

Impact of Social Entrepreneurship on Performance of Selected Small and Medium Enterprises in Abuja-Nigeria

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Abstract: *This study examines the effect of social entrepreneurship on the performance of selected SMEs in Abuja, focusing on three main dimensions: social value creation, social innovation, and the Triple Bottom Line. A cross-sectional design was employed, targeting a population of 22,861 SMEs in Abuja. A sample size of 420 SMEs was selected using a convenient sampling technique. The study used descriptive statistics and multiple regression in the analysis. The analysis was carried out using Statistical Package for the Social Sciences (SPSS). The tool was used in generating the adjusted R-Square, correlation and regression. The findings from the analysis indicated that the independent variables used were able to explain up to (i.e. adjusted R-Square of) 65.2% changes in the dependent variable and that social value creation, social innovation and triple bottom line had positive effect on the efficiency of the SMEs in Abuja evidenced by the respective coefficient values of $B = 0.452$, $B = 0.318$, and $B = 0.127$. All the independent variables were found to have a significant effect on the dependent variable at 5% level of significant (with their p -value < 0.05) except tripplr bottom line whose p -value stood at $p = 0.53$ indicating that the proxy does not significantly affect the efficiency of SMEs in Abuja. The study recommends that SMEs in Abuja embed social value creation and innovation within their strategies to enhance efficiency and competitiveness. Adoption of the Triple Bottom Line framework, though less dominant, should be gradually strengthened to promote sustainability and resilience. Overall, the findings conclude that social entrepreneurship is a key driver of SME performance, and policymakers, managers, and stakeholders should prioritize value creation, innovation, and sustainability practices for long-term success.*

Keywords: Social Entrepreneurship, Social value creation, Social innovation, Tripple bottom line, Efficiency, Small and medium Enterprises.

INTRODUCTION

The efficiency of Small and Medium Enterprises (SMEs) is a pivotal driver of economic growth and development in Nigeria, particularly within Abuja, the Federal Capital Territory. Efficiency, as a measure of performance, determines the ability of SMEs to optimally utilize resources to achieve economic objectives such as profitability, productivity, and sustainability. Enhancing SME efficiency remains a pressing concern given the numerous operational challenges these enterprises face, including limited access to resources, market constraints, and infrastructural deficiencies. Social entrepreneurship has recently been proposed as a dynamic approach capable of transforming SME performance by integrating social value with innovative and sustainable business practices. Central to social entrepreneurship is social value creation, which represents the capacity of enterprises to generate broader societal benefits beyond profit margins. For SMEs in Abuja, social value creation translates into initiatives that improve community welfare, foster employment opportunities, and address pressing social challenges such as poverty and inequality. This dimension directly influences SME efficiency by building social capital, strengthening stakeholder trust, and enhancing enterprise legitimacy within the community (Qiao et al., 2023).

Another critical dimension influencing SME performance is social innovation, which involves the development and implementation of novel solutions that are more effective and sustainable than traditional approaches. SMEs in Abuja that adopt social innovation, whether through technology adoption, alternative energy use, or inclusive business models demonstrate enhanced adaptability and competitiveness. Such innovations enable these enterprises to respond efficiently to the needs of underserved markets, thereby improving operational efficiency and long-term viability (Steiner, 2023). The Triple Bottom Line (TBL) framework extends the traditional performance evaluation by incorporating social and environmental outcomes alongside financial metrics. For SMEs in Abuja, applying the TBL approach broadens the understanding of efficiency to include social inclusivity and environmental sustainability, alongside economic performance. This holistic perspective encourages SMEs to balance profit generation with social responsibility and ecological stewardship, resulting in sustainable efficiency and resilience in competitive markets (Abraham, 2024).

Despite these promising avenues, SMEs in Abuja encounter substantial barriers that impede the effective integration of social entrepreneurship practices to enhance efficiency. Challenges such as inadequate funding, poor infrastructure, and limited institutional support constrain their ability to fully capitalize on social value creation, innovation, and sustainability frameworks (Shuremo, 2023). Moreover, there exists a notable paucity of empirical research addressing how these social entrepreneurship dimensions tangibly affect the efficiency of SMEs within Abuja, thus representing a crucial gap in both academic and practical knowledge.

Given the vital role SMEs play in Nigeria's economy, accounting for nearly half of national GDP and serving as significant sources of employment and innovation (Danlyan, 2024) exploring the

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impact of social entrepreneurship on their efficiency is critical. A nuanced understanding of these relationships can inform targeted interventions aimed at improving SME competitiveness and sustainability. Therefore, this study seeks to examine the influence of social value creation, social innovation, and the triple bottom line on the efficiency of selected SMEs in Abuja.

Accordingly, the research is framed around the following hypotheses:

H0₁: Social value creation does not significantly affect the efficiency of SMEs in Abuja.

H0₂: Social innovation does not significantly affect the efficiency of SMEs in Abuja.

