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# Culture Change and Performance of Small Businesses in Nigeria

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**Abstract:** *The research indicated that small businesses that make changes to their processes on their own are more likely to be creative, competitive, and have satisfied workers. The benefits of doing so may be felt immediately and over time, resulting in enhanced performance. It demonstrates that SMEs in Nigeria may benefit greatly from investing in process transformation in order to improve their operations and that doing so can lead to expansion and growth. A study of Nigerian SMEs found that the following variables all had a positive link with one another: culture change, innovation, competitiveness, employee satisfaction, and staff turnover.*

**Keywords:** culture change, innovativeness, competitiveness, employees' satisfaction, turnover

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## INTRODUCTION

Small businesses are very important to the growth and development of the economy of a country, especially in developing economies. They are thought of as the backbone of the economy because they create jobs, encourage innovation and entrepreneurship, and help the economy grow as a whole. Here are a few ways that how well small businesses do is important in an economy that is still growing: (1) Small businesses are a major source of jobs in economies that are still growing. They give jobs to a lot of people, especially those who don't have a lot of education or work experience. (2). Small businesses help the economy grow as a whole by making more products and selling more of them. This boosts economic activity. (3). People often think that small businesses are more innovative and entrepreneurial than large ones. This helps to make the economy more open to new ideas and entrepreneurship, which leads to new products and services and higher productivity. (4). Small businesses are an important part of rural development because they can offer goods and services to rural areas and create jobs there. (5). Small businesses can help reduce poverty by giving the poor jobs and ways to make money (Santilli et al., 2015).

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A firm's innovativeness may be measured by its capacity to create and commercialize novel concepts and goods. It's crucial to the expansion of small enterprises and the growth of the economy as a whole. Reasons why small businesses need to be creative are as follows: (1). The ability of creative small businesses to set themselves apart from the competition by providing distinctive goods and services is a significant source of competitive advantage. They may use this to their advantage in the market and grow their share of the business as a result. (2). Profitability rises when a firm adopts a more innovative strategy, since this allows for the development of additional income sources and the consequent raising of prices. (3). As they develop and thrive, innovative small enterprises are more likely to increase employment opportunities. (4). Innovative small businesses contribute significantly to economic expansion by both spawning whole new industries and fueling increased demand for established ones. (5). Small businesses that are at the cutting edge of innovation are better able to weather the inevitable storms of economic, social, and technological upheaval. They are more adaptable and can modify their methods and offerings as needed, which is important for the firm's continued success and development over time.

Smith (2010) noted that Jobs, innovation, and entrepreneurship are all bolstered and the economy is propelled forward by the efforts of small company owners, who play a particularly important role in economies that are still developing. To this end, it is crucial for small enterprises to stay competitive. There are many reasons why establishing economic competitiveness is critical for small businesses: (1). Competitive small enterprises may provide employment for a wide range of individuals, including those with less formal education or experience in the workforce. (2). Stimulating economic activity Competitive small firms contribute to economic development by boosting output and consumption. (3). By supplying products and services at reasonable costs and generating employment, competitive small enterprises may aid in raising the quality of life in a growing economy. (4). Innovation and entrepreneurship are encouraged since successful small firms need to be creative and proactive in order to maintain a foothold in a highly competitive marketplace. (5). Investors are more inclined to put money into a small firm that is competitive because of the higher return on investment (ROI) that such an enterprise may provide. (6). Competitive small firms are more likely to adapt to the global market, allowing them to flourish by reaching a wider audience and gaining access to new resources like suppliers and consumers abroad.

Sutcliffe et al. (2016) noted that small firms in a growing economy rely heavily on happy, productive workers. Employees who report high levels of job satisfaction are more invested in their work and less inclined to quit. To help you understand why it's crucial for your small company to have happy workers in a growing economy, consider the following: (1). Gains in productivity and efficiency, as well as a decrease in absenteeism, may be attributed to a happier workforce. Business efficiency and success are boosted as a consequence. (2). As a result of a decrease in staff turnover, savings in the areas of recruiting and training may be realized. (3). When workers are

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content, they are more inclined to go above and beyond for customers. This, in turn, boosts the company's image and encourages customers to remain loyal. (4). Satisfied workers are more likely to remain loyal to their employer, which in turn promotes a healthy work environment and increases employee engagement. (5). When workers are happy, they are more likely to come up with new ways of doing things, which benefits the company by way of new goods and enhanced services. (6). Attracting and retaining the best people in the industry may be facilitated by a committed workforce that is proud to represent the company's values and culture.

