

A Five-Factor Model of Entrepreneurial Resilience as a Driver of Nigerian Small and Medium Enterprises Market Share Expansion

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Abstract

Small and Medium Enterprises (SMEs) are vital to economic development and employment in developing economies, yet their market competitiveness remains constrained by environmental volatility, resource scarcity, and institutional inefficiencies. Entrepreneurial resilience is increasingly recognised as a strategic resource to address these challenges; however, empirical evidence linking its constituent dimensions to market share outcomes remains sparse, particularly in Nigeria. Addressing this gap, this study examined the effect of five entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance on the market share of SMEs in Southwest Nigeria. Survey research design was employed, with data collected from 440 usable responses drawn from a population of 149,317 registered SMEs using simple random sampling. Data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings revealed that all five dimensions have statistically significant positive effects on market share. Stress tolerance was the strongest predictor ($\beta = 0.277$, $t = 4.203$, $p < 0.05$), followed by adaptive mindset ($\beta = 0.227$, $t = 4.296$, $p < 0.05$), self-efficacy ($\beta = 0.148$, $t = 2.385$, $p < 0.05$), social competence ($\beta = 0.148$, $t = 2.191$, $p < 0.05$), and cognitive competence ($\beta = 0.137$, $t = 2.649$, $p < 0.05$). The model demonstrated strong explanatory power ($R^2 = 0.697$, $Adj. R^2 = 0.694$, $Q^2 = 0.396$, $SRMR = 0.053$), indicating that the five resilience dimensions collectively account for approximately 69.7% of the variance in SME market share. The study concludes that entrepreneurial resilience is a significant positive determinant of SME market share in Southwest Nigeria. It recommends that SME operators and policymakers deliberately cultivate all five resilience dimensions as an integrated strategic capability portfolio through structured cognitive development programmes, stress management training, and network-building initiatives to enhance competitive positioning and long-term sustainability in Nigeria's volatile business environment.

Background to the Study

Small and medium-scale enterprises are universally acknowledged as the engines of economic growth, innovation, and employment generation, yet their capacity to capture, sustain, and expand market share remains one of the most persistently documented challenges in global business management literature (Sarman et al., 2025). Globally, the SME Global Competitiveness Index (2024) reports that over 50% of SMEs across both developed and developing economies fail to maintain a stable market share beyond their fifth year of operation, with market displacement driven by intensifying competition from large corporations, digitalisation disruption, and supply chain volatility. In the United States, the Small Business Administration (2023) indicates that SMEs account for 99.9% of all businesses yet control only 44% of total economic output, with market share concentration increasingly skewed toward large enterprises, a structural disadvantage compounded by the finding that 65% of small businesses report declining competitive market positioning attributable to pricing pressure, digital marketing gaps, and inadequate innovation investment (Federal Reserve Bank of Dallas, 2023).

In the United Kingdom, the Federation of Small Businesses (2024) reports that SMEs generate approximately 52% of private sector turnover, yet their individual market share within respective industries has contracted by an average of 18% over the preceding five years, driven by post-Brexit trade disruptions, inflationary cost pressures, and the accelerating market consolidation advantage of multinational competitors. Across Asia, the Asia-Pacific Economic Cooperation SME Monitor (2023) similarly documents that SMEs contribute between 40% and 60% of GDP across member economies yet consistently capture disproportionately smaller market shares relative to their numerical majority, with Chinese SMEs specifically reporting profit margin compressions of up to 23% and market share erosion of 16% between 2021 and 2023 as a consequence of intensified platform-based competition and regulatory-driven market restructuring (Asian Development Bank, 2023).

The market share challenge confronting SMEs assumes its most severe dimensions on the African continent, where structural vulnerabilities, infrastructural deficits, and institutional weaknesses compound the competitive disadvantages inherent to small enterprise scale. The African Development Bank (2024) reports that African SMEs, despite constituting over 90% of all registered businesses and contributing approximately 80% of employment across Sub-Saharan Africa, collectively command a disproportionately modest share of formal sector revenue with market share concentration overwhelmingly favoring multinational corporations and state-affiliated enterprises that benefit from superior capital access, established distribution infrastructure, and regulatory preferential treatment. The International Finance Corporation (2024) further estimates that the SME financing gap in Africa exceeds USD 330 billion annually, a credit exclusion that directly curtails the marketing investment, product development capability, and distribution reach necessary for competitive market share growth.

In Nigeria specifically, the National Bureau of Statistics (2023) reports that only 34% of SMEs maintain effective competitive strategies, with profitability margins averaging below 8% across the manufacturing and services sectors a reflection of chronic market share erosion driven by foreign exchange volatility, import dependency, infrastructural failure, and the displacement effects of imported goods that undercut locally produced alternatives in price-sensitive consumer markets. The PwC Nigeria SME Survey (2023) corroborates that 67% of Nigerian SMEs cannot secure formal financing necessary for market expansion, while the Manufacturing Association of Nigeria (2024) documents that SME manufacturers have lost an estimated 22% of their collective domestic market share to imported substitutes over the preceding three years a structural competitive displacement with profound implications for employment, value addition, and industrial development.