H0₃: Triple Bottom Line (TBL) does not significantly affect the efficiency of SMEs in Abuja.

This study is significant for several key stakeholders. First, it will offer valuable insights for SME owners and managers on how adopting social entrepreneurship practices can enhance operational efficiency and long-term sustainability. Second, it contributes to the growing body of academic literature on social entrepreneurship by providing context-specific empirical evidence from Abuja, an area that is currently under-researched. Third, the findings will assist policy makers and development agencies in crafting strategies to support socially-oriented business models, which could improve job creation, community development, and national economic resilience.

Finally, this research contributes to theoretical advancements by testing the applicability of social entrepreneurship constructs in developing country contexts, thereby enriching the academic dialogue around sustainable SME performance.

LITERATURE REVIEW

This review examines scholarly work addressing the impact of social entrepreneurship on SME efficiency in Abuja, focusing specifically on the proxies: social value creation, social innovation, and Triple Bottom Line (TBL) as independent variables, with operational efficiency as the dependent variable. Studies were drawn from peer-reviewed journals published within the last three years to support the analysis.

Conceptual Review

To evaluate the relationship between social entrepreneurship and SME performance, it is essential to conceptualize both the dependent and independent variables. The independent variable, social entrepreneurship is represented by social value creation, social innovation, and the triple bottom line, while the dependent variable, performance is measured by operational efficiency.

Performance of SMEs

SME performance refers to the ability of a business to achieve its goals, adapt to environmental changes, and maintain sustainable operations. Traditionally, performance was measured using financial metrics such as profit, revenue, and return on investment (Dadd & Hinton, 2023). However, modern frameworks incorporate non-financial elements like innovation, customer satisfaction, and social impact (Cupertino et al., 2023; Garrido Moreno et al., 2023). These multidimensional perspectives align with the dynamic and stakeholder focused nature of SMEs in

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developing contexts such as Abuja. According to Hera et al. (2024), effective performance measurement supports strategic planning, fosters adaptability, and enhances competitiveness. Tools such as Key Performance Indicators (KPIs) and Balanced Scorecards are now widely used to track performance across financial and non-financial domains (Mtau & Rahul, 2024). Internal factors like leadership and resource management, along with external factors such as market conditions and institutional support, significantly shape SME performance (Xinyu, 2023).

Operational Efficiency

Operational efficiency captures how effectively SMEs convert inputs into outputs while minimizing waste and cost. It encompasses practices like process reengineering, digital transformation, and lean operations that improve productivity and quality (EmpMonitor, 2024; TechTarget, 2023). In the context of resource constrained SMEs in Abuja, this efficiency is vital for survival and competitive advantage (Pipefy, 2025; Wang et al., 2024). Efficiency also creates room for reinvestment into innovation and social impact efforts, strengthening long-term performance (Runn.io, 2024). While some argue it lacks the strategic depth of innovation, it remains foundational for scaling operations sustainably.

Social Entrepreneurship

Social entrepreneurship prioritizes societal well-being, inclusiveness, and ethical value creation, distinguishing it from traditional profit centered entrepreneurship (Kamaludin, 2023). It entails using innovative business strategies to address social, cultural, or environmental problems while ensuring financial sustainability (Setiawan et al., 2024). Social enterprises increasingly target sectors such as healthcare, education, and renewable energy, addressing systemic societal issues while ensuring their business models maintain economic viability over time (Robertson, 2025). In emerging economies, the role of social entrepreneurship becomes even more pivotal, given the institutional voids and high prevalence of social needs. In Abuja's SME sector marked by limited infrastructure and high social needs social entrepreneurship plays a catalytic role in driving systemic change and resilience (Robertson, 2025).

However, in recent times scholars have begun to question the overly optimistic portrayal of social entrepreneurship, drawing attention to its potential negative consequences. For example, Papi-Thornton et al. (2025) frame this as the “dark side” of social entrepreneurship, noting that social ventures sometimes inadvertently produce unintended harm, such as community dependency or conflict, through well-intended interventions that lack systemic rigour. Another critical concern arises from the tension between profit and social mission. While social enterprises attempt to balance financial sustainability with social impact, this hybrid model is often ambiguous and prone to managerialism, diluting the social purpose over time (Molderez & Fets, 2023; Pérez-Morón et al., 2024). Despite such ambiguities, it is widely accepted that social entrepreneurs drive transformation by innovating within system constraints and fostering long term resilience in underserved communities.

Social Value Creation

Social value creation involves designing interventions that improve societal well-being beyond profit maximization. It includes efforts to reduce inequality, empower marginalized populations, and address systemic issues through inclusive business models (Camilleri et al., 2023). In practice, SMEs achieve social value by delivering affordable health, education, or housing services to the underserved. Social value creation becomes a relevant construct for this study, as many Abuja based SMEs operate in sectors with latent community needs, such as agriculture, healthcare, and vocational training. Critics, however, point out that measuring social value is inherently subjective, often relying on qualitative assessments or anecdotal evidence (Lashitew et al., 2023). Despite this, its inclusion remains vital in capturing the non-economic value generated by socially-oriented SMEs.