Valliere (2017) noted that small businesses in a developing economy can benefit greatly from low employee turnover rates because it reduces the time and money spent on finding and training new workers. Improved performance, increased productivity, and enhanced customer service are all possible outcomes of low employee turnover. For a developing economy's small businesses, keeping turnover to a minimum is crucial for several reasons. (1). Lower turnover means lower costs for businesses as it is expensive to find and train new workers. (2). Long-term workers are more likely to be proficient in their roles as a result of their extensive familiarity with the company and its operations. (3). Productivity rises because long-term workers are more versed in the ins and outs of running the firm. (4). Long-term workers are more invested in the company's success and are thus more likely to give excellent customer service. (5). Loyalty from long-term workers is an asset to any company, since it promotes a healthy work environment and encourages employees to feel invested in the company's success. (6). Long-term workers have greater potential for innovation and creativity, which benefits the company through the creation of new products and enhancements to existing offerings.

In a developing economy, small businesses can benefit greatly from a shift in company culture that increases productivity, boosts employee morale, and ultimately leads to greater business success. In a highly competitive job market, a company's ability to attract and retain top talent may depend in large part on the company's reputation for positivity and support among its employees. Small enterprises in a developing country may better weather market shifts and maintain competitiveness if they foster a culture of innovation and continual development. Alternatively, a toxic or outmoded culture may inhibit creativity and development. To that end, it is crucial that entrepreneurs in emerging markets understand the value of fostering a positive and productive work environment, and make doing so a top priority (Walley. & Thwaites, 2011).

In the past, it has been recognized that small businesses contribute significantly; yet, despite these efforts, there are still a great deal of challenges to be uncovered in this sector. The greatest obstacles that entrepreneurs have faced throughout firm history have almost always had something to do with their desire to be seen as unique and creative, and (1) necessitates finding a way to stand out in a market where the level of competition is already high. (2) conceiving up and establishing a trustworthy operational strategy for the provision of products and services; (3) creating a

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dependable operational procedure for the distribution of products and services. (3). An essential first stage is developing substantive social ties with internal stakeholders (such as employees), related stakeholders (such as suppliers and competitors), and external stakeholders (such as the government and regulatory agencies) (McIntyre, 2019).

Most Nigerian small businesses, however, lack the means to successfully compete on a global scale. It seems that a lack of resources has led to a number of hurdles when attempting to investigate economic opportunities in a setting that is hospitable to international commerce. Because of these difficulties, doing business is challenging. Given this context, it's easy to understand how globalization of business would be bad for small enterprises by raising the bar of competitiveness. The explanations given above explain why this is the case. And so it is that small businesses in Nigeria must contend with a heightened level of competition (Ade, 2012). Issues including insufficient promotion, underutilization of resources, inefficient people management, poorly conceived action plans, subpar product customisation, and non-implementation of policies are the direct outcome of this. The execution of policies becomes less effective as a result. As a consequence, certain rules aren't enforced as effectively as they should be. Because of this, more than 70% of Nigeria's small businesses fail within the first three years (Ade, 2012; Ahiauzu, 2016; Echu & Okpara, 2020; Yatu et al., 2018). Small and medium-sized enterprises (SMEs) have suffered a decline in performance and revenue as a direct result of this. Negative government interference, poor economic conditions, and ineffective laws are all factors that hamper the success of Nigeria's small businesses (Yatu, Bell & Loon, 2018).

## **Theoretical Foundation**

### **Theory of Planned Behaviour**

Planned conduct is a notion developed by Icek Ajzen, a social psychologist and current Emeritus Professor at the University of Massachusetts Amherst. There is widespread consensus that this is true. His 1991 book, "The theory of planned behaviors," explains the thinking behind the basic premises of the theory. Icek Ajzen's 1985 book, *From Intentions to Actions: A Theory of Planned Behaviour*, is widely regarded as the first formalization of the notion of planned conduct. (Ajzen, 1985; 1991). Planned conduct theory is a subfield of psychology that looks at the idea that people's thoughts affect their behavior. Thus, the basic premises of the theory of planned behavior are subjected to close analysis. These include, but are not limited to, one's worldview, one's internalized standards, and one's feeling of agency over one's acts. All of these factors affect how individuals interpret their own behavior, which in turn drives their actual links with others.

