

Volume 3, 2019

## **STRATEGIC INTERVENTIONS AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN NIGERIA**

Akeke, Niyi Israel \*

Ekiti State University, Ado-Ekiti, Ekiti  
State, Nigeria

[niyi.akeke@eksu.edu.ng](mailto:niyi.akeke@eksu.edu.ng)

\* Corresponding author

### **ABSTRACT**

Aim/Purpose	The study seeks to examine the strategic interventions needed to promote the performance of small and medium enterprises (SMEs). Specifically, it analyzed the relationship between organizational learning, cultural values and SMEs performance.
Background	The performance of SMEs has been identified as one of the most important success factors behind growth, development and industrialization of nations. In anticipation of such outcome, SMEs have been given adequate attention in emerging economies such as Nigeria but it has performed below expectations. Existing studies noted that business organizations are able to develop by employing strategic management interventions. Strategic interventions involve a deliberate attempt to move organizations towards a more effective state and improve performance. The expected components of strategic interventions needed to achieve the expected change in performance of SMEs are organizational learning and cultural change. However, there has not been a complete research outcome on the relevance of organizational learning and cultural change to SMEs performance in Nigeria. Therefore, the main research question is; whether organization learning and cultural values contribute significantly to SMEs performance.
Methodology	In this study, the researcher employs quantitative research methods. Structured questionnaires are used to collect primary data. The study uses data set of 571 owners/managers of registered SMEs with the Ministry of Commerce and Trade in the study area. The structural equation modeling (SEM) was performed to address the research objectives.
Contribution	The study provides useful information to understanding the path to achieving SMEs performance through application of strategic interventions approach. It highlights the relevance of organizational learning to improving market share and profit in the small and medium enterprises sector.
Findings	The findings indicate that organizational learning can positively boost perfor-

Accepting Editor: Clarence S. Bayne | Received: October 24, 2018 | Revised: November 09 & December 05, 2018 | Accepted: December 29, 2018

Cite as: Akeke, N. I. (2017). Strategic Interventions and Performance of Small and Medium Enterprises in Nigeria. *International Journal of Community Development & Management Studies*, 3, 17-29, Retrieved from: <http://ijcdms.org/Volume03/v3p017-029Akeke4996.pdf>

(CC BY-NC 4.0) This article is licensed to you under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). When you copy and redistribute this paper in full or in part, you need to provide proper attribution to it to ensure that others can later locate this work (and to ensure that others do not accuse you of plagiarism). You may (and we encourage you to) adapt, remix, transform, and build upon the material for any non-commercial purposes. This license does not permit you to use this material for commercial purposes.

	<p>mance of the SMEs but cultural values, though covaried with organizational learning do not add to performance outcome of the SMEs. The organizational learning is found to play the direct role of boosting performance through team learning, empowerment, embedded system, inquiry and dialogue and continuous learning respectively.</p>
Recommendations for Practitioners	<p>Increasing performance of small businesses that impact on overall development is a considerable challenge. Consequently, the study highly recommends integration of strategic intervention that is anchored on organizational learning constructs for satisfactory outcome in the SMEs. In achieving this, less emphasis on cultural values may be useful.</p>
Recommendation for Researchers	<p>It is suggested that this type of study needs to be conducted in public-owned establishments and business corporations with large business structure. This may help to further establish the theoretical relevance of strategic interventions to SMEs performance across various dimensions of business forms and organizations.</p>
Impact on Society	<p>The findings provide adequate pathway to societal development through SMEs. For the expected growth of society to emerge through investments in SMEs, stakeholders in the society should take advantage of information embedded in strategic interventions in their performance drive.</p>
Future Research	<p>The study outcomes are much relevant to developing economies in need of small and medium business interventions to tackle growth, unemployment and societal development. Future research, especially in developing and emerging economies may explore the relevance of the approach to boosting small business in their area. The specific contribution of cultural values in that context may be tested.</p>
Keywords	<p>Strategic interventions, organizational learning, cultural values, performance, SMEs</p>