The market share crisis confronting SMEs reaches its most acute and empirically specific expression in the Southwest geopolitical zone of Nigeria, where the concentration of economic activity, population density, and commercial competition simultaneously create market opportunity and intensify competitive displacement pressures. The Nigerian Bureau of Statistics Regional SME Report (2023) indicates that average SME market share in Southwest Nigeria has declined by approximately 19% over the preceding five years, with firms in Lagos, Ogun, and Oyo States, the zone's most commercially active states reporting the steepest competitive losses attributable to the proliferation of large-format retail chains, e-commerce platform displacement of traditional distribution channels, and the entry of foreign-affiliated competitors with superior marketing capability and capital backing. In Oyo State specifically, average SME profitability margins have contracted to as low as 6.4%, reflecting a market environment in which resource-constrained SME operators are progressively unable to sustain the pricing competitiveness, product quality consistency, and marketing investment necessary to defend existing market positions against better-capitalised rivals (NBS, 2023).

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2023) further reports that fewer than 28% of SMEs in Southwest Nigeria have implemented formalised market development strategies, with the overwhelming majority operating reactively rather than proactively in competitive market environments a strategic deficit that the McKinsey Global SME Survey (2024) identifies as a primary driver of market share stagnation, noting that SMEs without deliberate competitive positioning strategies are 39% more likely to experience sustained market share decline than their strategically oriented counterparts. Collectively, these statistics establish SME market share erosion not as a marginal operational concern but as a systemic, multi-layered competitive crisis that demands both empirical investigation and evidence-based intervention providing the foundational justification for the present study's examination of entrepreneurial resilience as a strategic determinant of market share outcomes among SMEs in Southwest Nigeria.

In light of these documented market share challenges confronting SMEs globally and within the Nigerian context, several previous studies have investigated the determinants of SME competitive performance, examining constructs such as entrepreneurial orientation (Sarman et al., 2025; Akpa et al., 2022), innovation capability (Thomas et al., 2023; Dzomonda, 2022), and strategic agility (Azam & Abdullah, 2024; Pulka & Gawuna, 2022) as drivers of market positioning outcomes. However, limited empirical attention has been directed toward the specific effect of entrepreneurial resilience operationalised through its constituent dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance on the market share of SMEs, particularly within the Nigerian economy. Furthermore, while a general consensus exists that a relationship obtains between entrepreneurial resilience and firm performance (Onkundi et al., 2023; Akhtar et al., 2023; Hikmah & Sishadiyati, 2024), the empirical evidence remains inconsistent with some studies documenting significant positive effects of resilience dimensions on competitive outcomes (Anthony & Zubairu, 2022; Ventura Hernández et al., 2024; Alenezi et al., 2024) while others report weak, context-dependent, or statistically insignificant relationships (Nani & Ndlovu, 2022; Chilembo, 2021) rendering the existing body of evidence inconclusive and thereby setting the scene for further empirical investigation.

The differences in geographical contexts and research settings reveal that studies on entrepreneurial resilience and market performance have been predominantly conducted in developed and Asian economies (Sarman et al., 2025; Subagja et al., 2022; Sun et al., 2023), with most extant investigations focusing on broad performance outcomes such as firm survival, profitability, or growth rather than on market share as a discrete and measurable competitive outcome construct. Based on the foregoing, most studies on entrepreneurial resilience and competitive performance were conducted outside the shores of Nigeria, leaving a critical gap in knowledge regarding the specific interaction between entrepreneurial resilience dimensions and SME market share in the Nigerian context. This presents the imperative to fill the construct, contextual, scope, and methodological gaps created regarding the effect of entrepreneurial resilience dimensions on the market share of SMEs in developing economies, using Southwest Nigeria as the study area. The null hypothesis for this study is consequently stated as follows: *Entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance have no significant effect on the market share of SMEs in Southwest Nigeria.*

Literature Review

Market share defined as the proportion of total industry sales or revenue captured by a firm within a defined period is a fundamental metric of competitive performance that reflects an SME's capacity to attract and retain customers, scale its operations, and sustain competitive positioning against rivals in resource-constrained environments (Saah et al., 2024; Warsame, 2023; Jaaffar et al., 2024). Entrepreneurial resilience, the independent variable, is conceptualised as the psychological fortitude and strategic flexibility that enables entrepreneurs to persist, adapt, and recover under uncertainty and disruption

extending beyond reactive recovery to encompass proactive anticipation, dynamic capability reconfiguration, and adaptive learning from adversity (Onkundi et al., 2023; Hikmah & Sishadiyati, 2024; Akpa et al., 2022). For this study, entrepreneurial resilience is operationalised through five theoretically grounded dimensions.