Social Innovation

Social innovation involves the development of new ideas, services, or models that meet social needs more effectively than existing solutions. It is not merely about novelty, but about utility and sustainable impact (Phuangprayong & Noonin, 2024). Within the SME context, it includes approaches such as micro-franchising, mobile health delivery, or educational technology platforms targeted at underserved populations. Social innovation also serves as a mechanism through which SMEs differentiate themselves in competitive markets while fulfilling social mandates. Despite its benefits, the critique against social innovation lies in its scalability many promising innovations fail to transition from pilot to mainstream due to resource and institutional constraints (Camilleri et al., 2023). Even so, its inclusion in the current framework is justified as it reflects how SMEs create adaptive responses to real world problems.

Triple Bottom Line (TBL)

TBL integrates social, environmental, and economic performance dimensions (Ehigie et al., 2023). Including TBL acknowledges that SMEs in Abuja must balance profit with environmental and social stewardship. While some firms engage in TBL reporting mainly for optics, recent Nigerian evidence confirms measurable linkage between TBL practices and sustainability outcomes (Ehigie et al., 2023), supporting its selection despite normalization critiques. SMEs that incorporate TBL principles aim to minimize environmental harm, foster fair labor practices, and ensure economic viability. In Abuja's context, TBL is particularly relevant given the environmental degradation and socio-economic disparities that exist. While the TBL approach promotes holistic business sustainability, critics argue that it often lacks rigorous enforcement or standardization, allowing firms to selectively emphasize dimensions that align with favorable public relations (Hamidi & Worthington, 2023). Nevertheless, the TBL remains a widely accepted lens for assessing the broader societal impact of enterprise activities.

Conceptual Framework

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Figure 1 explains the relationship between social entrepreneurship and performance of Small and Medium Enterprises (SMEs) through the proxies of social value creation, social innovation, social learning and triple bottom line (TBL). It shows that the performance of the selected SMEs in Abuja being measured by social entrepreneurship is dependent on these four dimensions.

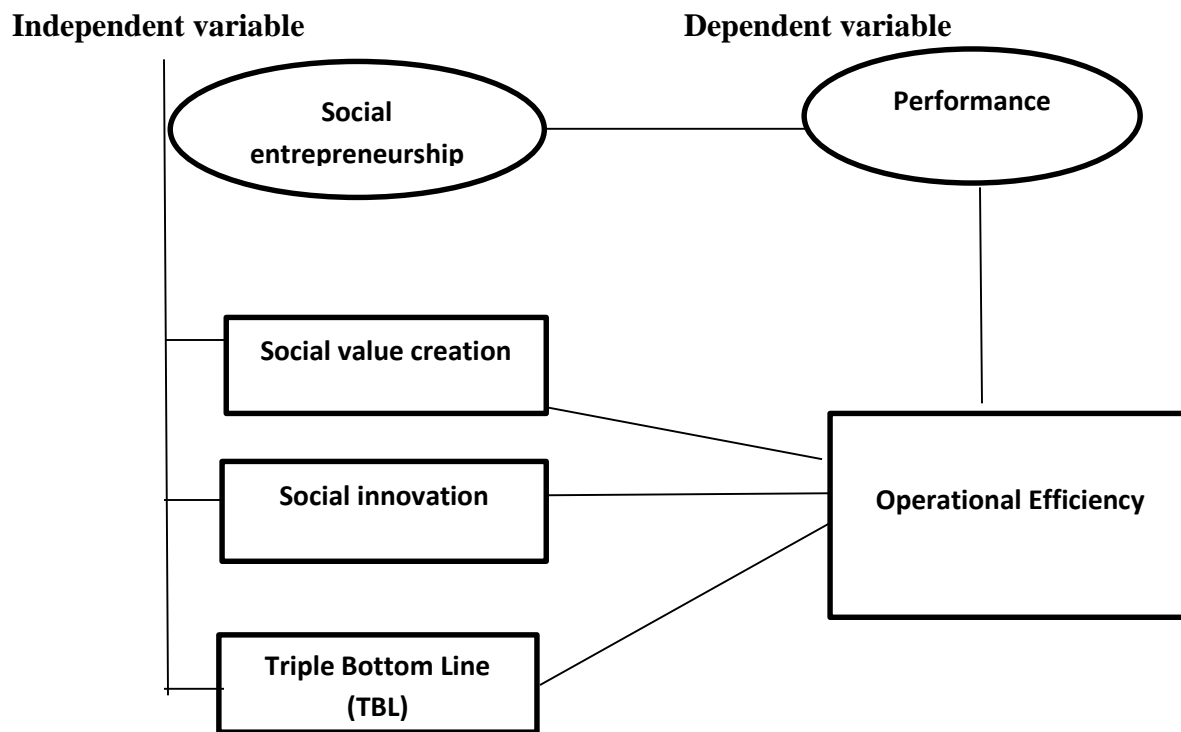


Figure 1: Schematic representation of variables

Figure 1 showing the schematic theoretical construct of social entrepreneurship and their interrelation with performance of SMEs.