## INTRODUCTION

---

According to Kongolo (2010) and Asian Productivity Organization (2011), the performance of SMEs has been identified as one of the most important critical factors behind economic success of nations. Thus, factors determining their performance to enable them play the expected vital and vibrant role in economic growth and development of emerging markets have been the concern of researchers in years past. The place of small and medium enterprises (SMEs) as a sub-sector of nation's economy in accelerating industrial development cannot be kept under carpets. In most industrial markets, this subsector plays a pivotal role in generating economic well-being (Nieto & Fernandez, 2006). For instance, in United States, 297,343 representing 97.7 percent of 304,223 firms which exported goods in 2013 were small businesses, and, they also employed 56.8million people of the private work force (US Small Business Profile, 2016). In Nigeria, SMEs constitute about 99 percent of the enterprises and account for about 75 percent of employment (Wang, Walker & Redman, 2008; Ihua, 2009; Ogunsiji, 2010; Aremu & Laraba, 2011). Thus, SMEs have played a significant role in growth, development and industrialization of advanced economies but in emerging economies such as Nigeria, it has performed below expectations due to combination of problems (Ogbo & Agu, 2012). In order to perform and meet the growing demands, tastes and preferences of the ever increasing population, these enterprises need improvements in what Jacobson, Ericsson and Jacobson (1994) called internal systems and processes. This is largely due to the ever expanding market competition that seeks to take advantage of diverse and unstable consumer reactions. For example, Salim and Suleiman (2011) argued that efficiency in stable environment is attained through standard routines, but in business environment encapsulated with uncertainty, firms are compelled to engage in continuous search for new organization systems (Chirico & Salvato, 2008) that are strategy support-

ive for competitive edge. According to Cummings and Worley (2009), organizations are able to develop by employing structural, strategic, human process and human resource management interventions. Strategic interventions involve a deliberate attempt to move organizations towards a more effective state, grow and improve performance (McLean, 2006). It is a long-term effort to bail out organizations (Cummings & Worley, 2009) and a determining factor of sustained firm performance. It involves organizational learning and cultural change. Organizational learning and cultural change are two phenomena among organization systems that help to build organization and make them competitive. For instance, it is argued that organizations have to learn by acquiring new skills and knowledge that will help improve their existing and future performance (DiBella, 1998; Ortenblad, 2001; Child, Faulkner & Tunner, 2005). Existing theoretical and empirical studies showed that organizational learning is largely influenced by organizational culture (Beyene, Shi & Wu, 2016) because it provides the framework for understanding how the outcomes of past learning become ingrained in organizational norms and routines (Alas & Vadi, 2006). The literature also revealed a positive and significant relationship between organizational learning and performance (Bontis, Crossan & Hulland, 2002; Wetherington & Daniels, 2013). In addition, studies also found that how we do things around here has a profound impact on organization because culture has strong and ending effects on performance (Stoner, Freeman & Gilber, 2001; James & Connolly, 2009). However, irrespective of number of studies that credit organizational learning and cultural change influence on performance, there is no clear evidence in the literature which consider the effects of these two constructs as strategic interventions influencing performance of SMEs. Therefore, this study is proposing a theoretical link between two previously disconnected constructs (strategic interventions and firm performance). Specifically, the study examined the association between organizational learning and cultural values and SMEs performance. In an effort to advance this line of research, the study established the relative importance of the various factors identified as components of strategic interventions in SMEs in order to permit a greater understanding of their relationships.

### ***STRATEGIC INTERVENTIONS***

Organizations are able to change and develop by employing structural, strategic, human process and human resource management interventions (Cummings & Worley, 2001). Strategic interventions as an organization development approach refer to sets of sequenced planned actions or events intended to help an organization increase its effectiveness. They purposely disrupt the status quo; and have deliberate attempt to change an organization toward a different and more effective state. Two of the strategic interventions under discussion in this work are continuous change (organizational learning) and cultural change (cultural values).

### ***ORGANIZATIONAL LEARNING***

Organizational learning has been among the most widespread and fastest growing of strategic change interventions in organization development that lead to organizational effectiveness in the past decades (Cummings & Worley, 2009). It has been observed in the review of literature that there are multiple way of conceptualizing organizational learning (Easterby-Smith, 1997). For instance, Vera and Crossan (2004) see organizational learning as the processes of change in thought and action both individual and shared, embedded in and affected by the institutions of the organization. It is defined as the set of capabilities aimed at collecting, adding value to and using effectively the internal and external knowledge gained by the firm. Organizational learning involves encouraging employees to continuously acquire and share knowledge and apply the knowledge in making administrative decisions (Lawal & Bello, 2010). This means that learning is linked with experience (Nevis, Dibella & Gould, 1995) which looks like what Mckee (1992) describes as taking corrective measure after reviewing performance and questioning the existing framework to discover new things or ways of performing tasks. Learning not only occurs but is stocked at various levels in organization (individual, group, and organization). These levels are linked by processes of intuiting, interpreting, integrating, and institutionalizing (Crossan, Lane & White, 1999), and these enable learning to flow from one level

