

## Digital Capability and Sustainable Performance of Microenterprises: A Framework for Owner-Managers

<sup>1</sup>Aderonke Folagbade, <sup>2</sup>Joy Philip Mshelmbula, <sup>3</sup>Akintunde Olawande Ayeni & <sup>4</sup>Idi Jamok Arandong

<sup>1,2&4</sup>Department of Business Administration, University of Jos

<sup>3</sup>Department of Banking and Finance, University of Jos

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### Abstract

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This study explored the consequences of owner-managers' digital capability and entrepreneurial mindset on the sustainable performance of microenterprises. By creating evidence grounded in the micro foundational perspectives of dynamic capacity theory and ambidexterity theory, a conceptual framework was presented to explain how these variables interact. Conceptualizing owner-managers digital capacity as the ability to use digital tools that are relevant to their businesses after a comprehensive literature analysis and synthesis, the proposed framework offered direct and indirect channels, with the entrepreneurial mindset serving as a mediator between digital capability and sustainable performance. This study adds to the field by offering a parsimonious model for future empirical testing and predictive analysis, while acknowledging the need for cross-context validation and the inclusion of diverse perspectives for a comprehensive understanding of the implications of digital capability in microenterprise sustainability.

**Keywords:** *Owner-managers, Digital capability, Sustainable performance, Entrepreneurial mindset*

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Corresponding Author: **Aderonke Folagbade**

## **Background to the Study**

Many businesses have played an important part in Nigeria's economic stability and growth due to the role of entrepreneurship, which continues to play an important part in the growth of economies around the world. A successful microenterprise notably acts as the strength of any country's economic development and sustainability in terms of promoting private sector participation in economic growth, job creation, improving the population's standard of living, wealth generation, and closing the demand-supply gap. In entrepreneurship research, scholars have identified several factors that influence the chance of business survival: self-directed learning (Folagbade, Goyit & Vem, 2023; Morris & König, 2021); innovation practices (Adam & Alarifi, 2021); knowledge management and market intelligence (Lateef & Keikhosrokiani, 2023); resilience (Folagabde et al., 2023); others emphasise the necessity of resources and new skills in the digital age (Vial, 2019; Warner & Wager, 2019). This shows how these organisations operate in an ever-changing environment that calls for new tactics, pursuits, and routines in order to thrive. As such, the growing recognition of and adjustment to the new normal problems in the business landscape highlight the key role that digital technologies play in ensuring not only survival but also sustainable growth and performance.

The report of the World Economic Forum's 2022 revealed that a considerable transition has already taken place, with more than 60% of global GDP being digitalized. Looking ahead, estimates suggest that digital platforms will be fundamental in producing nearly 70% of new value over the next decades (Heredia et al., 2022; World Economic Forum, 2022). This revolutionary trend necessitates that entrepreneurs be able to strategically leverage technologies and implement effective processes in order to align with and achieve business goals and objectives. Consequently, as businesses manoeuvre through a landscape marked by uncertainty and swift changes, the capacity to embrace digitalization becomes essential for owner-managers. From a micro foundational approach, Scutto, Nicotra, Del Giudice, Krueger and Gregori (2021) show that individual digital capabilities are critical for achieving business growth and innovation, enabling them to react quickly to changes in the market. As a result, entrepreneurs who serve as owner-managers and managers of all organisations, as well as employees, are expected to possess digital literacy (Scutto et al., 2021). This is because individual-level elements are the origin of some activities and processes in organisations (Del Giudice et al., 2017; Felin, Foss & Ployhart, 2015; Molina-Azorin, 2014), and they are crucial building blocks for comprehending organisational phenomena (Miller & Sardais, 2011).

More specifically, researchers have found that individual knowledge and experience matter, and earlier studies have suggested that understanding organisation-level results requires an awareness of individual skills and capacities (Felin, Heimeriks, & Madsen, 2012). Analysis of the individual owner-managers is akin to analysing a firm since owner-managers of microenterprises are closely tied to the ventures they found and their behaviour affects the venture (Felin & Foss, 2005; Klotz, Hmieleski, Bradley & Busenitz, 2014). This raises the question of how owner-managers' digital capabilities contribute to the sustainable performance of microenterprises. Digital capability as a concept covers a

range of skills, technologies, and organisational strategies that allow businesses to thrive. Basically, applying digitalization is a proactive and forward-thinking approach to business management, apart from a response to external challenges. Therefore, understanding and recognising the digital environment as a dynamic and evolving ecosystem that requires continuous adaptation is important. In this context, owner-managers must foster an agile culture within their organisations.