Cognitive competence denotes the intellectual agility and metacognitive capacity to process information, reason analytically, and deploy knowledge effectively under complex conditions (Arshad et al., 2021; Amadi & Nwokah, 2024). Self-efficacy, rooted in Bandura's Social Cognitive Theory, reflects the entrepreneur's task-specific belief in their capacity to execute goal-directed actions and persist through adversity (Anthony & Zubairu, 2022; Akhtar et al., 2023). Social competence encompasses the cognitive, emotional, and behavioural capabilities that enable effective stakeholder navigation, network cultivation, and relational resource mobilisation (Grabowski & Staszewska-Bystrova, 2020; Arshad et al., 2021). Adaptive mindset denotes a growth-oriented psychological orientation characterised by cognitive flexibility, tolerance for ambiguity, and behavioural versatility that enables effective strategic reconfiguration under dynamic competitive conditions (Arshad et al., 2021; John, 2024). Stress tolerance refers to the psychophysiological capacity to maintain effective functioning under acute or chronic adversity through integrated cognitive appraisal, emotion regulation, and behavioural adaptation mechanisms buffering the entrepreneur against the performance-deteriorating consequences of financial pressure and operational disruption (Grabowski & Staszewska-Bystrova, 2020; Najib et al., 2020).

Entrepreneurial Resilience and Market Share

Extant literature (Amadi & Nwokah, 2024; Mwanaumo et al., 2025; Thi, 2022; Pearce & Bah, 2024; Assifuah-Nunoo, 2023; Syahribulan et al., 2024) establishes a robust and consistently positive relationship between entrepreneurial resilience and market share, with resilient SMEs demonstrating a systematic capacity to gain, sustain, and expand competitive market positions across diverse industry contexts and economic conditions. Resilient entrepreneurs are more responsive to market shifts and more effective at implementing customer-centric strategies that enhance brand visibility, deepen customer loyalty, and drive penetration into new market segments positioning their firms for superior performance relative to less adaptive rivals (Sarman et al., 2025; Ogbumgbada & Onyemauche, 2023; Thomas et al., 2023). Critically, this market share advantage is most pronounced during periods of industry-wide stress: while competitors' contract under economic downturns or supply chain disruptions, resilient SMEs pursue counter-cyclical strategies that capture market share vacated by faltering rivals, with Anthony and Zubairu (2022), Ventura Hernández et al. (2024), and Onkundi et al. (2023) quantifying a significant positive correlation between resilience scores and multi-period market share growth. The mechanisms underpinning this effect are multifaceted spanning product and service quality consistency that builds reliability-based brand equity (Akhtar et al., 2023; Sy, 2024), strategic foresight that enables first-mover dominance of emerging niches before larger competitors can mobilise (Akpa et al., 2022; Sun et al., 2023), superior distributor and retailer relationship management that

expands shelf presence and market penetration (Thomas et al., 2023; Dzomonda, 2022), and iterative organisational learning that continuously refines value propositions in alignment with evolving consumer preferences (Prabowo, 2024; Makanyeza et al., 2023). Collectively, the empirical evidence affirms that entrepreneurial resilience functions simultaneously as a competitive buffer shielding SMEs from market share erosion during adversity and as a strategic growth enabler that equips firms with the tenacity, adaptability, and foresight required to actively and significantly expand their market footprint (Saidi et al., 2023; Shahbaz et al., 2024; Mwanaumo et al., 2025).

Research Conceptual Model

The conceptual model for this study

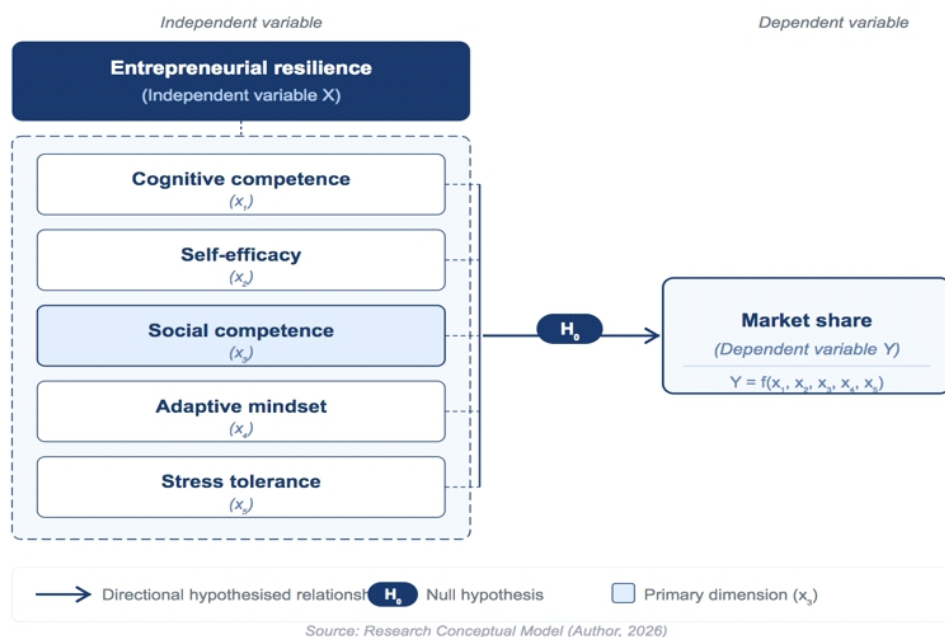


Figure 1.

