary Pisano, and Amy Shuen in 1997. The theory focuses on a firm's ability to integrate, build, and reconfigure internal and external competencies in response to rapidly changing business environments. Dynamic capabilities refer to the capacity of organizations to sense opportunities and threats, seize market opportunities, and transform their operations to maintain competitiveness. According to Teece (2018), firms operating in volatile and uncertain environments must continuously adapt, innovate, and renew their strategic capabilities to sustain performance.

The theory is highly relevant to strategic entrepreneurship because entrepreneurial firms must constantly adjust their strategies, innovate, and respond proactively to environmental changes. SMEs in developing economies often operate in unstable markets characterized by technological changes, economic fluctuations, and intense competition. As a result, the ability to adapt quickly becomes essential for survival and growth.

Dynamic Capabilities Theory supports this study by explaining how strategic entrepreneurship enhances SME performance through innovation, strategic flexibility, opportunity exploitation, and effective resource reconfiguration. SMEs that possess strong dynamic capabilities are better able to identify emerging opportunities, respond to market changes, and achieve sustainable competitive advantage. Therefore, the theory provides a useful framework for understanding how strategic entrepreneurship contributes to improved performance, competitiveness, and sustainability among SMEs in developing economies.

Empirical Studies

Kushi, Iorpuu, and Azamu (2026) examined the effect of strategic entrepreneurship on SMEs' performance in North-Central Nigeria. The study focused on the influence of innovativeness, proactiveness, and risk-taking on SME performance. A survey research design was adopted, and data were collected from a sample of 398 SME owners and managers using a structured five-point Likert scale questionnaire. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings revealed that innovativeness and risk-taking have a significant positive effect on SME performance, while proactiveness was found to have an insignificant effect. The study concluded that SMEs that emphasize innovation and engage in calculated risk-taking are more likely to achieve improved performance and sustainability. The study recommended that SME operators should strengthen innovation capacity, adopt strategic risk management practices, and leverage supportive government

policies and innovation-driven programs to enhance competitiveness and growth.

Okeke, Nwosu, and Eze (2025) examined the effect of strategic entrepreneurship on the performance of SMEs in Southeastern Nigeria. The study adopted a descriptive survey research design, with a sample of 280 SME owners and managers selected from Anambra, Enugu, and Imo States. Data were analyzed using multiple regression analysis. The findings revealed that strategic entrepreneurship practices such as innovation, opportunity recognition, and strategic risk-taking have a significant positive effect on SME performance, measured in terms of profitability, sales growth, and market expansion. The study recommended that SME owners should adopt stronger strategic planning approaches and invest in innovative capabilities to enhance competitiveness and sustainability.

Kinyua, Muthoni, and Wambui (2023) investigated the influence of entrepreneurial orientation on the performance of SMEs in Kenya. The study employed a cross-sectional survey design with a sample of 260 SMEs operating in manufacturing and service sectors. Data were analyzed using descriptive statistics and regression analysis. The results showed that entrepreneurial orientation dimensions proactiveness, innovativeness, and risk-taking have a significant positive effect on SME performance. The study recommended that SMEs should enhance innovation capacity and adopt proactive strategies to improve market performance and long-term growth.

Mensah, Boateng, and Osei (2022) examined the relationship between strategic capabilities and SME performance in Ghana. The study used a quantitative survey design involving 220 SMEs across Accra and Kumasi. Data were analyzed using correlation and regression techniques. The findings revealed that strategic capabilities such as resource management, strategic flexibility, and opportunity exploitation significantly influence SME performance. The study concluded that SMEs with stronger strategic capabilities are more likely to achieve higher productivity, profitability, and sustainability. The study recommended continuous capacity development and strategic planning for SME owners.