Digital capability is defined as the set of knowledge, skills, attitudes, abilities, strategies, and awareness that are required when using ICT and digital media to work and behave in contemporary society (Ferrari, 2012). This involves not only using recent tools but also instilling a mindset that welcomes change, promotes innovation, and supports experimentation. Staying competitive and future-proofing the organisation requires the capacity to react quickly to changes in the market and technological improvements. Moreover, the positive view of digital capabilities includes the ability for organisations to succeed and create new value beyond just survival. This corroborates the World Economic Forum's prediction that digital platforms will contribute to the majority of new value, such that they represent a shift in the very nature of business operations and value creation. Owner-managers must therefore strategically position their enterprises to take advantage of the opportunities that come with digitalization, which include improved customer experiences and enhanced customer experiences, among other benefits (Westerman, Tannou, Bonnet, Ferraris & McAfee, 2012).

Furthermore, small business owners and managers require an optimal level of digital capabilities to navigate and respond to market changes, as they are in a better position to assist them in delivering innovative offerings to better satisfy customers, thereby increasing long-term sales and financial return. Based on a cursory review of the literature, firms' innovativeness (Svahn, Mathiasen & Lindgren, 2017a), financial performance (Karimi & Walter 2015), firm growth (Tumbas, Berente, Seidel & vom Brocke, 2015), reputation (Kane 2016c; Yang, Liu & Davison, 2012), and competitive advantage (Neumeier, Wolf & Oesterle, 2017) are all positively impacted by digital capability. Research also showed that businesses possessing individual digital capabilities outperform rivals in terms of communication, application development, process integration, and innovation in the creation of value-added goods (Bharadway, El Sawy, Pavlou & Venkatraman, 2013). However, it is imperative to comprehend the mechanisms and processes that influence the sustainable performance of microenterprises in order to propel scholarly research in this area.

Accordingly, this study identifies an entrepreneurial mindset as a mechanism that aids in the comprehension of the connection. Entrepreneurial mindset is a set of motives, skills, and thought processes that lead to entrepreneurial success (Davis, Hall, & Mayer, 2015), as well as a shift from a managerial mindset to generate a long-term competitive advantage (Wright, Hoskisson, Busenitz, & Dial, 2000). Because of this, owner-managers who possess a strong entrepreneurial mindset are likely to see potential for innovation and adaptation when faced with digital capability. This will motivate them to consider

new avenues for incorporating digital tools into their operational procedures. Flowing from the prior findings, this study provides a model of owner-manager digital capability with a focus on the implications of ensuring microenterprise sustainability. The microfoundation of dynamic capability theory (Teece, Pisano, & Shuen, 1997) is found to underpin the investigation, with ambidexterity theory providing support. This study deviates from the existing discourse by investigating the effects of entrepreneurs' (owner-managers') digital capabilities and giving a concise model of their impact on the sustainable performance of microenterprises. Scholars (Scuotto et al., 2021; Sousa & Rocha, 2019) have highlighted concern that research on individual digital capabilities is lacking in comparison to organisational digital capabilities. Thus, we theorise that entrepreneurial mindsets have an interplay between owner-managers digital capabilities and sustainable performance.

A study of this nature is important in adding to the body of knowledge on individual digital capabilities in business firms, particularly with regard to microenterprises. A clear investigation of the effects of digital capability is provided by the propositional arguments in the theoretical expositions, which set an agenda for individual digital capability in the context of microenterprises. Also, the study contributes to a better understanding of the function of an entrepreneurial mindset in the relationship between digital capabilities and sustainable performance. This is so because there is a complex and nuanced relationship between the digital capabilities of owner-managers, their entrepreneurial mindsets, and the sustainable performance of microenterprises. Comprehending the interplay between these components can elucidate the ways in which microenterprises can utilise digital tools to attain sustained prosperity. Finally, the conceptualised model is applicable to microfirms that want to adopt digital transformation rather than large business corporations, providing a slightly different perspective on the consequences of digital capability with other outcomes.