to another. The flow from individual through to organization is what is called feed forward flow and this allows firm to innovate and renew, while the flow from the organization through to individual, called feedback, reinforces what the firm has already known and learned (Vera & Crossan, 2004). Based on the above, it is expected that the multiple ways of achieving organizational learning may confound its contribution to performance enhancement of small and medium enterprises (SMEs). Thus, we can expect indirect relationship between organizational learning and dimensions of SMEs performance. Creating lasting organizational change is inextricably linked with culture change (Manring, 2003). It is believed that internationalization of business firms challenges would go beyond just thinking of product to produce, and customer to serve but what Majeed *et al.*, (2010) called cultural values which deals with how to lead the organizations that create and nurture knowledge; how to know when to set our machines aside and rely on instinct and judgment; how to live in a world in which companies have ever increasing visibility; and how to maintain, as individuals and organizations, our ability to learn. Culture being formed over the life of a company, reflects explicit knowledge through its responses to the continuous challenges of survival and growth. Because it influences how the firm conducts its business, as well as the methods used to regulate and control the behavior of organizational citizens, culture can form a platform for learning to take place and achieve sustained performance. Hence, Lawal and Bello (2010) concluded that culture favors strong mutual relationship and sense of communication, and this encourages a feed forward and feedback learning flows in organizations. In the world of globalization in which SMEs have become the engine of growth and a veritable vehicle for industrialization, culture can affect performance through its influence on the ability to implement change. For instance, Abrahamson and Fombrun (1994) noted that particular set of values and assumptions that were once a source of strength for a firm can become a major liability in successfully implementing a new strategy to meet new market demand. Kotter and Heskett (1992) argued that at the deeper and less visible level, culture refers to values that are shared by the people in the group and that tend to persist over time even in group members changes which according to Oghojafor (2007) affect the strategic changes and other processes and systems in organization. Idleness is seen as an aberration and a lazy man is looked down upon with disregard and contempt. At the more visible level, culture represents the behavior patterns or styles of an organization that new employees are automatically encouraged to follow by their fellow employees. Each level of culture has a tendency to influence the other (Kotter & Heskett, 1992). Schein (1985) argues that in organization, culture operates at three levels, ranging from basic assumptions, which are closed as 'invisible' artifacts that are visible within the organization and values. Given that the reviewed literature only provided information suggesting direct link between cultural values and employees as means of bridging communication and gaps between organization and firm personnel and not cultural values and SMEs performance, we hypothesize that: cultural value is not directly related to SMEs performance.

## METHODOLOGY

---

The study used applied research approach. A questionnaire survey approach was employed to collect primary data. All the items were measured on five-point Likert-scale and ranged from 1 = "strongly disagreed", through 3 = "undecided" to 5 = "strongly agreed" in order to obtain quantitative information. The population of the study was the SMEs registered with the Ministry of Commerce and Trade in each of the States in Southwest region of Nigeria. The enterprises concerned covered all sectors including trades services and industries. The questionnaire was largely constructed on a 5-point likert scale with the exception of performance measure which includes nominal scale. The data were collected between August and November, 2015. Organizational learning measures were adapted from Marsick and Watkins (2003), organizational culture items were derived mainly from Bass, Avolio & Binghamton's (1993) transformation culture elements and was modified to fit the nature of the study while organizational performance measures were adapted from Fairoz *et al.*, (2010). A total of 650 questionnaires were self-administered with the aid of two research assistants. Out of the copies of questionnaires distributed, 613 were returned while 42 were incomplete. The remaining 571 were

valid and completed and were therefore used for quantitative analysis. This represented a response rate of 87.85%. The analysis of the data to estimate relationship between strategic interventions is based on correlation analysis method that is based on structural equation modeling (SEM). The process involved in ensuring that strategic intervention in an organization system brings about performance is largely non-deterministic. Thus, the choice of the model for analysis is based on theoretical view of complex adaptive system. The complex adaptive system approach as suggested by Anderson (1999) is relevant to analysing interactive variables similar to the structure in SEM which arises as a result of dynamics in the network of the interdependent variables. Hence, the following hypotheses are stated for analysis:

***HYPOTHESES:***

The assumptions of the study were based on the following hypotheses developed for the study.

**H<sub>o1</sub>.** Organizational learning is not significantly related to SME performance

**H<sub>o2</sub>.** Cultural value is not significantly related to SME performance

Arising from the above hypotheses, the path analysis from the SEM is illustrated in figure 1. The process of organizational learning as a strategic intervention factor that leads to performance outcome is possible through multiple interactive components of learning. These components include continuous learning (cl1), inquiry and dialogue (inq1), team learning (tl1), empowerment (emp2) and embedded system (emb2) in an organization. The role of cultural values in the interactive system is highlighted through value knowledge system (cu1), discourage competition (cu2), share expertise (cu3), and encourage collaboration (cu4) (Figure 1). The performance outcome from strategic interventions is expected to be multidimensional: sales growth, employment, profit, and market share.