Makinde and Agu (2018) examined the effect of strategic entrepreneurship on the performance of Small and Medium Scale Enterprises (SMEs) in Aba Metropolis, Abia State, Nigeria. The study focused on how strategic entrepreneurship influences SME productivity and profitability across selected sectors including manufacturing, finance, health, and food and beverages. A survey research design was adopted, and the population consisted of 231 owner/managers of selected SMEs in Aba Metropolis. The total enumeration sampling technique was used, and data were collected through a structured questionnaire. The instrument was validated, with Kaiser-Meyer-Olkin (KMO) values greater than 0.5 and a reliability coefficient of 0.875, indicating acceptable validity and reliability. Data were analyzed using simple linear regression analysis. The findings revealed that strategic entrepreneurship has a significant positive effect on SME performance. The study concluded that strategic entrepreneurship plays a vital role in enhancing SME productivity and profitability. It recommended that SMEs should give greater attention to the adoption of strategic entrepreneurship practices due to their positive impact on performance and sustainability.

Methods

The study adopted a cross-sectional survey research design to examine the relationship between strategic entrepreneurship and

the performance of Small and Medium-sized Enterprises (SMEs) in developing economies. The target population consisted of SME owners, managers, and senior administrative staff operating across selected business sectors such as manufacturing, trade, services, agriculture, and technology-based enterprises in Nigeria and Ghana. These respondents were selected because they possess adequate knowledge of entrepreneurial practices, strategic management activities, and organizational performance within their firms. A purposive sampling technique was employed to select respondents with relevant experience and understanding of strategic entrepreneurship practices. A total of 300 respondents were selected for the study. Data were collected using a structured questionnaire titled *Strategic Entrepreneurship and SME Performance Questionnaire (SESPQ)*. The instrument was designed using a modified four-point Likert scale with the following response options: Strongly Agreed (SA) = 4, Agreed (A) = 3, Disagreed (D) = 2, and Strongly Disagreed (SD) = 1. The instrument was subjected to face and content validation by two experts in entrepreneurship and business management to ensure clarity, adequacy, and relevance of the research items. The reliability of the instrument was determined using Cronbach Alpha reliability method, which yielded a coefficient of 0.88, indicating a high level of internal consistency and reliability. Out of the 300 questionnaires administered, 289 were successfully retrieved and used for analysis, representing a response rate of 96.3%. Data collected were analyzed using descriptive statistics such as mean and standard deviation to answer the research questions, while the hypotheses were tested using Pearson Product Moment Correlation (PPMC) and simple regression analysis with the aid of Statistical Package for Social Sciences (SPSS) Version 23 at a 0.05 level of significance.

Results

Ho1: Strategic entrepreneurship does not significantly influence the performance of SMEs in developing economies.

Table 1: Correlation between Strategic Entrepreneurship and SME Performance

Variables	N	Correlation Coefficient (r)	Sig. (2-tailed)
Strategic Entrepreneurship	289	1.000	–
SME Performance	289	0.682**	0.000

Correlation is significant at 0.05 level (2-tailed).

Source: Researchers' Data, 2026.

Table 1 shows a correlation coefficient (r) of 0.682 with a significance value of 0.000, which is below the 0.05 alpha level. Since the significance value is less than 0.05, the null hypothesis (Ho1), which states that strategic entrepreneurship does not significantly influence SME performance in developing economies, is rejected. Therefore, the alternative hypothesis is accepted. This indicates that strategic entrepreneurship practices significantly enhance the performance of SMEs in developing economies.

Ho2: The adoption of strategic entrepreneurship practices does not significantly enhance the competitiveness and growth of SMEs in developing economies.

Table 2: Correlation between Strategic Entrepreneurship Practices and SME Competitiveness & Growth

Variables	N	Correlation Coefficient (r)	Sig. (2-tailed)
Strategic Entrepreneurship Practices	289	1.000	–
SME Competitiveness & Growth	289	0.701**	0.000

Correlation is significant at 0.05 level (2-tailed).
Source: Researchers' Data, 2026.

Table 2 shows a correlation coefficient (r) of 0.701 with a significance value of 0.000, which is less than the 0.05 alpha level. Since the significance value is below 0.05, the null hypothesis (Ho2), which states that the adoption of strategic entrepreneurship practices does not significantly enhance SME competitiveness and growth, is rejected. Therefore, the alternative hypothesis is accepted. This implies that SMEs that adopt strategic entrepreneurship practices significantly improve their competitiveness and achieve sustainable growth in developing economies.