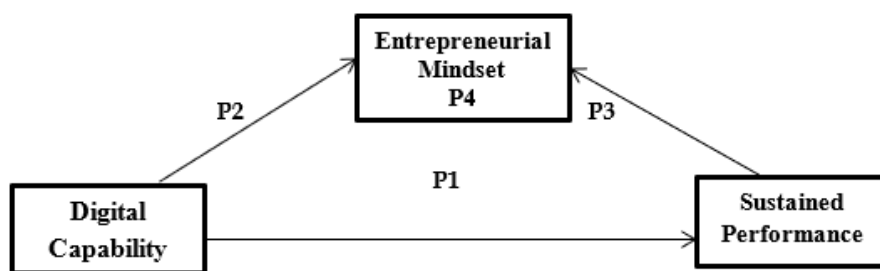
## **Literature Review**

### **Theoretical Foundation**

The study's underlying theory is the dynamic capability theory (Teece, Pisano, & Shuen, 1997). Dynamic capabilities are the organisational and strategic routines by which the firm achieves new resource configurations as markets emerge, collide, split, evolve, and die in a changing business environment (Teece et al., 1997). Dynamic capabilities at the organisational level, however, require lower-level entities such as individuals and processes (Teece, 2007; Felin et al., 2012). This is because dynamic capabilities are based on executives and top management's entrepreneurial and leadership skills and knowledge in developing and sustaining dynamic capabilities. This makes the knowledge, abilities, and experience of individuals a great asset for understanding organisational-level outcomes. Therefore, this study focused on the microfoundations dynamic capability view (Teece, 2007), which sees dynamic capabilities as the distinct skills, processes, procedures, organisational structures, decision rules, and disciplines that support sensing, seizing, and reconfiguring abilities in response to a dynamic environment.

Consequently, this theory is relevant as it reveals that capabilities reside in individuals within the organisation and that individuals help in driving organisational outcomes. Because of this, owner-managers' digital capabilities are dynamic, allowing them to reorganise resources and react to new possibilities and challenges, resulting in sustainable business performance. It also gives a lens through which to explain the relationships between individual digital capacity, entrepreneurial mindset, and the sustainable performance of microenterprises. This interplay is consistent with the changing nature of the business environment, emphasising the importance of continuous adaptation (McGrath, 2011) and smart use of digital tools for long-term performance results. Therefore, entrepreneurs' digital capabilities, guided by their mindset, contribute to sustained performance by ensuring that the firm remains agile, innovative, and strategically aligned with changing market conditions. This offers scholars and practitioners a more detailed knowledge of the process at work in individual digital capability and sustained performance.

Furthermore, the ambidexterity theory lends credence to the underpinning theory by describing the role of an entrepreneurial mindset in the model. Robert Duncan developed the theory in 1976 and emphasises the difficulty that businesses encounter while pursuing both exploration (innovation, adaptability) and exploitation (efficiency, optimisation) operations. In the context of this study, an entrepreneurial mindset promotes investigation, whereas digital capabilities facilitate exploitation. Balancing these characteristics is critical for sustained performance in the face of technological advances and market demands. Ambidexterity theory helps address the challenges of balancing owner-managers exploration of digital tools and using their capabilities to ensure sustained business performance. In conclusion, the synergistic integration of these theories emphasises the dynamic nature of the relationship, where the effective integration of owner-managers' digital capabilities with an entrepreneurial mindset can lay the groundwork for long-term success by encouraging innovation, adaptability, and strategic decision-making in an ever-changing business environment.