## **DATA PRESENTATION, DESCRIPTION AND ANALYSIS**

### ***DESCRIPTION OF DATA***

Descriptive statistics were carried out to provide information on the characteristics of the sample firms including age of the firm, ownership type, number of employees and type of business (Table 1).

**Table 1: Description of Sample Firms**

<b>Items</b>	<b>Description</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Firm age	6-10 years	60	10.5
	11-15 years	413	72.3
	16-20 years	85	14.9
	21-25 years	13	2.3
	26-30 years	0	0
Ownership	Sole proprietorship	265	46.4
	Partnership/joint venture	306	53.6
	Company	-	-
Number of employees	1-5	5	0.9
	5-10	554	97.0
	11-20	12	2.1
	21-50	-	-

	51 and above	-	-
Type of business	Food and beverages	108	18.9
	Machinery and equipment	63	11.0
	Jewelleries	285	49.9
	Building and construction	115	20.1

Source: Survey 2015

Cronbach alpha test was conducted to determine reliability while Structural Equation modeling was used for the analysis with STATA 13.0. For all the dimensions, Cronbach alpha measures of reliability are above 0.70 (Table 2).

**Table 2: Measurement, Reliability and Factor Loading of the Variables**

Construct	Dimension	Item	Cronbach	Factor loading*
Organizational learning	Continuous learning	Our organization allow people to openly discuss mistakes in order to learn from them	0.74	0.489
	Inquiry and dialogue	We have a formal system to encourage people to ask the why of a thing irrespective of position and status	0.73	0.463
	Team learning	This organization allows teams/groups to focus both on the group's task and on how well the group is working.	0.71	0.562
	Empowerment	This firm uses a 2-way communication on a regular basis such as suggestion system, open meeting, and information circulars	0.72	0.525
	Embedded system	We put a formal system for building alignment of visions across different levels and work group	0.73	0.493
Cultural values		This organization emphasizes values of knowledge contribution and sharing	0.74	0.451
		This organization does not encourage possession of individual power and competition	0.73	0.612
		Members of our organization are willingly encouraged to share insight and expertise with each other.	0.72	0.523
		We emphasize and encourage trusts and collaborations to get things done always.	0.74	0.482

\*Principal component analysis method

All items were measured on five point Likert scale

Since all the measures were gathered from the same source, the potential problem of common method bias was tested. A principal component factor analysis conducted resulted in five factors with Eigen-values that are greater than 1.0 and which accounted for 56.44% of the total variance. The first factor accounted for 23.269% of the variance (Table 2). Given that several factors and not a single one were identified, and the first factor not accounting for nearly all the variance, common method bias is not likely to pose a potential problem in the data. Organizational learning measures were adapted from Marsick and Watkins (2003), organizational culture items were derived mainly from Bass, Avolio & Binghamton's (1993) transformation culture elements and was modified to fit the nature of the study while organizational performance measures were adapted from Fairoz *et al.*, (2010).

### **DEFINITION OF THE VARIABLES**

Organizational learning variables as suggested by Marsick and Watkins (2003) are categorized into continuous learning (*openness (A19) and skill identification (A20)*), Inquiry and dialogue (*A21 = questioning assumptions, A22 = reciprocal respect*), team learning (*A23 = group task, A24 = collective rewards*), empowerment (*A25 = two-way communication, A26 = information accessibility*), and systems (embedded and system connection). Measures of culture as adapted from Bass, et al. (1993) include *value knowledge sharing, (B34), discourage competition, (B35), share expertise, (B36) and encourage collaboration (B37)*. A relative index of various factors identified as components of organizational learning and cultural values was carried out (Table 3). The result showed that the most important and relevant factors to SMEs as indicated by the ranking of respondents include allowing people to identify skills needed for future work tasks (87.39%); creating a system that make people treat each other with respect (87.09%); allowing teams/group to focus both on the group's task and how well the group is working (85.34%); existence of formal system that enables people to get needed information quickly and easily (82.61%); putting a formal system for building alignment of visions across different levels and work groups (77.95%) and the concern with encouraging everyone to bring customers' views into the decision making process (86.37%). These findings established various assertions of Marsick and Watkins (2003) on what constitutes strategic interventions in different cultural context.