Ajzen (1991) classifies people's convictions into three basic groups: behavioral beliefs, normative views, and control beliefs. People's worldviews and, by extension, their actions, are shaped by the

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ideals they uphold. The control belief aids in establishing a sense of mastery over one's actions, while the normative belief acts as a moral compass. Each item has been meticulously catalogued according to its primary and secondary uses. To be more specific, people's viewpoints are molded by the subjective standards to which they are exposed, yet individuals may exert agency over the formation of their perspectives by the choices they make. This causes a shift in their priorities, and they adjust their actions appropriately. The purpose of this theory is to explain how peer pressure might lead to certain patterns of behavior. Knowing a person's behavioral goals is essential for understanding and predicting their actions. This paradigm's basic premise is that; (1). Most people are quite meticulous and purposeful in their behaviors (2). People don't behave out of reflex, but rather to achieve certain ends. and (3). Most individuals consider how a potential new experience could change them before giving it a try (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). These presumptions are the basis for the theory's long-standing moniker as the "theory of reasoned action" (Ajzen & Fishbein, 1980).

### **Cultural Change**

Culture is what occurs on a daily basis. In the course of their daily contacts with management and colleagues, employees have firsthand exposure to the firm's culture. They are able to assess the firm's values by using the existing processes and resources. throughout the deliberation and selection phase. The activities that are rewarded and penalized in a business are a direct reflection of its culture as seen by its employees and upper management. The power of technologies and systems to allow or prevent certain acts contributes to cultural evolution. It's reasonable to assume that a firm with a stated emphasis on teamwork would not really foster a cooperative environment by, say, failing to offer its employees with effective remote communication tools. Let's take a look at what it means to change cultures, what each team member must do to make it happen, and what bits of advice others who have made the change before have found most helpful. Researchers in the social sciences and those involved in public policy often use the phrase "cultural change" to characterize the ever-present evolution of human cultures. The community as a whole develops new characteristics, standards of conduct, and social norms as a consequence of this. This dramatic shift in social dynamics is the result of a number of factors, including contact with other cultures (in the form of war or mass migration), the development and widespread adoption of new technologies (such as the spread of motorized transportation or personal digital assistants), and groundbreaking scientific discoveries.

Incorporating this concept of cultural shift into businesses may also be fruitful. A merger or purchase of "equals" may not seem as spectacular as an invasion by Goths or Mongolians, yet it may still have a major cultural influence on the receiving civilization. Many firms talk about the

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"need to transform the culture" from the top down. Business executives often propose a change in firm culture in response to a crisis, whether it be abrupt or long-brewing. If the people in a firm decide to change, the firm's culture might shift. They seek to alter not just their views but also their behavior. Boosting morale at work is a top priority. The culture of a firm might change for a variety of reasons. Large-scale societal shifts often occur in response to a mass movement for change. To change is to be part of a movement, and a movement may be any form of change. Those in the forefront of change are the ones who really get things done. There are several factors to consider when deciding whether or not to alter a firm's culture. Confronting the challenge of cultural assimilation while also being aware of the constant development of one's own culture presents an interesting conundrum. In reality, societal shifts might lead one to see the need for a new point of view. It's inevitable that a firm's culture, beliefs, and traditions will shift over time.

### **Performance**

Successful managers, according to research by Cucculelli and Bettinelli (2015), are well-versed in both the inner workings of their businesses and the demand for their goods. In addition, they have a more in-depth understanding of how technical developments and changing market trends function. Further, seasoned leaders have a better chance of increasing profit quality by instituting robust internal controls to oversee financial reporting (Morris et al., 2013). They are less likely to take part in fraudulent activities linked to the reporting of financial data and they provide high-quality information by generating correct predictions. Competent managers, according to the study (Wang, 2018), are able to make better investments because they are more open to new ideas and are more prepared to take risks in order to participate in R&D-heavy initiatives.