Theoretical Review

This study is anchored on several theories that provide foundational insights into the relationship between social entrepreneurship and the performance of Small and Medium Enterprises (SMEs). Key among these are Social Capital Theory, Stakeholder Theory, and the Triple Bottom Line Theory.

1. Social Capital Theory

Originally developed by Pierre Bourdieu in 1986, Social Capital Theory posits that social networks, relationships, and shared values within a community serve as valuable resources. The central thrust of this theory is that individuals and organizations derive benefits from their relationships, including access to information, trust, collaboration, and mutual support. In the

context of social entrepreneurship, this theory highlights how social networks enhance cooperation, resource sharing, and problem solving capabilities among SMEs. The significance of this theory to the present study lies in its ability to explain how social value creation and collective action can drive efficiency and performance among socially oriented enterprises. However, critics argue that the theory may overlook structural inequalities that limit access to networks for certain groups

2. Stakeholder Theory

Proposed by Edward Freeman in 1984, Stakeholder Theory challenges the traditional profit centered view of business by asserting that organizations must consider the interests of all stakeholders including employees, customers, suppliers, communities, and the environment in their decision-making processes. Its key assumption is that long term business success is tied to the well-being of all stakeholders, not just shareholders. This theory is particularly relevant to social entrepreneurship, which inherently prioritizes social impact alongside economic performance. In relation to this study, it supports the view that SMEs engaging in socially responsible practices can achieve sustainable performance by maintaining strong stakeholder relationships. Nonetheless, the theory has been critiqued for its broad and sometimes ambiguous definition of who qualifies as a stakeholder and how to balance conflicting stakeholder interests.

3. Triple Bottom Line Theory

Developed by John Elkington in 1997, the Triple Bottom Line (TBL) Theory expands the traditional financial performance focus to include social and environmental dimensions. The theory assumes that true business success should be evaluated based on three Ps: People (social equity), Planet (environmental stewardship), and Profit (economic viability). TBL is particularly significant for social entrepreneurship, as it aligns with the goal of achieving a balanced impact across these three dimensions. Within the scope of this research, the theory underscores the importance of sustainability and responsible innovation in enhancing SME performance. However, critics of the TBL model argue that its implementation can be complex and that measuring non-financial performance often lacks standardized metrics.

Together, these theories provide a comprehensive theoretical lens for examining the impact of social entrepreneurship on SME performance. Social Capital Theory explains the role of relationships and networks, Stakeholder Theory emphasizes inclusive value creation, and the TBL Theory integrates sustainability into business performance. These frameworks collectively enhance our understanding of how social enterprises can drive operational efficiency and long-term competitiveness. Their integration into this study also allows for a multi-dimensional evaluation of performance, particularly in the context of Abuja's SMEs.

This study adopts Stakeholder Theory (Freeman, 1984) as the primary theoretical lens. The theory posits that sustainable business success requires addressing the needs and expectations of all stakeholders rather than focusing solely on shareholder profit. It is particularly relevant for social

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entrepreneurship, where SMEs must integrate economic goals with social and environmental considerations to satisfy multiple stakeholder groups (Freeman, 1984). In the context of Abuja's SMEs, applying Stakeholder Theory ensures that business decisions balance economic efficiency with social impact. This approach fosters stronger relationships with employees, customers, and local communities, improving loyalty, satisfaction, and operational performance. Hence, Stakeholder Theory undergirds this study's inquiry into the influence of social value creation, social innovation, and the Triple Bottom Line on SME efficiency. However, the theory is not without criticism. It has been faulted for lacking a normative prioritization framework when stakeholder interests conflict. In practice, SMEs may struggle to balance trade-offs between environmental goals and profitability, or between community needs and investor expectations. Nevertheless, the theory's inclusive logic makes it a strong fit for assessing how socially driven SMEs operate in a complex, pluralistic context like Nigeria.

Empirical Review

Munjal and Sharma (2021) conducted a cross-sectional survey targeting 182 bank managers from various sectors in the Indian banking industry. Using structured questionnaires, the study investigated managerial perceptions of social, environmental, and financial performance, analyzing data through regression modeling. The findings revealed that social responsibility positively correlates with improved stakeholder relationships and financial performance, while environmental practices showed no significant impact. Managerial gender and experience were not significant moderators. However, reliance on self-reported data may introduce bias, and the focus on Indian banks limits generalizability to other industries or geographic settings. This study contributes important insights into the linkage between social practices and financial success but suggests further research is needed across diverse sectors and employs more objective performance measures.