**Table 3: Relative Importance Index of Strategic Interventions**

Variables	SA	A	U	D	SD	R.I.I	Rank
<b>Organizational learning</b>							
Continuous learning							
A19	262	206	22	40	8	85.06	2 <sup>nd</sup>
A20	256	230	28	16	0	87.40	1 <sup>st</sup>
Inquiry and Dialogue							
A21	150	266	76	30	8	79.62	2 <sup>nd</sup>
A22	252	236	24	14	4	87.09	1 <sup>st</sup>
Team learning							
A23	222	254	34	20	2	85.34	1 <sup>st</sup>
A24	196	248	68	20	4	82.84	2 <sup>nd</sup>
Empowerment							
A25	174	220	74	52	14	78.28	2 <sup>nd</sup>
A26	178	276	60	18	4	82.61	1 <sup>st</sup>
Embedded system							
A27	138	186	102	78	28	72.33	2 <sup>nd</sup>
A28	122	276	94	26	10	77.95	1 <sup>st</sup>
System connection							
A29	170	298	56	12	2	83.12	2 <sup>nd</sup>
A30	232	264	18	16	4	86.37	1 <sup>st</sup>
Strategic leadership							

Cultural values and Assumptions							
B34	224	246	42	14	2	85.61	3 <sup>rd</sup>
B35	182	184	80	50	26	77.09	4 <sup>th</sup>
B36	230	256	26	18	4	85.84	2 <sup>nd</sup>
B37	296	210	22	8	0	89.64	1 <sup>st</sup>

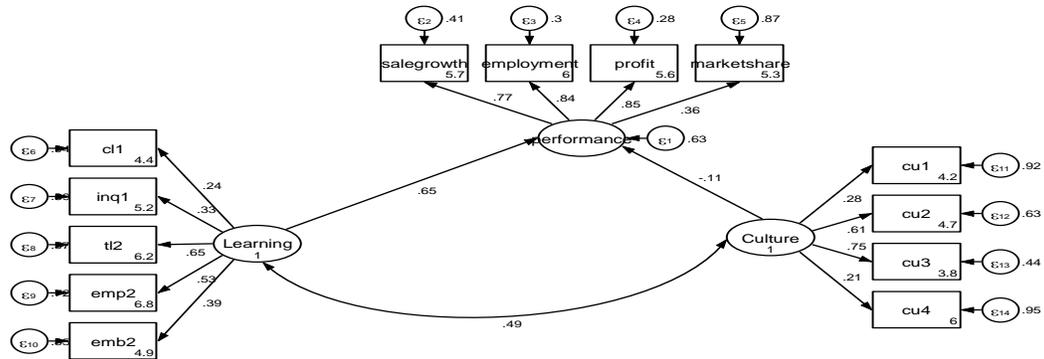
Source: Survey 2015

**SA** = Strongly Agree, **A** = Agree, **U** = Undecided, **D** = Disagree, **SD** = Strongly Disagree **A19** = openness, **A20** = skill identification, **A21** = questioning assumptions, **A22** = reciprocal respect, **A23** = group task, **A24** = collective rewards, **A25** = two-way communication, **A26** = information accessibility, **A27** = flexible work, **A28** = mission alignment, **A29** = work/family balance, **B34** = value knowledge sharing, **B35** = discourage competition, **B36** = share expertise, **B37** = encourage collaboration

## DISCUSSION AND PRESENTATION OF RESULTS OF STRUCTURAL EQUATION MODELING

### Structural Equation Analysis

The structural equation model is implemented in AMOS graphic version 25 using maximum likelihood estimation approach. The included variables are as included and defined in the methodology section. The graphical outcome from the AMOS software is presented in Figure 1. The SEM results provides a chi-square value and five (5) additional indices that determine the fit of the path models, the root mean squared error of approximation (RMSEA), comparative fit index (CFI), Tucker-Lewis index (TLI), standardized root mean squared residual and coefficient of determination (CD). The fit indexes of the confirmatory factor analysis for the measurement were all adequate:  $\chi^2 = 207.395$ ,  $df = 62$  ( $\chi^2 / df = 3.345$ ),  $RMSEA = 0.064$ ,  $CFI = 0.904$ ,  $TLI = 0.880$ ,  $SRMR = 0.055$ ,  $CD = 0.881$ . The diagnostic result suggests that the models of strategic interventions based on organizational learning and culture, and SMEs performance provided a good fit for the data of the study. The results are presented in Fig. 1 and Table 4. (0.53). The results as illustrated in Figure 1 indicates that organizational learning is better defined by team learning (0.65) which ensures that teams/groups in an organization focus on the task and the working structure of all stakeholders working for the organization. This closely followed by empowerment which presupposes that firm uses a 2-way communication on a regular basis such as suggestion system, open meeting, and information circulars to drive organizational agenda. Other components of organizational learning defined by the SEM model output include embedded system (0.39), inquiry and dialogue (0.33) and continuous learning (0.24). The entire components of organizational learning as defined above account for about 65% of the total performance outcome of the SMEs. Cultural factors is clearly well defined by share expertise in an organization (0.75), discouragement of intra competition among employees (0.61), knowledge sharing within the system (0.28) and encouragement of collaboration (0.21) within the system. However, the joint contribution of the cultural components to performance outlook in the SME is extremely low (-0.11). However, the SEM results suggests the possibility of covariance between organizational learning and culture (0.49).



