ORGANISATIONAL RESILIENCE, LEARNING AND ADAPTIVE CAPABILITY AS DETERMINANTS OF SUSTAINABLE ENTREPRENEURSHIP DEVELOPMENT AMONG SMES IN LAGOS STATE, NIGERIA

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Abstract

Small and medium-sized businesses (SMEs) face several obstacles, including limited funding, a lack of resources, legal restrictions, and technology limits. These obstacles make it difficult for them to incorporate sustainable entrepreneurship techniques, leaving SMEs owners open to environmental and market challenges without any tenable solution. This study therefore examines organisational capability as determinants of sustainable entrepreneurship (SED) among SMEs in Lagos Metropolis. The study employed a quantitative approach and a cross-sectional descriptive survey design. A sample of 387 SMEs was selected and data was gathered using structured questionnaires. Three hypotheses were tested and the correlations between the variables were ascertained by statistical analysis, including regression analysis. Results show that organizational learning significantly and positively influenced SED. However, SED was not significantly impacted by resilience or adaptive capability. The study recommended that SMEs prioritize ongoing learning and development through mentorship and training programs. Instead of concentrating only on short-term survival tactics, managers should match resilience and adaptability with long-term sustainability goals.

Key: adaptive capability, organisational learning, organisational resilience, sustainable entrepreneurship development.

Introduction

In today's era of economic volatility, social inequality, and environmental degradation, sustainable business practices have become essential for long-term organisational viability and societal well-being. Unlike traditional entrepreneurship, which typically emphasizes profit maximization**,** Sustainable entrepreneurship development (SED) integrates economic, social, and environmental goals into the foundational values of business operations (Rosário, Raimundo & Cruz, 2022). SED addresses pressing global challenges such as resource scarcity and climate change, by combining the innovative principles of traditional entrepreneurship with a focus on sustainability.

Sustainable entrepreneurship emphasizes creativity, inclusiveness, and a commitment to long-term outcomes over short-term profit. This perspective builds on foundational works, such as those by Shane and Venkataraman (2000), which highlight entrepreneurship as the identification and exploitation of opportunities, and the Austrian economic tradition, which stresses dynamic market processes and innovation. Expanding on this view, Dean and McMullen (2007) describe SED as the process of identifying, evaluating, and capitalizing on opportunities that address market failures undermining sustainability, including those with environmental implications over time. Similarly, Cohen and Winn (2007) define SED as the discovery and utilization of opportunities to create goods and services that balance economic, social, and environmental impacts. For this study, SED is defined as the integration of business principles to include economic viability, environmental stewardship, and social responsibility.

Achieving sustainable development requires leveraging opportunities to position sustainable entrepreneurship as a framework for resilience, enabling businesses to thrive amid challenges such as climate change and social inequities (Giancotti & Mauro, 2020). However, the determinants of sustainable entrepreneurship remain a subject of debate, as highlighted by Gast, Gundolf, and Cesinger (2017) and Terán-Yépez, Marín-Carrillo, del Pilar Casado-Belmonte, and de las Mercedes Capobianco-Uriarte, (2020). In relation to the latter is entrepreneurs' capacity for iterative learning, rapid decision-making, and adaptability, which enables them to pivot effectively in response to evolving challenges and opportunities. This flexibility is crucial in dynamic and unpredictable environments where sustainability concerns are evolving. Another critical determinant of organisation's capability is its ability to incorporates cross-functional teamwork, training programs, and diverse skill sets. This ensures not only the immediate operational needs of the business but also its long-term viability within a broader social and environmental context. The integration of learning, knowledge-sharing practices, and technological adoption equips organisations to adapt and build resilience (Akoh, 2023).

In addition, adaptability is crucial for entrepreneurship in a world characterized by swift technical advancement, changing market dynamics, and rising sustainability concerns. This skill helps businesses to stay adaptable, take advantage of new opportunities, and control the risks that come with uncertainty. Adaptive flexibility is essential for connecting business strategy with sustainability goals and fostering sustainable entrepreneurial development. Strongly adaptable organizations can quickly modify operations to meet new environmental legislation, satisfy changing consumer demands for environmentally friendly products, or implement cutting-edge technologies to reduce their environmental impact.