Further insight into performance dynamics emerged from Barlatier, Savino, and Tchankam (2022) who used a configurational research design to analyze how firms adopt social media for open innovation. The empirical study surveyed 337 firms across eight countries, collecting data via structured surveys from organizational decision makers. Using fuzzy-set qualitative comparative analysis (fsQCA), four distinct social media enabled innovation strategies were identified: marketing semi-open innovators, cross-department semi-open innovators, cross-department full process innovators, and broad adopters. The study highlighted trade-offs between technology adoption and resource allocation and advised managers to align social media innovation strategies with organizational competencies and strategic intent. The study was limited by reliance on subjective performance indicators and recommended further qualitative inquiry to understand strategy implementation processes. Applying these findings locally within Nigerian SMEs could provide valuable insights into optimizing digital innovation strategies.

Contributing to the understanding of human capital development is Reed, Frink, and Stone (2023) they examined online versus face-to-face learning efficacy across four business minor courses,

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including quantitatively intensive subjects (e.g., accounting, finance). Utilizing a quasi-experimental design, the authors conducted three studies involving cohorts of business students. Data collection included performance scores and engagement metrics. Initially, online learners performed worse, particularly in quantitative courses. An intervention applying distributed practice theory failed to close the gap, but a more comprehensive intervention based on social learning theory emphasizing enhanced feedback and interpersonal contact equated online and traditional performances. This underscores the importance of theory-driven, interactive instructional design to improve online learning outcomes. For SMEs seeking to build employee capacity online, this suggests investing in interactive, feedback rich learning environments may enhance training effectiveness.

A systematic literature review performed by Carvalho and Alves (2023) under the PRISMA guidelines to synthesize studies on customer value co-creation in hospitality and tourism. Analyzing 216 peer-reviewed articles sourced from Scopus, Web of Science, and Science Direct, their thematic content analysis identified two main dimensions driving value creation: customer behaviours and contextual factors including social environment, service providers, and technology. Outcomes included enhanced customer satisfaction, perceived value, and improved organizational performance. Although comprehensive, the study acknowledged limitations such as database selection biases and a lack of actionable strategies for practical implementation. Their work highlights the need for empirical research translating co-creation concepts into business practices a gap relevant to SMEs aiming to leverage customer engagement for performance gains. In the domain of sustainability and the triple bottom line, Khan et al. (2021) and Alhawamdeh and Alsoud (2023) provide robust empirical evidence demonstrating that firms adopting environmental and social sustainability practices tend to achieve greater resilience, competitiveness, and improved long-term performance. Their studies, based on large samples and rigorous quantitative analyses, confirm that integrating sustainability into core business strategies delivers tangible benefits across multiple performance dimensions. These findings underscore the strategic value of the triple bottom line framework in driving firm success globally.

In contrast, research focused on Nigerian SMEs by Eze and Nnadi (2022) highlights significant challenges that hinder the effective implementation of sustainability initiatives in developing country contexts. Despite increased awareness of environmental and social responsibilities, Nigerian SMEs often struggle with financial limitations, limited access to resources, and weak institutional enforcement, which restrict their ability to fully leverage the benefits of sustainability practices. This disparity reveals a clear research gap and emphasizes the need for localized studies exploring how structural barriers impact sustainable entrepreneurship in SMEs, as well as tailored policies to support their adoption of the triple bottom line.

Reviewing these studies reveals a common focus on social and technological and sustainability factors driving organizational outcomes across diverse contexts from banking and education to tourism and innovation. Empirical rigour varies: Munjal and Sharma (2021) used robust regression

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analysis but depended on self-reports and a sector specific sample; Barlatier et al. (2022) employed advanced configurational methods offering nuanced strategic insights but relied on subjective measures; Reed et al. (2023) provided strong causality evidence through quasi-experiments but limited to educational settings; Carvalho and Alves (2023) excelled in breadth yet lacked direct empirical application.

Notably, few empirically address SME contexts in developing economies such as Nigeria, with multidimensional performance indicators like operational efficiency as a dependent variable. Furthermore, mediating mechanisms linking social or technological inputs to performance outcomes remain underexplored, limiting understanding of causal pathways. Cross-sector comparisons indicate the need for contextually grounded, mixed-methods studies examining how social entrepreneurship dimensions (like social value creation and innovation) concretely impact SMEs' operational efficiency. This study seeks to fill these gaps by empirically investigating the role of social entrepreneurship in enhancing SME performance in Abuja, offering fresh insights for scholars, practitioners, and policymakers.

METHODOLOGY

This study employed a cross-sectional survey design to gather quantitative data from SMEs in Abuja. The population included 22,861 registered SMEs, comprising 18,408 small enterprises and 4,453 medium enterprises, as reported by SMEDAN (2021). The design aimed to provide a scientific approach to understanding the study problem by directly collecting responses from respondents for analysis at a specific point in time.