**Figure 1: The Path Analysis**

### Test of hypotheses

The stated hypotheses to be tested are restated as follows:

**H<sub>01</sub>.** Organizational learning is not significantly related to SME performance

**H<sub>02</sub>.** Cultural value is not significantly related to SME performance

The results show positive relationship constructs of strategic intervention-organizational learning and SME performance ( $\gamma_1 = 0.654$ ,  $z = 9.75$ ) (Table 4). Therefore H<sub>01</sub> is not supported. This suggests that organizational learning as a key constructs of strategic intervention is significantly related to the performance of SMEs. The proposition of no relationship is not upheld (H<sub>01</sub>) thereby lending credence to postulate of direct linkage and relationship between organizational learning and indices of performance in SMEs sector. Thus, organizational learning is crucial to raising profit, market share, employment and sales growth of small and medium scale enterprises. This result corroborates the meta-analysis of Baker and Sinkula (1999a); Frank, Kessler, Mitterer and Weismeier-Sammer (2012); Jimenez-Jimenez and Sanz-Valle (2011) and Perez-Lopez, Peon and Ordas (2005) which confirm the positive influence of organizational learning on general organizational results including financial results. The results of H<sub>02</sub> lend support to upholding the postulate of no relationship between cultural values in strategic interventions and performance of SMEs ( $\gamma_1 = -0.109$ ,  $z = -0.148$ ). The H<sub>02</sub> is supported with the implication that raising SMEs performance does not necessarily require much focus on cultural values as a path in the intervention. Furthermore, the path analysis (Fig. 1) show positive covariance value between learning and culture (0.49) and that the performance outcomes resulting from organizational learning and performance interaction are all positive but varies; sales growth (0.77), employment (0.84), profit (0.85) and market share (0.36).

**Table 4: Standardized Path Estimates**  
**Hypothesized relationship**

Hypothesis	Variables	Path coefficient	z-value	Result
H <sub>01</sub>	Organizational learning is not significantly related to SME performance	0.654	9.75	Not supported
H <sub>02</sub>	Cultural value is not significantly related to SME performance	-0.109	-1.48	Supported

## CONCLUSION

The study examined the contribution of strategic interventions to SMEs performance through organizational learning and organizational culture. The results show that organizational learning can positively boost performance of the SMEs. In agreement with Bontis, Crossan & Hulland, (2002), organizational is capable of turning around the dwindling fortune of firms. Learning can reposition small firms for competitiveness and positive adjustment to changing business environment. But, cultural values, though covaried with organizational learning, do not add to performance outcome of the SMEs. This is contrast to most existing studies on culture including Bello and Lawal (2010). One possible reason for the contrast is lack of direct interaction between organizational learning and culture to achieve performance. This study contends that the place of culture as influencing factor in performance objective could be context specific. The organizational learning is found to play the direct role of boosting performance through team learning, empowerment, embedded system, inquiry and dialogue and continuous learning respectively. The results obtained showed that for performance improvement to be enhanced, an organization strategic intervention through continuous learning is required. The findings contribute to theoretical literature and development in several ways. First, the relevance of organizational learning to dimensions of SME performance is established. Second, the drivers of organizational learning itself in its relationship with SMEs performance are also indicated. Third, the non-significance of cultural values element in the link between organizational learning and SMEs performance is also emphasized. Thus, the findings lead to postulation that while increase in SMEs performance through sales growth, employment, profit and market share is desirable, the established path to achieving that objective is through development of team learning and empowerment that ensures a 2-way communication on a regular basis such as suggestion system, open meeting, and information circulars.

## LIMITATION OF STUDY AND FUTURE RESEARCH

This research work should be carefully addressed taking cognizance of the limitation. That fact is that the study was carried out in one of the geopolitical zones of the country. Thus, for generalization, it will be desirable that the study like this need to be carried out in other geopolitical areas for possible contrast. Therefore, further research should replicate this study in other geographical locations.