Able managers aid their investments by gaining access to low-interest bank loans and increasing transparency to do away with knowledge asymmetries. These two approaches each have their merits (Rotundo et al., 2002). More proficient managers will likely lead to improved resource alignment with the business's operating environment, which in turn will boost the firm's internal profitability. Due to the potential for further investment, this is of the highest significance in terms of growth prospects. If these groups are having problems securing funding from other avenues, this is especially crucial. These points are consistent with the resource-based view, which insists that critical resources are required for sustained business success. Skilled managers have access to a wealth of resources, including information on the broader economy, the business sector, and specific customers. Because of this, talented managers are an intangible resource. Their improved ability to express the good features of the firm's future consistent profits at a level of risk that is within acceptable bounds boosts trust among market participants. Investors and traders alike think that a firm with strong leadership will have a cheaper cost of capital, which will in turn boost its

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performance. Having a positive return on investment is essential for every business (Becker et al. 2001). The firm's financial ratios should be healthy. The efficacy of a single, healthy person is to be evaluated, and not the whole output of a firm. How big a firm is determined by its profit-making potential, its liquidity (how often its money is turned over), its debt-paying and debt-management skills, and so on. Therefore, the statements of financial performance under review. In actuality, there are three distinct firm sizes: micro, medium, and enterprise. You may think of them as individuals, families, partnerships, businesses, or even conglomerates. When comparing performance reviews from various firms, keep in mind that size matters. There may be tensions between academic research and actual application. Although the theory predicts a perfect size, real measurements don't always agree.

### **Innovativeness**

To be creative is to be able to think up new things and have some of those things get adopted by the larger system at large (Rogers, 1983). The ability to create novel and effective strategies is the driving force behind every firm's expansion into untapped areas or the development of cutting-edge offerings for established ones (Aas et al., 2015; Ali et al., 2017). The readiness of a firm to try out and introduce to the market new ideas, goods, services, and technology processes and procedures is often cited as the definition of "innovation" by business owners. Contrast this with the common understanding of innovation, which centers on the introduction of new concepts. One of the personality traits linked to product adoption is, thus, the propensity and willingness to invest in new and exciting options as they become available. One possible definition of innovation is "the act of creating something new." While it's useful to have a sense of the total number of inventions, it's much more essential to have a sense of the average number of innovations, the typical time it takes for innovations to be adopted, and the regularity with which innovations have been adopted (Aas et al., 2015). Once again, the number of novel approaches used by a corporation is indicative of its innovativeness. The term "innovation" may thus be argued to have evolved through time.

It is interesting to see that those persons who embrace new technologies early on are typically acclaimed as pioneers in that sector. That's because certain departments or departments within a firm are more open to new ideas than others are. The imaginative talents of the business may be put to better use, which would allow it to enhance the goods and services it already delivers (Fernandes et al., 2018). (Fernandes et al., 2018). Any firm that hopes to succeed must be willing to make constant, incremental improvements. If a firm wishes to become a constant source of new ideas, it must be able to promptly respond to the ever-shifting external environment.

## **Competitiveness**

Businesses need to constantly fine-tune the elements that give them an edge over their competitors if they want to survive in a competitive market. A firm's "competitive edge" lies in its capacity to provide goods and services that are superior to those of its competitors (Dereli, 2015; Gareche et al., 2017; & Porter, 1985). What sets one firm apart from another in the same market or industry is the ability it cultivates via its assets and/or qualities to surpass its competitors (Barney, 1995; 2011; & Porter, 1985). Having access to a big number of skilled people, an advantageous location, advanced technical skills, and plenty of raw materials and completed products are all examples of such advantages. For a business to have a competitive advantage, its goods or services must be preferred by consumers above those of its rivals.

According to the extant literature, there are a number of distinct lenses through which competitive advantage might be analyzed (Anna & Neil, 2017; Lobacz & Glodek, 2015; Pawel, 2016; Shaari, 2019). There are many different forms of commercial advantage. A few examples include (1) having the market to oneself in terms of a particular technology, (2) having an exceptionally skilled workforce, (3) having early access to the most innovative products, and (4) having an instantly recognizable brand (5). Possessing the capacity to provide distinctive products and services at competitive rates (6 For instance, (Thanwr & Vaidya, 2021). Ansary (2019) provides a comprehensive list of competitive advantages, including those based on information, intellectual property, market position, pricing leadership, relational capital, relative advantage, and strategic advantage. Other forms of competitive advantage include things like cost advantage, capital, cost innovation, innovativeness, unique capability, brand image, range of products, processes, quality, reputation, innovation, location, experience, governance, values, expertise, and market power. Indices of a company's level of digital development, competitiveness, marketability, productivity, trade secrets, risk management, corporate culture, information technology, business connections, absolute advantage, bargaining power, barriers to entry, size, strength, and presence in a particular business cluster.