The conceptual model of the study depicts the hypothesised effect of entrepreneurial resilience on market share among SMEs in Southwest Nigeria. Entrepreneurial resilience, the independent variable, is operationalised as a higher-order construct comprising five constitutive dimensions of cognitive competence (x_1), self-efficacy (x_2), social competence (x_3), adaptive mindset (x_4), and stress tolerance (x_5) which collectively represent the entrepreneur's integrated psychological and behavioural capacity to sustain and expand competitive positioning under adversity. The downward arrow from the parent construct into the dimensional container, and the right-side bracket collector converging into a single directional arrow, together communicate that these five dimensions function not as independent predictors but as unified constituents of a single higher-order variable whose joint effect is the object of empirical inquiry. Market share, the dependent variable, is expressed as $Y = f(x_1, x_2, x_3, x_4, x_5)$, signifying that competitive

market outcomes are holistically determined by the entrepreneur's full resilience configuration. The directional arrow labelled H_0 represents the null hypothesis that entrepreneurial resilience exerts no significant effect on SME market share a proposition the study is designed to empirically test and, where evidence warrants, reject in favour of the alternative that entrepreneurial resilience significantly and positively predicts market share among the sampled enterprises.

Theoretical Review

The study is theoretically anchored on the Resource-Based View (RBV) and Organisational Learning Theory, both of which provide robust explanatory support for the finding that entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance had statistically significant effects on the market share of SMEs in Southwest Nigeria. Grounded in Penrose's (1959) foundational proposition that firms compete on the basis of heterogeneous, immobile, and inimitable resources, RBV frames each resilience dimension as a VRIN-compliant intangible resource that is inherently valuable, difficult to replicate, and strategically instrumental a position affirmed by Dewarajan and Sammani (2022), Lawal and Ojodu (2022), and Ibrahim et al. (2022). The significant market share outcomes observed in this study validate the RBV logic: SMEs whose entrepreneurs possess superior resilience configurations command a defensible competitive resource advantage that rivals cannot easily imitate, thereby translating psychological and behavioural assets into measurable market positioning gains. Complementarily, Organisational Learning Theory rooted in Cyert and March (1963) and elaborated through Argyris and Schön (1978) and Senge (1990) explains the process through which these resilience resources are developed and deployed: cognitive competence underpins double-loop learning, self-efficacy sustains learning effort, social competence enables network-based knowledge acquisition, adaptive mindset operationalises strategic open-mindedness, and stress tolerance neutralises the defensive routines that obstruct honest organisational adaptation. Together, the two theories furnish a comprehensive analytical architecture. RBV explains why entrepreneurial resilience confers competitive market durability, while Organisational Learning Theory explains how it is institutionalised and translated into the sustained market share growth empirically confirmed by the study's findings.

Methodology

This study adopted a survey research design targeting a population of 149,317 registered SMEs across Southwest Nigeria, from which 498 respondents were drawn using Cochran's (1977) formula at a 95% confidence level and selected through simple random sampling to ensure representativeness. Data were collected via a structured six-point modified Likert-scale questionnaire deliberately excluding a neutral midpoint to eliminate acquiescence bias and subjected to rigorous pre-field quality assurance encompassing content validity, construct validity through Principal Component Factor Analysis (PCFA), and reliability testing using Cronbach's alpha against Hair et al.'s (2019) 0.70 threshold, confirming the instrument's psychometric adequacy prior to full-scale

administration. Analysis proceeded in two complementary stages: descriptive statistics characterised central tendencies and variability across all constructs, while inferential analysis was conducted using SmartPLS-SEM preferred for its robustness with non-normal data, predictive model assessment capacity, and suitability for moderate sample sizes.

The two-stage protocol of Anderson and Gerbing (1988) was observed, confirming indicator reliability, internal consistency, convergent validity, and discriminant validity at the measurement model stage before proceeding to structural evaluation, where path coefficients, bootstrapped t-statistics, R^2 , effect sizes (f^2), and predictive relevance values (Q^2) were jointly examined. The findings confirmed that all five entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance exerted statistically significant effects on market share, validating the study's central proposition that the integrated resilience profile of SME entrepreneurs is a robust and empirically demonstrable predictor of competitive SMEs market share in Southwest Nigeria.