## REFERENCES

- Abiola, I. (2013). Organisational learning, innovativeness and financial performance of Small and Medium Enterprises (SMEs) in Nigeria. *European Journal of Business and Management*, 5 (2), 179-186
- Abrahamson, E. & Fombrun, C. J. (1994). Macrocultures. Determinants and consequences. *Academy of Management Journal*, 19, 728-755

- Alas, R., & Vadi, M. (2006). The impact of organisational culture on organizational learning and attitudes concerning change from an institutional perspective. *International Journal of Strategic Change Management*, 1 (1/2), 155-170.
- Aluko, M.A.O. (2003). The impact of culture on organizational performance in selected textile firms in Nigeria. *Nordic Journal of African Studies* 12(2), 164–179.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411–423.
- Anderson, P. 1999. "Perspective: Complexity Theory and Organization Science," *Organization Science* (10:3), pp. 216-232.
- Aremu, M.A., & Laraba, A. S. (2011). SMEs as a survival strategy for employment generation in Nigeria. *Journal of Sustainable Development* .4 (1), 200-206
- Asian Productivity Organisation (APO). (2011). Asian productivity organization data book. Asian Productivity Organisation, Japan: Keio University Press Inc
- Baker, W. E & Sinkula, J. (1999a). Learning orientation, market orientation and innovation: Integrating and extending models of organizational performance. *Journal of Market Focused Management*, 4, 295-308
- Bass, B. M., Avolio, B. J. & Binghamton, S. (1993). Transformational leadership and organisational culture. *PAQ*, Spring. 112-122
- Beyene, K. T., Shi, C. S. & Wu, W. W. (2016). Linking culture, organizational learning orientation and product innovation performance: The case of Ethiopian manufacturing firms. *South African Journal of Industrial Engineering*, 27(1), 88-101
- Bontis, N., Crossan, M. & Hulland, J. (2002). Managing organizational learning system by aligning stocks and flows. *Journal of Management Studies*, 39, 437-469
- Chajnicki, G. M. (2007). *Characteristics of learning organizations and multi-dimensional organizational performance indicators: A survey of large, publicly-owned companies*. Doctoral dissertation, graduate school college of education, Pennsylvania State University.
- Child, C., Faulkner, D., & Tallman, S. (2005). *Cooperative Strategy*. Oxford: Oxford University Press.
- Chirico, F., & Salvato, C. (2008). Knowledge integration and dynamic organizational adaptation in family.
- Chunharas, S. (2006). An interactive integrative approach to translating knowledge and building a learning organisation in health services management. *Bulletin of the World Health Organisation*, 84, 652-657.
- Crossan, M., Lane, H., & White, R. (1999). An organizational learning framework: From intuition to institution. *Academy of Management Review*, 24, 522–538.
- Cummings, T. G., & Worley, C.G. (2009). *Organisation Development and Change*. 9<sup>th</sup> ed. Mason: South Western.
- Cummings, T.G., & Worley, C.G. (2001). *Organisation Development and Change*, USA: South- Western College Publishing, Thomson Learning.
- DiBella, A.J. (1998). *How organizations learn: An integrated strategy for building learning capability*. San Francisco: Jossey-Bass.
- Easterby-Smith, M. (1997). Disciplines of organizational learning: Contributions and critiques. *Human Relations*, 50 (9), 1085–1106.
- Ellinger, A. D., Ellinger, A. E., Yang, B., & Howton, S. W. (2002). The relationship between the learning organization concept and firms' financial performance: An empirical assessment. *Human Resource Development Quarterly*, 13(1) 23-29.
- Epstein, M.J. (2008). *Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts*. Sheffield, UK: Greenleaf.
- Fairoz, F.M., Hirobumi, T., & Tanaka, Y. (2010). Entrepreneurial orientation and business performance of small and medium enterprises of Hambantota District, Sri Lanka. *Asian Social Science*, 6(3).34-46.