## **Employees' Satisfaction**

When it comes to making a product, a firm's goal and vision can only be realized with the help of its employees. Each employee is responsible for achieving the established performance standards of the firm in terms of both output quantity and output quality. Firm that wants to maintain high performance levels must provide an environment in which workers can focus on their tasks at hand without being distracted by unnecessary distractions (Raziq & Maulabakhsh, 2015). They need a supportive workplace and a leader who can inspire them to do their best job in the correct manner

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Publication of the European Centre for Research Training and Development-UK and make them feel like they've achieved something at the end of the day. Job happiness is defined differently by each individual. Management style may be as important to a firm's competitiveness and employee retention as factors like income, hours worked, schedule, perks, stress level, and flexibility. Job satisfaction was linked to higher levels of productivity, motivation, job performance, and subjective well-being, according to research by Abuhashesh et al. (2019). That's a strong indicator that the concept follows the workers home as well as into the job. Consider the connection between a person's satisfaction with their work and their feeling of job security. Happier employees take more pride in their work and the success of the business as a whole, leading to more output. Therefore, contentment in one's employment is important in fostering a risk-free workplace (Wolniak and Olkiewicz, 2019; Niciejewska, 2017).

Management has always been concerned with improving workplace efficacy and increasing worker output (Kelidbari et al., 2005). (2011). Workers who are invested in their jobs are more inclined to go the extra mile, which benefits the firm in terms of output quality, success, and profitability. Being a helpful resource to customers and an ambassador for the firm's offerings are two rewards that go above and beyond the basic necessities of the job for many individuals. Increased productivity and morale, less absenteeism and turnover, and enhanced working conditions are just some of the beneficial outcomes associated with an engaged workforce (Bin Shmailan 2016). One of the most consistent characteristics of people who like their jobs is a sense of personal fulfillment and professional achievement. Many think it has a major role in determining one's level of contentment and success in both one's personal and professional endeavors. Working in a profession one enjoys, doing well at one's job, and receiving just compensation are all components of a rewarding job (Kaliski, 2007; Aziri, 2011). Besides the activities they do, the coworkers they interact with, the management and staff they report to, and the money they bring in, employees may have diverse perspectives on other elements of their jobs.

### **Employees' Turnover**

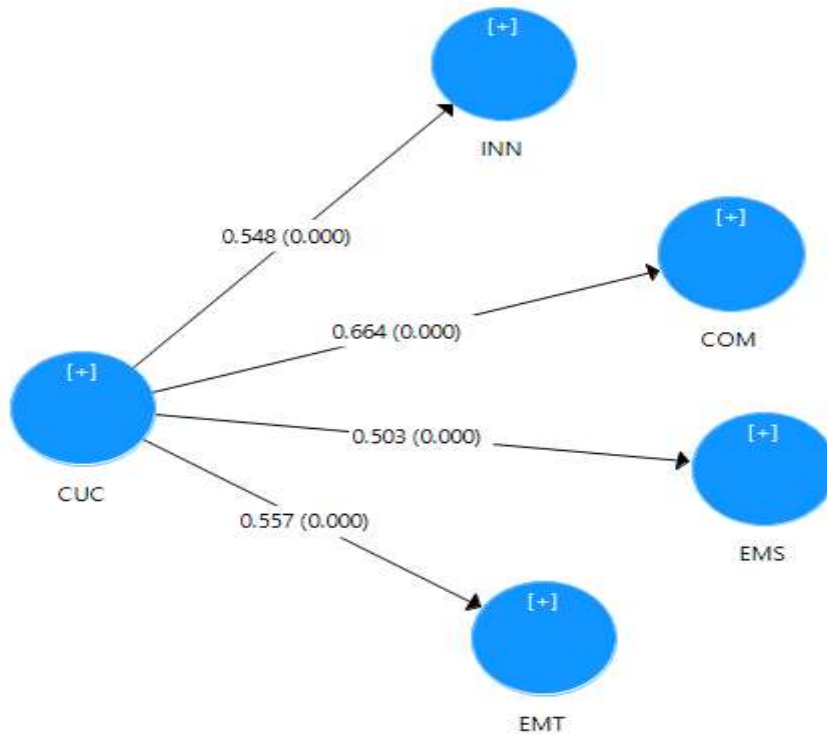
Many researchers have looked at the causes and effects of employee turnover (Shaw et al (1998). To the contrary, there are a variety of factors that might lead to employee turnover. Employee turnover is the process through which employees shift across the labor market, from one firm to another, from one job to another, and from being employed to being unemployed. Anisa Abadi et al (2000). When compared to the conventional knowledge, the "unfolding model" of voluntary turnover (Hom & Griffeth, 1995) emphasizes the decisional element of employee turnover, i.e., it portrays voluntary turnover events as decisions to quit. The "unfolding model" of voluntary turnover is different from common understanding in this respect. This approach to troubleshooting is based on the "image theory" decision-making paradigm. Beach, (1990). (1990). (1990). One technique to gain understanding of the decision-making process is to watch how different people process and remember the data they see in various visual formats. This model is predicated on the