Variables Identification

$$Y = f(X)$$

Y = Dependent Variable

X = Independent Variable

Where;

Y = Market Share (MS)

X = (x_1, x_2, x_3, x_4, x_5)

Where:

X = Entrepreneurial Resilience (ER)

x_1 = Cognitive Competence (CC)

x_2 = Self-Efficacy (SE)

x_3 = Social Competence (SC)

x_4 = Adaptive Mindset (AM)

x_5 = Stress Tolerance (ST)

Functional Relationship

The functional model for the study variables is denoted in the equation below:

$$Y = f(X) \text{----- (eqtn)}$$

Regression Model

The regression equations model of the study based on the research hypotheses are as follows:

Hypothesis

$$MS = \beta_0 + \beta_1 X + \varepsilon_i \text{----- (eqtn)}$$

Where:

$\beta_0 - \beta_1$ = Coefficient of the independent variables for objective

β_0 = constant of the equation or constant term

$\beta_0 - \beta_1$ = Parameters to be estimated

ε_i = error or stochastic terms

Data Analysis, Results and Discussion

Of the 498 structured questionnaires administered to SME owner/manager across the Southwest Nigeria, 440 were returned and adjudged usable for analysis, yielding a response rate of 88.4%. This figure substantially exceeds the 70% threshold benchmarked as very good by Mugenda and Mugenda (2003) and is therefore considered excellent, providing a statistically robust and representative data foundation for the study's inferential analyses. Respondents rated items pertaining to the five entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance as well as market share outcomes, on a six-point modified Likert scale ranging from very low (1) to very high (6), with the deliberate exclusion of a neutral midpoint designed to eliminate acquiescence bias and maximise discriminatory variance across response distributions.

PLS-SEM was employed to test the null hypothesis that entrepreneurial resilience has no significant effect on market share, with bootstrapped path coefficients and t-statistics assessed at the 5% significance level. The empirical results provided compelling grounds to reject the null hypothesis, as all five entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance returned statistically significant path coefficients, confirming that the integrated resilience profile of SME entrepreneurs had a positive and significant effect on market share among SMEs in Southwest Nigeria. These findings affirm, consistent with the Resource-Based View and Organisational Learning Theory, that entrepreneurial resilience constitutes a strategically consequential intangible resource whose full dimensional configuration collectively determines the competitive market positioning outcomes of SMEs operating in volatile and resource-constrained environments.

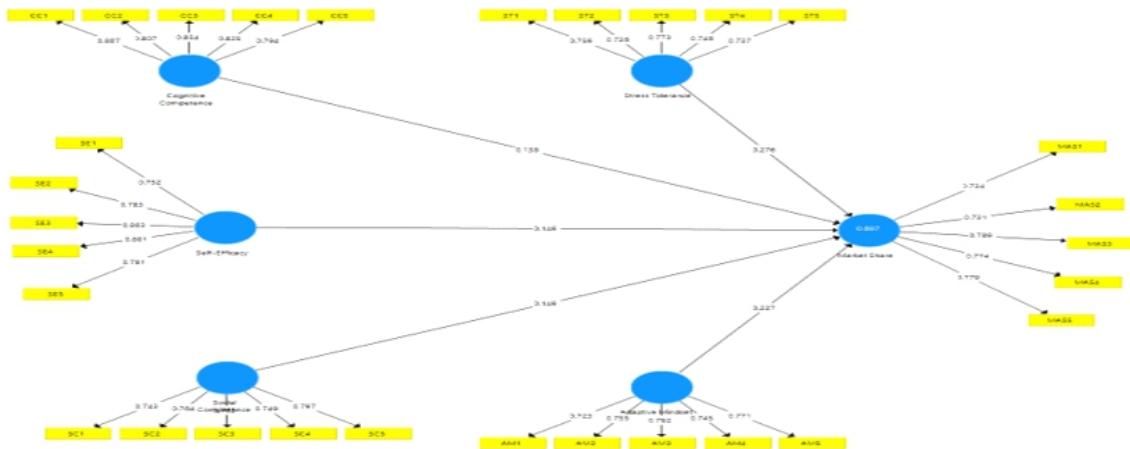


Figure 2: Path Analysis Showing the Measurement and Structural model for this study hypothesis

Source: Researcher's Data, via SmartPLS 3.5.2 (2026)