The sample size for this study was determined using formula suggested by William Cochran as cited in Israel (2013). The assumption is that the sample is representative of the population. This formula is appropriate when the population is significantly large, and the goal is to achieve a sample that ensures generalizability of results at a desired level of precision, confidence level, and variability.

Sample size formula:

$$n_0 = \frac{Z^2 \cdot p \cdot q}{e^2}$$

Where:

- n_0 = initial sample size (for infinite population)
- Z = Z-score (for 95% confidence level, $Z = 1.96$)
- p = estimated proportion of an attribute (use 0.5 for maximum variability)
- $q = 1 - p = 0.5$
- e = margin of error (use 0.05)

Therefore;

$$n_0 = \frac{z^2 \cdot p \cdot q}{e^2}$$

$$n_0 = \frac{(1.96)^2 \cdot (0.5) \cdot (0.5)^2}{(0.05)^2}$$

$$n_0 = \frac{3.8416 \cdot 0.25}{0.0029} = \frac{0.9604}{0.0025} = 384 \cdot 16$$

$$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}}$$

$$n = \frac{384}{1 + \frac{383}{22861}} = \frac{384}{1 + 0.01675} = \frac{384}{1.01675}$$

$$n = 378$$

The sample size for this study is 420 SMEs in FCT-Abuja, Nigeria. Following Israel's (2013) recommendation to add 10%-30% to the minimum sample size, 42 respondents were added to the initial sample of 378. Questionnaires were administered using a non-probability, convenience sampling technique across three Local Government Areas (LGAs) as shown as follows in table 1:

Table 1 Distribution of Sample of the Study across Three (3) LGAs in Abuja

No	Local government	No of Questionnaire administered to the SMEs
1.	Abuja Municipal Local Government Area	240
2.	Kuje Local Government Area	115
3.	Gwagwalada Local Government Area	65
	Total number of administered questionnaire	420

Source: Author's computation, (2025).

Table 1 shows that 240 questionnaires were administered to SMEs in Abuja Municipal Area Council, 115 in Kuje Area Council, and 65 in Gwagwalada Area Council. The variation in the number of questionnaires was due to the higher concentration of SMEs in the Abuja Municipal

Publication of the European Centre for Research Training and Development-UK Area, as reported by SMEDAN (2023), economic relevance, and diversity in socio-economic composition.

Model specification

This study adapts the social entrepreneurship model of Mair and Martí (2006) by applying its core concepts particularly social value creation to the context of Nigerian SMEs, with emphasis on operational efficiency as the performance outcome. This structure enables testing the individual and combined effects of social entrepreneurship proxies on performance, supports linear regression for cross-sectional SME data, and allows future adaptation for mediation analysis. This study would adapt the model specification of these researchers as stated as thus using the three dimensions:

$$E_i = \alpha + \beta_1 SVC + \beta_2 SI_i + \beta_3 TBL_i + \epsilon_i$$

Where: E = Efficiency of the SMEs; SVC= Social Value Creation; SI = Social Innovation; TBL= Triple Bottom Line; α = alpha is the constant term; $\beta_1, \beta_2, \beta_3$ = The coefficients to be estimated for each proxy; ϵ_i = The error term.

RESULTS AND DISCUSSIONS

Table 2 Data presentation

No of questionnaire administered	No of questionnaire returned	No of questionnaire unreturned	Total fit for analysis
420	402	18	402
100%	95.7%	4.3%	95.9%

Source: Author's computation, (2025).

Table 2 showed the distribution of questionnaires based on actual scores used for analysis, including unreturned, returned valid, and returned with missing values. Out of 420 questionnaires administered across AMAC, Kuje, and Gwagwalada, 402 were returned, yielding a 95.7% response rate. Eighteen (4.3%) were excluded due to non-return.

Descriptive Statistics

Table 3: Result of Descriptive Statistics

	Mean	Std. Deviation	N
E	3.95	.67	402
SVC	3.87	.64	402
SI	3.75	.71	402
TBL	3.42	.58	402

Source: Authors' Computation, (2025)

Table 3 presents the group mean and standard deviation of various variables to assess respondents' perceptions. A mean value of 3.00 or higher indicates a positive perception, while values below

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3.00 suggest a poor perception. The mean value for (E) is 3.95, for (SVC) 3.87, mean value for (SI) is 3.75, and (TBL) 3.42. The standard deviation of the specified variables was also noted in the table. Overall, the results show that respondents have a good perception across all variables, with most responses being closely aligned.