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idea that people willingly decide to leave their jobs after giving careful thought to all of the factors that could have an impact on that decision. Beach (1990) argues that people just do not have the resources to carefully assess all of the information that is presented to them. Therefore, individuals often resort to drawing heuristic comparisons between that data and other decision-making options. The academic community has mostly concentrated on the causes of workers' choices to quit their employment (Bluedorn, 1982; Kalliath and Beck, 2001; Kramer et al., 1995; Peters et al., 1981; Saks, 1996). One possible explanation for the lack of consistency in the results to far is the researchers' decision to include such a wide variety of workers in their samples. Thus, people's motivations for leaving their current jobs and seeking new ones vary widely. Workers leave their jobs because of the pressures of their jobs, the numerous potential sources of stress in the workplace (known as stressors), a lack of dedication to the firm and job discontent.

**Test of Hypotheses**

- Ho<sub>1</sub>:** There is no significant relationship between culture change and innovativeness of small businesses Nigeria.
- Ho<sub>2</sub>:** There is no significant relationship between culture change and competitiveness of small businesses Nigeria.
- Ho<sub>3</sub>:** There is no significant relationship between culture change and employees' satisfaction of small businesses Nigeria.
- Ho<sub>4</sub>:** There is no significant relationship between culture change and employees' turnover of small businesses Nigeria.



**Figure 1: Hypotheses**

Source: SmartPLS 3.3.3 output on Research Data, 2022

There are positive and significant paths that exist between culture change and innovativeness ( $= 0.548$ ,  $t = 12.937$ ,  $p = 0.000$ ), culture change and competitiveness ( $= 0.664$ ,  $t = 13.039$ ,  $p = 0.000$ ), culture change and employees' satisfaction ( $= 0.503$ ,  $t = 10.689$ ,  $p = 0.000$ ), and culture change and employees' engagement ( $= 0.503$ ,  $t = 10.689$ ,  $p = 0.000$ ). As a direct result of this, the theories HO1, HO2, HO3, and HO4 were all shown to be incorrect. Hence,

- There is a significant link between Culture Change and Innovativeness.*
- There is a significant link between Culture Change and Competitiveness.*
- There is a significant link between Culture Change and Employees' Satisfaction.*
- There is a significant link between Culture Change and Employees' Turnover.*

**Table 1: Results of Hypotheses Testing**

Null Hypothesis	Path Coefficient ( $\beta$ )	P Values ( $p$ )	Predictive Accuracy ( $R^2$ )	T Statistics ( $t$ )	Effect size ( $f^2$ )	Predictive Relevance ( $Q^2$ )	Decision on Hypothesis
H <sub>09</sub>	0.548 (Strong)	0.000 (Accepted)	0.301 (Moderate)	12.937 (Significant)	0.430 (Large)	0.263 (Relevant)	Reject
H <sub>010</sub>	0.664 (Strong)	0.000 (Accepted)	0.441 (Moderate)	13.039 (Significant)	0.787 (Large)	0.398 (Relevant)	Reject
H <sub>011</sub>	0.503 (Strong)	0.000 (Accepted)	0.253 (Weak)	10.689 (Significant)	0.338 (Medium)	0.224 (Relevant)	Reject
H <sub>012</sub>	0.557 (Strong)	0.000 (Accepted)	0.311 (Moderate)	12.455 (Significant)	0.451 (Large)	0.225 (Relevant)	Reject