This study explores the relationships between organisational resilience, learning, and adaptive capability as determinants of sustainable entrepreneurship. Ultimately, sustainable entrepreneurship represents a paradigm shift in business development, ensuring that profitability and growth do not come at the expense of social equity or ecological stability. This holistic approach serves as a guiding framework for creating value not only for shareholders but also for society and the environment.

In line with the above, research evidence showed that SMEs in Lagos lack a clear framework for implementing sustainable practices, and as such remain vulnerable to market disruptions, regulatory changes, and environmental challenges (Brandi & Thomassen, 2021; Al-Awlaqi & Aamer, 2022). This vulnerability compromises their competitiveness and diminishes their ability to contribute meaningfully to sustainability goals. Furthermore, many entrepreneurs prioritize short-term profits over long-term sustainability goals, leading to operational risks, limited adaptability to changing market conditions, and diminished capacity to meet evolving consumer demands. The absence of a learning culture within SMEs further exacerbates these challenges. A lack of proactive identification of sustainable growth opportunities and delayed innovation due to rigid organizational structures hinder progress. Similarly, some SMEs' inability to adjust to new challenges intensifies the problem. SMEs that cannot adapt to shifting environmental regulations, changing stakeholder expectations, or other sustainability challenges are less likely to thrive in today's dynamic environment.

While existing literature highlights the importance of different organisational capability factors individually, there is limited understanding of how organisational resilience, learning, and adaptive capabilities interact and collectively influence sustainable entrepreneurship development, particularly in the context of SMEs. Likewise, research on sustainable entrepreneurship often focuses on developed economies, with limited studies addressing the unique socio-economic, regulatory, and cultural contexts of Lagos State, Nigeria. There is, therefore, a lack of practical, actionable frameworks tailored to SMEs in Lagos State that integrate these organizational capabilities with sustainability goals (Di Vaio et al., 2022). As a result. the researchers were poised to ask the following questions: what is the influence of organisational residence on sustainable entrepreneurship development? To what extent does organisational learning affect sustainable entrepreneurship development? How has adaptive capability affected sustainable

entrepreneurship development? Proffering solutions these questions is vital, and this was the reason behind this study which aims to investigate the influence of organisational resilience, learning, and adaptive capabilities on sustainable entrepreneurship development among SMEs in Lagos State.

Literature Review

Theoretical framework

Dynamic Capability Theory (DCT)

Teece, Pisano, and Shuen (1997) were the main developers of the dynamic capability theory. Their landmark work "Dynamic Capabilities and Strategic Management" originally presented the notion of dynamic capability. Based on the Resource-Based View (RBV), firms within the same industry perform differently due to variations in their resources and capabilities (Barney, 1991; Peteraf, 2018). The concept of dynamic capability theory pertains to strategic management and centres on an organisation's capacity to sense, seize, and reconfigure its assets and competencies in reaction to shifting market conditions and rivalry. This theory highlights how crucial it is to maintain competitive advantage over time by not just having static resources but also being able to use and reconfigure them efficiently.

This theory applies to this study in that "reconfiguration" component of DCT is consistent with resilience. This is due to the fact that SMEs in Lagos frequently deal with market uncertainty, infrastructure issues, and economic volatility. Resilience is therefore essential for maintaining entrepreneurial activity, as SMEs in Lagos modify their procedures and organizational structures to preserve continuity in the face of difficulties. Learning helps SMEs recognize new trends, develop, and maintain their competitiveness, which supports the "sensing" part of DCT. In Lagos, adaptable capability is crucial for SMEs to adjust to regulatory changes, market demands, and technological improvements. However, DCT places a lot of emphasis on how businesses adjust to change, occasionally ignoring the significance of reliable, valuable resources that serve as the basis for competitive advantage. Hence, this is the limitation the introduction of Resource-based view addressed as shown below.

The Resource-based View Theory

A framework called the Resource-Based View (RBV) theory helps businesses to obtain and maintain a competitive edge through the utilization of their special resources and competencies. RBV, which was developed in the 1980s and 1990s by academics like Jay Barney and Birger Wernerfelt, contends that a firm's ability to control and effectively use its resources is what gives it a competitive advantage. According to RBV, a resource needs to be valuable in order for the firm to take advantage of opportunities; rare in the eyes of competitors, which means that not many other firms possess it; inimitable in order for competitors to find it difficult to duplicate; and non-substitutable in order for there to be no comparable substitutes for the resource.