Discussion

The findings of this study reveal a significant positive relationship between strategic entrepreneurship and the performance of SMEs in developing economies. Specifically, the correlation analysis indicates that strategic entrepreneurship practices are strongly associated with improved SME performance ($r = 0.682, p < 0.05$). This suggests that SMEs that actively engage in innovation, calculated risk-taking, opportunity recognition, and strategic flexibility are better positioned to enhance productivity, profitability, and overall organizational performance. These results are consistent with the study by Kushi, Iorpuu, and Azamu (2026), who reported that innovativeness and risk-taking significantly improve SME performance in North-Central Nigeria. Their study highlighted that SMEs emphasizing innovation and strategic risk management are more likely to achieve sustainable growth and competitiveness.

Furthermore, the findings show that the adoption of strategic entrepreneurship practices significantly enhances the competitiveness and growth of SMEs in developing economies ($r = 0.701, p < 0.05$). This aligns with the study of Okeke, Nwosu, and Eze (2025) found that strategic entrepreneurship practices including innovation, opportunity recognition, and risk-taking have a significant positive effect on SME profitability, sales growth, and market expansion in Southeastern Nigeria. Similarly, Kinyua, Muthoni, and Wambui (2023) reported that entrepreneurial orientation dimensions such as proactiveness, innovativeness, and risk-taking positively influence SME performance in Kenya, suggesting that SMEs that adopt proactive and innovative strategies are better able to respond to market opportunities and maintain long-term growth.

In addition, the findings are corroborated by Mensah, Boateng, and Osei (2022), who found that strategic capabilities such as resource management, strategic flexibility, and opportunity exploitation significantly influence SME performance in Ghana. This indicates that SMEs with stronger strategic entrepreneurial capabilities are more likely to achieve higher productivity, profitability, and

sustainability. Collectively, these empirical studies support the current findings, demonstrating that strategic entrepreneurship is a critical enabler of SME performance and competitiveness in developing economies.

Overall, the results underscore that strategic entrepreneurship is not merely an operational initiative but a strategic imperative for SMEs seeking growth and sustainability. By integrating innovation, opportunity recognition, and strategic risk-taking with effective resource management and flexibility, SMEs are better equipped to navigate the uncertainties of developing markets, exploit emerging opportunities, and achieve sustainable competitive advantage. The findings suggest that SME owners and managers should prioritize strategic entrepreneurial practices, invest in innovation capabilities, and adopt proactive strategies to enhance business performance, competitiveness, and long-term viability.

Conclusion

This study examined the role of strategic entrepreneurship in enhancing the performance of Small and Medium-sized Enterprises (SMEs) in developing economies. The results show that strategic entrepreneurship significantly improves SME performance, while the adoption of strategic entrepreneurship practices contributes to increased competitiveness and sustainable growth. These findings indicate that SMEs that integrate entrepreneurial actions such as innovation, risk-taking, opportunity recognition, and strategic flexibility into their operations are better positioned to achieve higher productivity, profitability, and resilience in dynamic and uncertain business environments. The study concludes that strategic entrepreneurship is a crucial driver of both short-term performance improvements and long-term sustainability for SMEs. SMEs that fail to adopt or effectively implement strategic entrepreneurship practices risk losing competitiveness and growth potential.

Recommendations

Based on the objectives of this study, the following recommendations are proposed:

1. SMEs should prioritize the adoption of strategic entrepreneurship practices across all aspects of their operations. This includes fostering innovation, engaging in calculated risk-taking, and proactively identifying market opportunities. Firms should integrate these entrepreneurial initiatives with strategic management to enhance performance and competitiveness.
2. SMEs should invest in building strategic capabilities to ensure effective implementation of entrepreneurial practices. This includes developing managerial and entrepreneurial skills, improving resource allocation, enhancing operational flexibility, and leveraging technology. These measures will strengthen SMEs' ability to achieve sustainable growth and long-term competitive advantage in developing economies.

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