## Strategic Interventions and Performance of Small and Medium Enterprises

- Frank, H., Kessler, A., Mitterer, G & Weismeier-Sammer, D. (2012). Learning orientation of SMEs and its impact on firm performance. *Journal of Marketing Development and Competitiveness*, 6(3), 29-41
- Ihua, U. (2009). SMEs Key Failure-Factor: A Comparison between United Kingdom and Nigeria. *Journal of social science* 18(3), 199-207, Kent, University of Kent.
- Jacobson, I., Ericsson, M., & Jacobson, A. (1994). *The object advantage-business process reengineering with object technology*. Addison-Whitely
- James, C., & Connolly, M. (2009). Analysis of the relationship between organisational culture and the performance of staff work groups in schools and the development of an explanatory model. *International Journal of Leadership in Education*, 12(4), 389-407.
- Jimenez-Jimenez, D & Sanz-Valle, R. (2011). Innovation, organizational learning and performance. *Journal of Business Research*, 64(4), 408-417
- Kongolo, M. (2010). Job creation versus job shedding and the role of SMEs in economic development. *African Journal of Business Management*, 4(11), 2288-2295.
- Kotter, J. P., & Heskett, J.L. (1992). *Corporate Culture and Performance*. New York: The Free Press
- Lawal, A.A., & Bello, M.A. (2010). *Business policy and strategic management*. Lagos: Shuhanif Nigeria Enterprises :35
- Liao, S., & Wu, C. (2009). The relationship among knowledge management, organizational learning, and organizational performance. *International Journal of Business and Management*, 4(4), 64-77.
- Majeed, K., Bhatti, A. M., Nemati, A. R., Rehman, I. U., & Rizwan, A. (2010). Can Cultural Change with Different Leadership Styles Enhance the Organizational Performance?. *Research Journal of International Studies*, 17, 102-132.
- Manring, S. L. (2003). How do you create lasting organizational change? you must first slay Grendel's mother. In *Research in organizational change and development* (pp. 195-224). Emerald Group Publishing Limited.
- Marsick, V. J., & Watkin, K. E. (2003). Demonstrating the value of an organization's learning culture: the Dimensions of the Learning Organization Questionnaire. *Advances in Developing Human Resources*, 5(2), 132-151.
- Marsick, V.J., & Watkins, K.E. (1999). *Facilitating learning organisations*. Aldershoot, England: Gower.
- McKee, D. (1992). An organisational learning approach to product innovation. *Journal of Product Innovation Management*, 9 (3), 232-245.
- McLean, L. D. (2006). Organizational culture's influence on creativity and innovation: a review of the literature and implications for human resource development. *Advances in Developing Human Resources*, 7(2), 226-246.
- Nevis, E.C., DiBella, A.J., & Gould, J.M. (1995). Understanding organizations as learning systems. *Sloan Management Review*, 36(2), 73-85.
- Nieto, M. J., & Fernandez, Z. (2006). The role of information technology in corporate strategy of small and medium enterprises. *Journal of International Entrepreneurship* 3, 251-262.
- Ogbo, A. I. & Agu, C. N. (2012). The role of entrepreneurship in economic development. The Nigerian experience. *European Journal of Business and Management*, 4(8), 95-105
- Oghojafor, B.E.A. (2007). *Understanding Strategic Management*, Lagos: Mukugamu & Bros. Enterprises. 80.
- Ogunsiji, S. (2010). Comparative ports performance efficiency measurement in developing nations: A matching framework analysis (M FA) Approach. *RU. International Journal*. 1 (1), 176-203.
- Ojo, O. (2010). Organisational culture and corporate performance: Empirical evidence from Nigeria. *Journal of Business Systems, governance, and Ethics*, 5, (2). 1-12.
- Örtenblad, A. (2001). On differences between organizational learning and learning organization. *The learning organization*, 8(3), 125-133.
- Perez-Lopez, S., Peon, J. M & Ordas, C. M. (2005). Organisational learning as a determining factor in business performance. *The Learning Organisation*, 12(3), 227-245

- Sahaya, N. (2012). A learning organisation as a mediator of leadership styles and firm performance, *International Journal of Business Management*, 7 (14),98-113.
- Salim, I. M. & Suleiman, M. (2011).Organisational learning, innovation and performance: A study of Malaysian small and medium enterprises. *International Journal of business and Management*, 6(12), 118-125
- Schein, E. H. (2010). *Organizational culture and leadership*(Vol. 2). John Wiley & Sons.
- Stoner, J.F., Freeman, R.E., & Gilber, D.R. (2001) *Management*. India: Prentice – Hall.
- US Small Business Profile, (2016). United State small business administration, Office of advocacy
- Vera, D., & Crossan, M.M. (2004).Strategic leadership and organization learning. *Academy of Management Review*, 29 (2), 222-240
- Wang, C., Walker, E.A., &Redmon, J. (2008).Explaining the lack of strategic planning in SMEs: The importance of owner motivation. *International Journal of Organisational Behaviour*, 12(1), 1-16
- Wetherington, J. M., & Daniels, M. K. (2013).The relationship between learning organisation dimensions and performance in the non-profit sector. *Journal for Non-profit Management, Rutgers*, 90-107.
- Zahra, S., & O'Neill, H. (1998).Charting the landscape of global competition: Reflections on emerging organisational challenges and their implications for senior executives.*The Academy of Management Executive*, 12(4), 13-21.

## BIOGRAPHIES

---



Akeke, Niyi Israel is a senior lecturer of strategic management, human resource management and organizational studies at the Ekiti state University, Faculty of Management Sciences. He holds a B.Sc. degree in Industrial Relations and Personnel Management, M.Sc. in General Management from University of Lagos. He also studied at Obafemi Awolowo University in 2010 where he obtained a MPhil in Business Administration and his PhD in Business Administration. His academic research interests are strategic leadership, knowledge management, organizational learning, strategic orientation, human resource and marketing. He is an author and coauthor of many management textbooks and several scientific articles in learned journals. Until recently, he was the Head of Department of Business Administration and currently, Faculty representative at the College of Postgraduate Studies, Ekiti State University.