**Figure 1:** Research Framework

**Entrepreneur Digital Capability (EDC)**

Digital capability has arisen as a term that encompasses more than only information technology skills (Westerman, Bonnet, and McAfee, 2012), as well as digital assets

(Sandberg, 2014) and value generation through digital outcomes. Digital capability is viewed as a whole new competitive advantage enabled by artificial intelligence, big data, cloud computing, and other emerging digital infrastructures. It is a set that ensures the transformation and integration of technological resources, as well as the full use of these technological resources, such as analytical capability, connective capability, and intelligent capability, and even emphasizes digital technology management efficiency and function use. Korhonen and Gill (2018) describe digital capability as an organisation's ability to use and integrate digital data and information technology into its business processes, organisational systems, and practices, as well as its products and services, in order to provide value to its stakeholders and beneficiaries. This suggests that technological affordances, which include businesses' attempts to design and maintain policies that make use of human capital and knowledge assets to engage with a particular set of digital technologies, are what define digital capacity (Saputra, Sasanti, Alamsjah & Sadeli, 2022). According to Khin and Ho (2019), digital capability is a dynamic competence that characterizes an organisation's capacity to develop new goods and procedures as well as adapt to changing market conditions.

Scholars have found that digital capability has multiple dimensions. Soule, Sasanti, Alamsjah and Sadeli (2016), for example, distinguish three categories: operations efficiency (using more precise data to optimise, automate, or streamline internal processes), workforce enablement (using digital tools to foster cross-organisational collaboration, develop skills, or share knowledge), and customer experience (using technology to address customer expectations or integrate digital channels for customer communication and interaction). Korhonen and Gill (2018) identified seven dimensions as information technology, data and analytics, customer engagement, collaboration and connectivity, business process excellence, facilitation of knowledge work, and digitalization of business, while Tumbas, Berente, and vom Brocke (2017) identified the concept in terms of digital innovation, data analytics, and customer engagement. Further research has demonstrated that utilising digital capabilities to enhance customer integration and service delivery raises the value of the goods and services provided while boosting long-term profitability. In addition, investigations have shown that digitization improves financial performance, cost reduction, and revenue development (Osmundsen, Iden & Bygstad, 2018; Saksonova & Kuzmina-Merlino, 2019). Therefore, the ability of owner-managers to understand, adopt, and utilise digital tools and technologies relevant to their business is considered owner-managers (entrepreneurs) digital capability in the context of this study.

### **Sustainable Performance (SP)**

There is a wealth of research in the field of sustainable performance, with increasing emphasis on multiple stakeholders at the organisational level and from various viewpoints (Burawat, 2019; de Sousa Jabbour, Vazquez-Brust, Ribeiro & Jabbour, 2019; Iqbal, 2018). Businesses used to measure success using economic indicators before the notion of SP, but now they blend economic and sustainable performance (Chin, Tat, & Sulaiman, 2015). This perspective sees sustainable performance as closely related to social

and environmental problems, as well as the economic concerns of its stakeholders. Argandona and von Weltzien Hoivik (2009) define SP as the performance of firms in relation to society, economy, and environment in the age of sustainability. Whitney (2010) defines SP as a company's ability to coordinate activities by orienting all of its components towards a common goal.

According to Büyüközkan and Karabulut (2018), sustainable performance is the quantification of an organisation's complete performance using performance indicators, which might include policies, decisions, and activities that produce economic, social, and environmental outcomes. Similarly, de Sousa Jabbour et al. (2019) consider firms' sustainable performance in terms of resource conservation, carbon dioxide emissions, environmental initiatives, workplace health and safety, value creation for both society and the community, stakeholder management, and economic impact, in addition to financial figures. Iqbal (2020) stated that sustainable performance assesses organisational performance from a communal and environmental standpoint. Elkington (1994) asserts that the economic, social, and environmental indicators of sustainable performance have a cascading effect that results in a mutually beneficial resolution when addressing sustainable issues. This is in addition to the fact that scholars have identified effective integration of the three performance measures as a competitive advantage (Niroumand, Shahin, Naghsh, & Peikari, 2020; Paulraj, 2011).