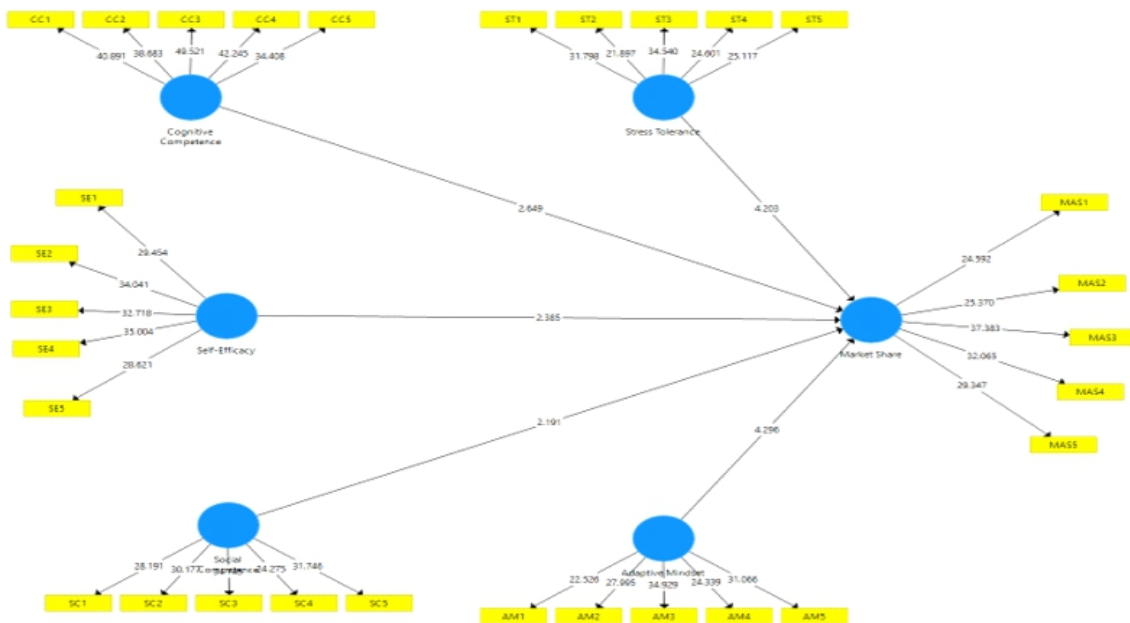


Figure 3: T-Statistic for this study Hypothesis

Source: Researcher's Data, via SmartPLS 3.5.2 (2026)

Table 1: Summary of the PLS – SEM for the Effect of Entrepreneurial Resilience Dimensions on Market Share in the SMEs, Nigeria

Path Description	Unstandardized Beta (β)	T	Sig.	F ²	R	R ²	Adj. R ²	Q ²
Adaptive Mindset -> Market Share	0.227	4.296	0.000	0.049	0.835	0.697	0.694	0.396
Cognitive Competence -> Market Share	0.137	2.649	0.008	0.027				
Self-Efficacy -> Market Share	0.148	2.385	0.017	0.02				
Social Competence -> Market Share	0.148	2.191	0.029	0.019				
Stress Tolerance -> Market Share	0.277	4.203	0.000	0.086				

Source: Researcher's Result via SmartPLS Version 3.5.2 (2026)

Table 1 provided the findings of the PLS-SEM analysis used to test the influence of the entrepreneurial resilience dimensions on the market share of SMEs in Nigeria. The structural model is based on five dimensions of entrepreneurial resilience, namely adaptive mindset, cognitive competence, self-efficacy, social competence, and stress tolerance, with their own impact on market share. The model has a high explanatory and predictive power, as the R² value is 0.697, and the adjusted R² is 0.694, which shows that the entrepreneurial resilience dimensions explain the market share variation of the company to a significant degree (approximately 69.7%). Moreover, Q² of 0.396 is greater than 0.35, which means that predictive relevance is high; hence, the model can forecast the market share results of the SMEs outside the sample data.

The adaptive mindset adaptive market share (adaptive mindset vigour to market share) path coefficient 0.227, $t = 4.296$, $p = 0.000$, which is positive and statistically significant ($t > 1.96$, $p < 0.05$). This finding means that an adaptive mindset is a major boost to market share among the SMEs in Nigeria. In particular, the aspect of adaptive mindset increases market share in a one-unit change, other dimensions of resilience remaining unchanged. Its effect size ($f^2 = 0.049$) is low, which means that an adaptive mindset brings about an average of 4.9% contribution to the increase or decrease in the market share compared to other predictors in the model. The positive relation between cognitive competence and market share (Cognitive Competence → Market Share) was positive and statistically significant with the path coefficient of 0.137, the t -value of 2.649 and the p -value of 0.008. This implies that with a one-unit rise in cognitive competence, one would have increased market share by 0.137 units, other conditions held constant. The effect size linked to it ($f^2 = 0.027$) is insignificant, which means that cognitive competence explains about 2.7% of the market share differences relative to other dimensions of entrepreneurial resilience in the model. Likewise, the self-efficacy had a positive, statistically significant path coefficient with market share with a path coefficient of 0.148, a t -value of 2.385, and a p -value of 0.017. This result suggests that increased entrepreneurial confidence and self-ability belief lead to a superior competitive advantage in the market. An increase in self-efficacy

by one unit has a positive impact of 0.148 units on market share, with the effect size ($f^2 = 0.020$) implying a small share contribution of about 2.0% to market share among SMEs.

The path coefficient of social competence to market share (Social Competence → Market Share) was 0.148, and the t-value as well as the p-value were 2.191 and 0.029, respectively, which showed the positive and statistically significant relationship. This finding is indicative of the fact that SMEs owned by people with good networking, communication, and stakeholder management skills stand in a better place to increase their market share. The effect size ($f^2 = 0.019$) is small, which means that the social competence is influencing the market share changes by about 1.9% in the model itself. Lastly, the most predictive of the market share in the dimensions of entrepreneurial resilience was stress tolerance. The path coefficient of stress tolerance to market share was 0.277, whose t-value was 4.203 and p-value was 0.000, which showed a positive and significant impact. This finding means that an increase in stress tolerance by one unit will result in the market share increasing by 0.277 units, other things being equal. The largest predictor contribution ($f = 0.026$) is the effect size, which shows that the stress tolerance is a significant predictor, as it contributes to changes in market share by about 8.6%. This highlights the significance of the capability of entrepreneurs to endure competitive pressure, market uncertainty, and operational pressure to maintain and increase market presence.