## DISCUSSIONS ON FINDINGS

The findings are discussed as follows:

### Culture Change and Innovativeness

The findings of the study led the researchers to the conclusion that there is a robust connection between Culture Change and Innovativeness. The p-value for the link between Culture Change and Innovativeness was 0.000, which is lower than the threshold of significance of 0.05 ( $p=0.000 < 0.05$ ). the hypothesis that was shown to be accurate as opposed to the alternative hypothesis, which was demonstrated to be false. The path coefficient was measured and found to have a value of 0.548. This lends credence to the idea that there is a strong correlation between inventiveness on the part of employees and shifts in culture.

The outcome of this studies is in tandem with that of Adegbite et al. (2018), and Lukes and Stephan (2017) which pointed out that here is a significant correlation between changes in firm culture and innovativeness. An atmosphere in which innovation may flourish can be fostered by cultivating a culture that is optimistic and encourages creativity, taking risks, and constant development. On the other side, a culture that is pessimistic or fearful of taking risks may impede innovation and restrict the introduction of new concepts. Altering a firm's culture is one of the most effective ways to stimulate creativity inside that firm. The leadership of a firm may facilitate an atmosphere that inspires people to think creatively and be willing to take chances by making adjustments to the business's core principles, accepted procedures, and customs. This may result in the creation of new products, procedures, and ways of working, all of which have the potential to drive the success of a business. Additionally, innovation in and of itself has the potential to be

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a driving force towards cultural shifts. A firm's established culture and norms may be challenged by the implementation of novel ideas and approaches to problem solving.

### **Culture Change and Competitiveness**

This can result in a change in the firm's culture as a whole. In general, innovation and the ability to transform cultures are inextricably intertwined, with one factoring heavily into the other via the medium of a two-way influence. A firm's ability to promote continuous improvement and adapt to changing market circumstances may be significantly bolstered by cultivating a culture that encourages innovation.

The outcome of this study is in tandem with that of Lukes and Stephan (2017) which pointed out that the performance of a firm may be affected by changes in its culture. In general, countries with a short power distance, a predominance of individualism, and low levels of uncertainty control are more competitive than countries with a long power distance, a predominance of collectivism, and high levels of uncertainty control. This is in contrast to countries where the power distance is great, collectivism predominates, and uncertainty control is high. However, some nations achieve competitiveness via individualism, a low power distance index, and masculinity, while other nations achieve competitiveness through collectivism, a high-power distance index, and femininity. The current research has shown that there is a significant connection between cultural characteristics and the degree to which a firm is competitive.

Therefore, there are three cultural characteristics that have a big influence on business competitiveness in order to generate a high association, either directly or inverted. These cultural dimensions are power distance index, individualism, and uncertainty avoidance. Without a doubt, the cultural characteristics have a significant effect on the competitiveness of a firm, and not the other way around. However, it is also interesting that the success of the firm shows itself in the quality of life, the capacity to attract foreign direct investments, the rise of productivity, and the increase in value added per input. Those businesses who are successful in their field not only have a higher profit than the typical one recorded for their sector, but they also hold the majority of the market share. In conclusion, both culture and competition make important contributions to the growth of the country as well as to the nation's sense of self.

### **Culture Change and Employees' Satisfaction**

The value of the path coefficient was 0.503. This demonstrates a high degree of association between the change in culture and the satisfaction of the employees. The existence of a positive link between the two concepts suggests that the level of Employees' Satisfaction and Culture Change increases in direct proportion. This finding is in line with the study of Clayer et al. (2001) which indicated that job satisfaction is a measure of how pleased a person is in their job, and it is one of the most often examined variables in firm culture, behavior, and other occupational phenomena, ranging from work design to supervision. Job satisfaction is a term that may be used to describe an individual's overarching sentiment towards their position in the workforce. However, studies have shown that job satisfaction is a complex phenomenon that may be affected by a variety of circumstances, both internal and external to the workplace. These elements

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Publication of the European Centre for Research Training and Development-UK include the individual's values, principles, personality, and expectations, as well as the nature of the work, the possibilities available, and other such things. Other such things include the nature of the job, the opportunities provided, and other such things. A number of its component pieces have been classified, defined, and researched within the framework of a more complete effort to explore and increase job satisfaction.