Green, Zelbst, Meacham, and Bhadauria (2012) define economic performance as a firm's return on assets, cost reduction, higher profit, and market share promotion. This is quantified in terms of profit, tax, income, and employee financial well-being (Zhu, Sarkis, & Lai, 2012). The social sustainability performance evaluates the firm based on their social commitment, training and development, healthy work environment, public welfare support, working conditions, employee benefits, talent development, social response, and employee's relations (Amui, Jabbour, de Sousa Jabbour, & Kannan, 2017). Lastly, environmental sustainability performance is concerned with the reduction of harmful materials, hazardous consumption, promotion of ecological initiatives, usage of resources, and efficient energy (Akanmu, Hassan, & Bahaudin, 2020; Burawat, 2019; Iqbal, Ahmad, & Ahmad, 2018a). Sustainable performance, in the context of this study, involves the ability of microenterprises to consistently thrive over the long term.

### **Entrepreneurial Mindset (EM)**

Scholars and academics have recognized that there are several definitions and aspects to an entrepreneurial mindset. The term "entrepreneurial mindset" describes a mindset that directs behaviour towards entrepreneurial pursuits. It is characterized by certain beliefs and attitudes about having the capacity to think creatively (Leeds & Lackéus, 2013; Lackéus, 2016). Shepherd, Patzelt, and Haynie (2010) define EM as the ability and willingness of individuals to rapidly sense, act, and mobilise in response to a judgmental decision under uncertainty about a possible opportunity for gain. According to Lackéus and Williams (2015) and Lackéus (2016), EM can also be defined as the capacity to continuously generate new ideas for products or services, repurpose all resources, and bring in new concepts from a variety of sources.

Davis, Hall, and Mayer (2016) said EM consists of a constellation of motives, skills, and thought processes that contribute to entrepreneurial success. An entrepreneurial mindset is seen as a way of thinking that empowers individuals to add value by perceiving and taking hold of opportunities. Therefore, by improving one's entrepreneurial mindset and operating with an entrepreneurial view, owner-managers can prepare themselves with the necessary knowledge, abilities, and skills needed to handle uncertainty and navigate organisational complexity. This demonstrated that people with entrepreneurial mindsets are frequently lured to opportunity, innovation, and new value creation, which requires accepting related risk and accepting the realities of change and uncertainty (Srinivasa, 2000).

In today's competitive business environment, an entrepreneur's view makes all the difference in the success of their business. As such, an entrepreneurial mindset is a way of thinking about business and its opportunities that takes advantage of uncertainty (Dhliwayo and Vuuren, 2007). In a similar vein, Senge (2007) characterizes EM as the creative and proactive pursuit of opportunities that enables individuals act so as to capitalize on such opportunities. Moreover, Daspit, Fox, and Findley (2021) offered a comprehensive definition of EM as a cognitive perspective that permits a person to generate value through opportunity recognition and action, information-limited decision-making, and adaptability and resilience in situations that are frequently complex and uncertain. Therefore, an entrepreneurial mindset is characterized by a way of thinking that sees possibilities rather than obstacles, opportunities rather than failure, and a desire to take action rather than just complain about the way things are (Susilo, 2014).

### **Entrepreneur Digital Capability and Sustainable Performance**

According to Bharadway et al. (2013), organisations with individual digital capabilities may integrate business processes, produce cost-effective applications, communicate effectively, and produce innovative new products that set them apart from competitors. In other words, an entrepreneur's digital capability can spark innovation, simplify business processes, cut costs, improve operational efficiency, and increase business success. Empirical evidence shows that digital capability has been studied with different outcomes such as firm performance (Bui & Le, 2023; Heredia et al., 2022), competitive advantage (Neumeier et al., 2017), volume of business and cost of service (Ojobo Orga & Okechukwu, 2022), reputation (Kane, 2016c; Yang et al., 2012), digital innovation (Khin & Ho, 2018), academic performance (Limnious, Varga-Atkins, Hands & Elshamaa, 2021), digital transformation (Rupeika-Apoga, Petrovska, & Bule, 2022), and digital sustainable entrepreneurship (Xu, Hou & Zhang, 2022).

Consistent with dynamic capabilities theory, which focuses on individuals' capacities within organisations to perceive, seize, and transform resources in response to dynamic environments, (Teece et al., 1997), it is anticipated that owner-managers with greater dynamic capabilities will perform better than those with less capability. Juxtaposing this with EDC, owner-managers of microenterprises with digital capability are expected to



function effectively in a volatile business environment, hence outperforming those owner-managers with less DC. We therefore propose that:

**Proposition 1:** A greater degree of digital capability among owner-managers will contribute to the sustainable performance of microenterprises.