To determine that the regression model fit the estimated model, this was assessed using the Standardised Root Mean Square Residual (SRMR), Normed Fit Index (NFI) values, and the squared Euclidean distance (d_ULS) value. Table 1b presents the results of the model fit.

Table 2: Model Fit for this study Hypothesis

	Saturated Model	Estimated Model
SRMR	0.053	0.053
d_ULS	1.306	1.306
d_G	0.537	0.537
Chi-Square	1300.128	1300.128
NFI	0.828	0.828

Source: Researcher's Result via SmartPLS Version 3.5.2 (2026)

Table 2 indicates that the global model fit is acceptable for the PLS-SEM model. The model fit indices suggest that the PLS-SEM model for hypothesis one is acceptably compatible with the observed data, as shown by an SRMR value of 0.053, which is below the 0.08 threshold. This suggests a small average discrepancy between observed and model-implied correlations. The results in Table 1b show that SRMR is the same for both the saturated model and the estimated model, implying that introducing the structural relations between both models does not reduce the model fit relative to the measurement model. Moreover, the similarity in the d_ULS (1.306) and d_G (0.537) values between the saturated and estimated models shows that the structural model does not introduce any

major distortion when constraints are added, which further supports the belief that the estimated effects reflect the true relationship, rather than model misspecification. The NFI value of 0.828, which is greater than the acceptable value of PLS-SEM, goes further to say that the model can give adequate improvement over a null model, which validates its explanatory adequacy. In spite of the chi-square statistic ($\chi^2 = 1300.128$) being relatively large, it is not surprising in large-sample PLS-SEM applications and does not invalidate the model. When the interpretation is provided in conjunction with SRMR and NFI, the general evidence suggests that the structural model is consistent and sound.

The multiple path model generated from the data in Table 1 is thus expressed as:

$$MS_i = \alpha_0 + 0.227AM_i + 0.137CC_i + 0.148SE_i + 0.148SC_i + 0.277ST_i + U_i \text{-----Eqn (Predictive Model)}.$$

From Table 1, all the dimensions of ER were deemed significant in the model and was therefore included from the model equation.

The model's prescriptive equation is defined below.

$$MS_i = \alpha_0 + 0.227AM_i + 0.137CC_i + 0.148SE_i + 0.148SC_i + 0.277ST_i + U_i \text{-----Eqn (Prescriptive Model)}$$

Where:

MS = Market Share

AM = Adaptive Mindset

CC = Cognitive Competence

SE = Self-Efficacy

SC = Social Competence

ST = Stress Tolerance

From the equation above, all the variables in the prescriptive model are of significance market share among the SME sector, Nigeria. The results of the path analysis as shown in the model indicate that when all sub-variables of ER (cognitive competence, self-efficacy, social competence, adaptive mindset and stress tolerance) are improved by one-unit, sales growth of the SMEs would lead to an improvement by 0.227, 0.137, 0.148, 0.148, and 0.227 units respectively given that all other factors are held constant. This indicates that an increase in ER dimensions used in the study on a measurement scale would result to a corresponding improvement in the market share, among the selected SMEs in Southwest, Nigeria. Furthermore, in Table 1a, the results of the coefficient of determination (R^2) are equal to 0.697, whereas the adjusted R^2 is equal to 0.694, which is slightly less than the value when the adjustment is made. This minor difference is an indication that the incorporation of several predictors does not exaggerate the explanatory power of the model and that the model is not volatile to correction of possible bias due to the sample size and the complexity of the model. Notably, Total Least Squares Structural Equation Modelling (PLS-SEM) gives a higher value to adjusted R^2 , especially when dealing with

small- to moderate-sized samples, since it provides a more accurate and less biased estimate of the variance accounted for.

The model has a significant explanatory power with an R^2 of 0.697, suggesting that 69.7% of the variation in market share among the Small and Medium-Sized Enterprises (SMEs) can be explained through the dimensions of entrepreneurial resilience that have been discussed in this work. This coincidental feature of R^2 and adjusted R^2 also supports the idea that the predictive capability of the model is not inflated by the sample size number, as well as the sample peculiarities, which also confirms the quality of the PLS-SEM results. The fact that the two statistics are almost equal means that the model is well-specified, parsimonious, and has little small-sample bias. Also, the cross-validated redundancy value, Q^2 , is 0.396, which is not zero; this shows that the model has good predictive relevance and can predict market-share results beyond the data that was observed in the population of Nigerian SMEs. On the whole, the role of entrepreneurial resilience in the market share of SMEs in Nigeria is acute. Stress tolerance is the most significant dimension, then adaptive mindset, cognitive competence, self-efficacy, and social competence, respectively. The strong explanatory and predictive effectiveness of the model highlight the strategic significance of resilience-based capabilities in the improvement of competitive positioning and market share in the SMEs in developing economies. According to these findings, the null hypothesis (H_0), wherein it is stated that the entrepreneurial resilience dimensions do not have a significant impact on market share amongst SMEs in Nigeria, is rejected.