Correlation Analysis

Table 4

		SVC	SI	TBL	E
SVC	Pearson Correlation	1	.612**	.487**	.654**
	Sig. (2-tailed)		0	0	0
	N	402	402	402	402
SI	Pearson Correlation	.612**	1	.538**	.701**
	Sig. (2-tailed)	0		0	0
	N	402	402	402	402
TBL	Pearson Correlation	.487**	.538**	1**	.462**
	Sig. (2-tailed)	0			0
	N	402	402	402	402
E	Pearson Correlation	.654**	.701**	.462**	1
	Sig. (2-tailed)	0	0	0	
	N	402	402	402	402

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

Source: Authors' Computation, (2025)

The correlation results presented in Table 7 reveal strong and statistically significant relationships between the independent variables (social value creation, social innovation, and triple bottom line) and the dependent variable (efficiency). Specifically, social innovation exhibited the strongest correlation with efficiency ($r = .701$, $p < .01$), indicating that SMEs in Abuja that embrace innovative practices tend to operate more efficiently. Social value creation also showed a strong positive correlation with efficiency ($r = .654$, $p < .01$), suggesting that SMEs that embed community-oriented initiatives into their strategies gain higher trust, loyalty, and improved performance outcomes. The triple bottom line had a weaker, though still significant, correlation with efficiency ($r = .462$, $p < .01$), implying that while sustainability practices are important, their effect on operational efficiency is relatively less pronounced compared to social value creation and innovation. In addition, the inter-correlations among the independent variables were all positive

Publication of the European Centre for Research Training and Development-UK and significant ($p < .01$), with social value creation and social innovation ($r = .612$, $p < .01$) being particularly strong. This reinforces the idea that these dimensions of social entrepreneurship are mutually reinforcing, jointly contributing to the efficiency and competitiveness of SMEs in Abuja. Overall, these findings confirm the rejection of the null hypotheses and support the conclusion that social entrepreneurship dimensions significantly enhance SME efficiency in the Nigerian context.

Regression

Table 5 Model Summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.812 ^a	.659	.652	.392	.659	74.215	3	116	.000	1.94

a. Predictors: (Constant), SVC, SI, TBL

b. Dependent Variable: E

Table 6 ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.275	3	11.425	74.215	.000 ^b
	Residual	17.855	116	0.154		
	Total	52.130	119			

a. Dependent Variable: E

b. Predictors: (Constant), SVC, SI, TBL

Table 7 Coefficients

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	0.842	.214		3.936	.000		
SVC	0.452	0.071	.467	6.366	.000	.712	1.404
SI	0.318	0.083	.292	3.831	.000	.688	1.454
TBL	0.127	0.065	.119	1.954	.053	.759	1.317

a. Dependent Variable: E

Source: Authors' Computation, (2025)

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From Table 4 the regression results show that the model produced a correlation coefficient (R) of 0.812, indicating a strong positive relationship between the predictors (Social Value Creation, Social Innovation, and Triple Bottom Line) and the dependent variable (Efficiency). The R Square value of 0.659 suggests that 65.9% of the variance in SME efficiency is explained by the three dimensions of social entrepreneurship. The Adjusted R Square (0.652) further confirms that the explanatory power of the model remains stable even after adjusting for the number of predictors. The standard error of estimate (0.392) implies that the model has relatively low prediction error. Additionally, the Durbin-Watson statistic of 1.94 falls within the acceptable range (1.5–2.5), showing that there is no serious issue of autocorrelation in the residuals. This supports the reliability of the regression estimates.

Table 5 shows that the model is statistically significant with an F-value of 74.215 and a p-value < 0.001. This means that the independent variables (SVC, SI, TBL) jointly have a significant effect on SME efficiency. In other words, the predictors as a group reliably explain variations in performance, and the model as a whole is fit for interpretation. The coefficients table provides insights into the individual contribution of each predictor:

Social Value Creation (SVC) has the strongest effect on efficiency ($\beta = 0.467$, $p < 0.001$). This suggests that SMEs in Abuja that prioritize creating social value such as addressing community needs, improving stakeholder well-being, and generating societal impact experience greater efficiency. Social Innovation (SI) also has a significant positive effect ($\beta = 0.292$, $p < 0.001$). This implies that the ability to develop new solutions, adopt creative business models, and innovate in service delivery significantly improves SME efficiency. Triple Bottom Line (TBL) shows a weaker and marginally significant influence ($\beta = 0.119$, $p = 0.053$). While it positively relates to efficiency, its impact is less pronounced compared to SVC and SI. This indicates that although sustainability practices (economic, social, environmental balance) contribute, they are not yet as dominant in driving performance among Abuja SMEs.

With respect to multicollinearity, the Tolerance values (0.688–0.759) and VIF values (1.317–1.454) are well within acceptable thresholds (Tolerance > 0.1; VIF < 10). This confirms there is no multicollinearity issue, meaning each variable contributes uniquely to the model. As a result, all null hypotheses are rejected, and it is concluded that all dimensions significantly affect SME performance. Social value creation was found to be the most influential factor, while TBL had the least impact.