### **Entrepreneur Digital Capability and Entrepreneurial Mindset**

The relationship between digital capability and entrepreneurial mindset is consistent with the changing nature of business environments, emphasizing the need for continuous adaptation and strategic utilisation of digital tools for long-term performance outcomes. Owner-managers with strong digital capabilities are more likely to have an entrepreneurial mindset, as Shirish, Srivastava, and Panteli (2023) claim that owner-managers of microbusinesses require a growth and technology mindset. Also, Mandviwalla and Flanagan (2021) and Hadjielias et al. (2022) suggest a resilience mindset aimed at continuous growth and improvement. An entrepreneurial mindset is related not only to value creation but also to the ability to recognise and act on opportunities (Daspit et al., 2023; Kuratko et al., 2021). For instance, a recent study by Solberg, Traavik, and Wong (2020) has demonstrated how employee engagement with digital transformation projects is impacted by two different mindsets. An entrepreneur's digital capability can be seen as part of an individual's dynamic capabilities (Teece et al., 1997), especially the ability to sense and seize digital opportunities. As such, an entrepreneurial mindset complements this by influencing how individuals' approach and leverage digital tools and technologies to create value, innovate, and remain flexible. When combined, digital capability and entrepreneurial mindset create synergistic effects and lead to improved overall individual effectiveness, such that owner-managers with a strong digital capability can identify and capitalise on digital opportunities more successfully when they are guided by an entrepreneurial mindset (Daspit et al., 2023). In line with this, we therefore propose that:

**Proposition 2:** The possession of digital capability by owner-managers to a greater extent will influence entrepreneurial mindset of microenterprises.

### **Role of Entrepreneurial Mindset**

Several studies in the literature have underlined the effects of EM on individual and venture-level outcomes. For example, Zhang and Chun (2018) highlight the effect of an EM on the ability to construct a new entrepreneurial identity (creating a new, or refining an existing, identity), Zur and Naumann (2018) reveal the effect of EM in navigating and balancing conflicting goals, while Ghalwash, Tolba, and Ismail (2017); Outsios and Kittler (2018); and Zur (2015) have shown that EM has a direct effect on the individual's decision to launch a new venture. Additionally, Oberholzer, Cullen, and Adendorff (2014) believe that an EM is linked to perceived entrepreneurial competitiveness. Shepherd, Patzelt, and Haynie (2010) found that an EM influences the venture's culture and leadership style, while Nelson, Santana, and Wood (2016) reveal that an EM influences the choice of a venture location.

In addition, EM has been linked to the process of strategic decision-making within organisations (Eisenhardt & Martin, 2000; Lombardi et al., 2020), market expansion (Aarstad, Pettersen & Henriksen, 2016), and venture resource management, specifically in relation to the organisation, bundle, and effective use of financial, human, and social resources in order to pursue strategy. Additionally, venture performance and EM are related (Ireland, Hitt, & Sirmon, 2003; Lombardi et al., 2020). Ireland et al. (2003) state that EM is the cornerstone of wealth creation and competitive advantage, while Asenge, Diaka, and Soom (2018) discovered a positive correlation between venture performance and EM in terms of innovativeness, originality, alertness, and risk-taking. Furthermore, EM has been linked to personal adaptability, resilience to changing conditions and setbacks, agility, and continuous adaptation (Hitt, Ireland, Sirmon & Trahms, 2011; McGrath, 2011; Miller, 2011). While Dhliwayo and Vuuren (2007) stress that an entrepreneurial mindset is a crucial success factor for successful business, McGrath and MacMillan (2000) further contend that having an entrepreneurial mindset is the primary way individuals can successfully advance in an entrepreneurial process. Specifically, a mindset that unlearns traditional management principles (Morris & Kuratko, 2002).