Discussion

The finding that all five entrepreneurial resilience dimensions exert statistically significant effects on market share is robustly consistent with the extant empirical literature and affirms the strategic relevance of resilience as a competitive market-building resource for SMEs operating in volatile and highly contested environments. Resilient entrepreneurs demonstrate superior responsiveness to environmental shifts, implementing adaptive strategies that enhance brand visibility, deepen customer loyalty, and drive market penetration advantages that translate directly into measurable market share growth (Sarman et al., 2025; Ogbumbada & Onyemauche, 2023; Sy, 2024). This effect is particularly pronounced during periods of industry-wide stress, where resilient SMEs pursue counter-cyclical strategies that capture market share vacated by less adaptive rivals, a pattern empirically corroborated by Anthony and Zubairu (2022), Ventura Hernández et al. (2024), and Onkundi et al. (2023). The mechanisms underpinning this relationship are multifaceted, spanning resilience-driven product and service quality consistency that builds reliability-based brand equity (Akhtar et al., 2023; Hikmah & Sishadiyati, 2024), iterative organisational learning that continuously realigns value propositions with evolving consumer preferences (Prabowo, 2024; Makanyeza et al., 2023), strategic foresight that enables first-mover dominance of emerging market niches (Akpa et al., 2022; Sun et al., 2023), and superior distributor relationship management that deepens market penetration (Thomas et al., 2023; Dzomonda, 2022). These findings are theoretically grounded in the Resource-Based View, which frames

each resilience dimension as a VRIN-compliant intangible resource that confers inimitable competitive advantage, and in Organisational Learning Theory, which explains how resilience capabilities are institutionalised and continuously refined through adaptive entrepreneurial cognition and behavioural reconfiguration. Collectively, the empirical evidence and theoretical scaffolding confirm that entrepreneurial resilience functions simultaneously as a competitive buffer protecting SMEs against market share erosion under adversity and as a proactive strategic growth enabler that equips firms with the adaptive capacity, foresight, and operational tenacity required to actively and sustainably expand their market presence in Southwest Nigeria's complex and resource-constrained business environment.

Conclusion and Recommendations

This study concludes that all five entrepreneurial resilience dimensions of cognitive competence, self-efficacy, social competence, adaptive mindset, and stress tolerance has statistically significant positive effects on the market share of SMEs in Southwest Nigeria, affirming that the integrated resilience profile of the entrepreneur is a strategically consequential determinant of competitive market performance in volatile and resource-constrained environments. The findings establish that resilient SME operators, by virtue of their superior reasoning capacity, self-belief, relational network leverage, strategic adaptability, and stress endurance, are meaningfully better positioned to attract and retain customers, penetrate emerging market segments, and sustain competitive positioning against rivals collectively translating psychological and behavioural assets into measurable market share outcomes. Grounded in the Resource-Based View and Organisational Learning Theory, the study advances a novel empirically validated framework that positions entrepreneurial resilience as a VRIN-compliant intangible resource whose full dimensional configuration rather than any isolated component determines the market share trajectory of SMEs operating under Nigeria's complex and turbulent business conditions.

The study recommends that entrepreneurs should pursue structured cognitive development programmes, mentorship networks that strengthen social competence, and stress and emotional regulation training that builds psychological endurance under competitive pressure. Policymakers and enterprise development agencies should incorporate resilience-building as a core component of SME capacity interventions, designing programmes that simultaneously cultivate psychological resilience and strategic market development competencies including digital marketing capability, customer relationship management, and competitive intelligence to equip SME operators with the full resource complement required for sustained market share growth. Industry associations and business development service providers should further create structured peer-learning platforms that facilitate the cross-pollination of adaptive strategies and market intelligence among SME operators, leveraging the social competence and organisational learning mechanisms identified as significant market share predictors in this study.

Future research should extend the present framework by introducing moderating or mediating variables that may condition or explain the resilience-market share relationship, with financial capability, digital transformation capability, institutional support quality, and market orientation emerging as theoretically compelling candidates for investigation. Scholars are further encouraged to replicate this study across other geopolitical zones of Nigeria to assess whether the significant resilience-market share relationships observed in Southwest Nigeria are geographically consistent or contextually differentiated across the country's diverse regional economic environments. Comparative studies examining resilience-market share dynamics across different SME sectors including manufacturing, agriculture, technology, and creative industries would further delineate the boundary conditions within which each resilience dimension exerts its strongest market performance effects.

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