DISCUSSION OF FINDINGS

The findings of this study reveal that social value creation (SVC) is the most influential predictor of SME efficiency in Abuja, closely followed by social innovation (SI). SMEs that prioritize generating tangible social benefits by building trust, enhancing customer loyalty, and nurturing stakeholder relationships experience improved operational efficiency. This aligns with Carvalho

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and Alves (2023), whose systematic review underscored how customer value co-creation and community-focused social initiatives enhance both satisfaction and organizational performance. The results reaffirm the critical role of embedding social value creation within business strategies as a pathway to profitability and sustainability. In the Abuja context, the strategic integration of social value initiatives emerges as a critical pathway toward achieving both profitability and sustainability for SMEs.

Social innovation also demonstrated a significant positive impact on SME efficiency, reinforcing its role as a driver of competitiveness and organizational resilience. Consistent with Barlatier et al. (2022), SMEs that adopt innovative practices such as digital technologies, novel supply chain approaches, and collaborative stakeholder engagement are better positioned to adapt to dynamic market conditions. For Abuja SMEs, social innovation acts as a key mechanism that bridges responsiveness to social needs with operational excellence, fostering long-term adaptability in an evolving business environment.

Conversely, the triple bottom line (TBL) exhibited only weak and statistically marginal effects on SME efficiency, with significance levels just above the conventional 0.05 threshold. While global studies (Khan et al., 2021; Alhawamdeh & Alsoud, 2023) robustly demonstrate how sustainability practices build firm resilience and drive long-term performance, SMEs in Abuja appear to prioritize immediate survival and profitability over environmental and social sustainability efforts. This aligns with the context-specific observations of Eze and Nnadi (2022), who noted that Nigerian SMEs face financial limitations and weak institutional frameworks that hinder the operationalization of sustainability initiatives. These contextual constraints offer a plausible explanation for the limited influence of TBL in this study despite a generally positive orientation towards sustainability.

Taken together, these findings show that social value creation and innovation are pivotal drivers of operational efficiency among SMEs in Abuja, while sustainability practices through the TBL framework remain nascent and under-leveraged. This duality reflects the ongoing challenge for SMEs in balancing short-term performance imperatives with longer-term sustainable development goals a balance also highlighted by Munjal and Sharma (2021) in their study of social responsibility's impact on firm success. As institutional support and awareness grow locally, it is expected that the influence of the triple bottom line on SME efficiency will strengthen, fostering a more holistic and sustainable social entrepreneurship landscape in the region.

CONCLUSION AND RECOMMENDATIONS

The study examined the impact of social entrepreneurship on the efficiency of selected SMEs in Abuja, with social value creation, social innovation, and the triple bottom line as proxies. The findings show that social value creation exerts the strongest positive influence on SME performance, underscoring that creating value for society alongside business objectives enhances

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growth, trust, and long-term sustainability. Social innovation was also found to significantly improve SME efficiency, as adopting creative and adaptive solutions to societal challenges strengthens competitiveness and operational resilience. Conversely, the triple bottom line exhibited a weaker but still positive influence, suggesting that while sustainability practices are gaining recognition, Abuja SMEs may not yet be fully leveraging environmental and long-term sustainability initiatives as performance drivers.

Overall, the regression results confirm that social entrepreneurship significantly enhances SME efficiency in Abuja, with social value creation and innovation serving as the most critical predictors of success. This underscores the need for SMEs to integrate social goals with business strategies in order to remain efficient, competitive, and sustainable in a dynamic environment. Based on the study's findings, several recommendations are made for policymakers, SME managers, and other stakeholders to strengthen the role of social entrepreneurship in enhancing SME efficiency in Abuja:

1. **Prioritize Social Value Creation:** Since the null hypothesis on social value creation was rejected, SMEs should embed community-oriented initiatives into their core strategies. This involves strengthening partnerships with local stakeholders, providing community services, and aligning business goals with social needs. Such practices build trust, enhance reputation, foster customer loyalty, and directly improve operational efficiency.
2. **Promote Social Innovation:** With evidence that social innovation significantly influences SME efficiency, managers should invest in innovation by embracing digital tools, engaging in continuous training, and fostering collaboration with research institutions and networks. Innovative solutions to social and market challenges improve adaptability, competitiveness, and long-term sustainability.
3. **Strengthen Triple Bottom Line Practices:** Although the triple bottom line had a weaker effect, its significance justifies gradual integration into SME operations. Managers should adopt responsible environmental and resource management practices while promoting social and economic sustainability. Over time, these efforts will strengthen resilience, enhance corporate reputation, and secure future competitiveness.
4. **Policy and Institutional Support:** Policymakers should create an enabling environment for SMEs by improving access to finance, establishing innovation hubs, and providing incentives for sustainability adoption. Entrepreneurial development agencies should further support SMEs with capacity-building programs that emphasize social innovation and sustainability practices.
5. **Broader Strategic Implications:** Ultimately, these findings reinforce that social entrepreneurship is not just a social mission but a practical driver of efficiency, growth, and long-term SME success. To extend these insights, future research should examine sector-specific effects of social entrepreneurship among Abuja SMEs, thereby identifying tailored opportunities and challenges.

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