Supporting this claim with the perspective of ambidexterity theory, which highlights the necessity for organisations to strike a balance between exploitation (efficiency and optimisation) and exploration (innovation and risk-taking), The owner-manager mindset that contributes to exploration needs to be balanced with their digital capability (exploitation) for sustainable performance in the face of a dynamic environment (Miller, 2011; O'Reilly & Tushman, 2008). Because of this, owner-managers are aware of possible trade-offs and develop plans for skillfully handling these conflicts to create a strong force for sustained performance and competitive advantage (Birkinshaw and Gibson, 2004). Building on this premise, it is anticipated that an entrepreneurial mindset could serve as a connecting factor between how owner-managers use digital capabilities and how this influences microenterprises' long-term viability and success. We assert the following claims in light of the body of research on the entrepreneurial mindset and its theoretical justifications:

**Proposition 3:** Entrepreneurial mindset of owner-managers to a greater extent will influence sustainable performance.

**Proposition 4:** Entrepreneurial mindset of owner-managers mediates the relationship between entrepreneur's digital capability and sustainable performance.

### **Study Methodology**

The methodology that was adopted in this study was a review of articles related to the topic under consideration. A total of 71 articles were reviewed, consisting of 54 empirical articles, 17 conceptual reviews, 5 conference proceedings, 2 theses, and 1 textbook. The articles and materials sourced were databases from Emerald Management Journal, ABI-INFORM Complete Pro Quest, Science Direct, the Directory of Open Access Journals, World Bank Publications, Institutional Based Research, and Google Scholar. The keyword

for the search includes different combinations of words based on the availability and accessibility of articles. They include: digitalization, digital capacity, individual digital capability, entrepreneurial mindset, sustainable performance/performance/success/outcome, impact/effect of digital capability, outcomes of digital capability, dynamic capability theory, microfoundation of dynamic capability theory, and ambidexterity theory, among others. Out of the total number of 71 papers reviewed, 92% of the articles were published in or after 2015. It can be said that the articles are relatively spread within the period under review.

### **Summary**

In an effort to comprehend the impact of owner-managers' digital capability in response to the rapidly changing business climate that affects the achievement of their goals, this study offered a thorough overview and suggested a framework for entrepreneur digital capability and sustainable performance. The study began with a brief introduction, and a theoretical perspective of the study was provided using the micro foundation perspective of dynamic capability theory and ambidexterity theory, which was followed by an explanation of the concepts of digital capability, sustainable performance, and entrepreneurial mindset. A careful empirical review of related studies revealed that the link between owner-manager digital capability and sustainable performance remains limited as compared to organisational digital capability, which has influenced the development of the conceptual framework as proposed. Entrepreneurs' digital capability was conceptualized as their ability to understand, adopt, and utilise digital tools and technologies relevant to their business. The framework envisaged, on the one hand, a direct link between entrepreneur digital capability and sustainable performance and, on the other hand, an indirect link through entrepreneurial mindset as the proposed mediator variables.

### **Contribution and Implication**

The first contribution that this study makes is adopting a micro foundational approach by focusing on the individual-level digital capabilities of microenterprises in Nigeria. This offers a parsimonious framework that would guide future research in the field with respect to owner-managers (entrepreneurs). Second, the study synthesised evidence from literature to conceptualise entrepreneur digital capability using the dynamic capability and ambidexterity theoretical lenses. Third, the study has also been able to delineate the mediator variable entrepreneurial mindset that most likely accounts for the indirect link between owner-managers digital capability and sustainable performance. The simplified model extends the ontological nature of individual digital capability by proposing a framework that would be used to develop predictive models and empirical studies to assess the influence that owner-manager digital capability has on sustainable performance.

### **Conclusion**

The objective of the study was to develop a model of digital capability for owner-managers based on current debates in the literature. However, it is important to admit the

limitations of this approach, particularly the need for empirical validation using collected data and the necessity to test the model across diverse contexts and industries. In addition, the inclusion of articles in the review was not scientifically determined but based on the author's judgement and database restrictions. As such, it is likely that other relevant information from high-impact journals that is inaccessible may have been overlooked. Further studies should aim to incorporate information on digital capability as it relates to various businesses and cultures in order to enhance a better understanding. Furthermore, since social capital has been shown to have an impact on both individuals and organisations, the function that social networks have in influencing an individual's behaviour could also be taken into consideration.

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