A firm's culture may be developed in such a way that workers are happier and more productive in their roles. Assessing the firm's culture might be the first step in pinpointing and shaping the nature of ongoing change there. Clayer et al. (2001) research found no statistically significant differences between workers in different types of firm cultures and employees working in different sorts of institutions. There seems to be a "culture of power" that prevails in each given institution. In this society, there is usually one person or a small number of people who wield the most power and influence. There is a correlation between this and how satisfied an employee is with their employment in terms of their immediate environment, their colleagues, the firm as a whole, and their opportunities for professional growth.

### **Culture Change and Employees' Turnover**

There was a 0.557 path coefficient. Indication of a strong link between cultural shifts and employee turnover. The correlation suggests that if the rate of cultural change increases, employee turnover will also increase. This finding is linked to the study of Clayer et al. (2001) which noted that alterations in the culture of the firm have the potential to have a major impact on the employee turnover rate. Employees may decide to leave a firm if they believe that the culture of the firm is not a suitable match for them or if they believe that the changes that are being made are not in accordance with their values or views. Another reason for employees to leave a firm is if they believe that the changes being made are not in accordance with their values or views. On the other hand, employees who believe that the culture of the firm is positive and supportive, as well as that the changes that are being made are beneficial to them and correspond with their values, may be more likely to continue working for the firm after the changes have been implemented. It is essential for businesses to take into account the potential effects that a change in culture may have on their employees and to have conversations with those employees in an open and honest manner about the motivations behind the changes that are being made as well as the anticipated benefits of the changes that are being made. It may also be helpful to provide employees with support and resources to assist them in adapting to the new culture, and to seek feedback and input from employees to ensure that the changes being made are aligned with the needs and goals of the employees. Both of these things can help to ensure that the changes being made are in alignment with the culture of the firm. Both of these things may assist to guarantee that the adjustments being made are in harmony with their wants and objectives, which is something that has to be done in order for the changes to be effective.

## **CONCLUSION**

Developing effective techniques for managing change is one of the most important aspects of building a competitive advantage within the context of entrepreneurship. As a result, it calls upon the imaginative and creative qualities of the entrepreneur to devise a solution or means to navigate through challenging problems that are present in their surroundings. Therefore, investigating different approaches to change management is an essential step in the direction of resolving any fundamental problems that hamper the efforts of businesses to acquire a competitive edge. In conclusion, techniques for change management might improve a firm's ability to explore opportunities and make the most of them if implemented properly.

### **Recommendations**

Based on the result of the analysis, findings and the conclusion above the following recommendations has been made to small businesses.

- i. Firms with collective problem-solving skills assesses, manages, and surmount problem situations including price competition. Hence, Problem-solving skills should be cultivated and harnessed to their advantage.
- ii. Firms are advised to ensure they develop forecasting skills to better their chances of solving problems, because, problem-solving abilities helps entrepreneurs to develop long-term knowledge retention capabilities to address challenging situations that comes with cost efficiency and innovation.
- iii. Firms ought to be watchful of environmental changes as crucial skills that helps them navigate firm life with emphasis on attaining competitive advantage through change management strategies.
- iv. Firms ought to be adaptable to overcome challenges and better to proffer viable solution highly developed change management strategies skills to achieving competitive advantage. Firms that are on this pedestal would always standout within its industry.

## **CONCLUSION**

SMEs in Nigeria may benefit greatly from investing in process transformation in order to improve their operations and that doing so can lead to expansion and growth.

Culture change can affect employee satisfaction, turnover and innovativeness. It is important that firms consider their employees when implementing culture changes.

Culture change is important in improving small and medium enterprises growth among competitors, which will affect price stability thereby enhancing customers satisfaction in the short-term.

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Culture change increases adaptability and responsiveness among employees.

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