It relates to this study in that SMEs that meet the value, rare, unique, and non-substitutable requirements for resources and capabilities can attain a competitive advantage (Pusparini & Kusumastuti, 2019). Lagos' SMEs frequently experience disruptions from market swings, infrastructure issues, and unstable economies and sustainability is made possible by resilient SMEs' ability to bounce back from setbacks more successfully. Since learning is context-specific, it is a crucial, important, and frequently unique capacity. SMEs can better adjust to shifting consumer tastes, technical breakthroughs, and market trends if they cultivate a culture of continuous learning. Adaptive capability is rare and valuable, particularly in places like Lagos that are changing quickly. SMEs are more likely to succeed if they can modify their operations and strategy to take advantage of changing possibilities and difficulties.

Conceptual Review

Sustainable Entrepreneurship Development

Abdulmaksoud, Alzaatreh, and Beheiry (2025) developed the Triple Bottom Line (TBL) theory of sustainable development for the first time. Schaltegger Loorbach, and Hörisch (2023) define SED as a business strategy where organizations adopt sustainable practices to enhance efficiency and competitiveness by harmonizing the environmental, economic, and social impacts of their activities. Sustainable entrepreneurs transform traditional business practices, systems, and processes by introducing enhanced social and environmental products and services (Vallaster, Kraus, Kailer, & Baldwin, 2018). Three primary factors are used by the TBL framework to measure an organisation's success: People (social equality), Planet (environmental stewardship), and Profit (economic viability). These dimensions are as discussed below:

The Economic Sustainability: Profit, the economic component of TBL, highlights the value that a company generates in addition to more conventional financial indicators like sales growth, cash flow, and shareholder value. It encompasses the wider operational and economic effects on society (Chabowski, Mena & Gonzalez-Padron, 2011). The Social Sustainability: People. This comprises programs pertaining to equitable policies, community involvement, education support, and charity endeavors (Dhanawade, 2024). One major subject in this dimension is corporate social responsibility (CSR), which is receiving a lot of attention in both business strategy and research (Luo and Bhattacharya, 2006).

The Environmental Sustainability: The Planet environmental dimension focuses on reducing an organization's ecological footprint by lowering waste output, energy use, and environmental effect. Earth, Porritt (2007) contends that this dimension is the most important. As a result, academics have focused more on environmental sustainability than on the social and economic aspects (James, 2024).

Organisational Resilience and Sustainable Entrepreneurship Development

The term resilience is derived from the Latin word ‘resiliere’, meaning "to bounce back." Its earliest recorded use was likely by physicist Thomas Young in 1807, who employed it to describe elastic deformation in material sciences (Mayar, Carmichael, & Shen, 2022). Organisational resilience, according to George and Odubo (2024), is the capacity of an organization to withstand a crisis and prosper in an unfavorable environment. In general, resilience refers to a system's ability to withstand threats and its speed in recovering from disruptions. Two other crucial traits of a highly resilient company are the ability to turn crises into chances for strategic expansion and the situational awareness and foresight to foresee potential crises before they arise.

According to Koswatte, and Gallage (2022) SMEs that lack resilience tend to exhibit a diminished ability to participate in crucial business operations, generally utilizing cautious and anxious strategies to manage the unpredictabilities that are a part of the business environment. Conversely, resilient SMEs gain from a positive perspective that lessens adverse responses, encouraging expansion rather than contraction (Ong, Bergeman & Chow, 2010). Conz, and Magnani (2020) assert that managing SMEs involves risk exposure by nature, and that a complex interaction of internal and external elements is necessary for the sustainability of the business (Cooper, Stamford & Azapagic, 2016). According to Ayala and Manzano (2014), the operating environment of SMEs frequently calls for making decisions in the face of uncertainty, change, or insufficient knowledge. Therefore, it was hypothesized that:

H01: Organisational resilience has no significant effect on sustainable entrepreneurship development among SMEs in Lagos Metropolis

Learning Capability and Sustainable Entrepreneurship Development

Organisational learning emphasises organisational cognition, focusing on an organisation's ability to process information, make decisions, solve problems, and acquire new skills for internal development (Eggers & Kaplan, 2013). Learning involves creating "mental models," "cognitive maps," or a "collective memory," which serve to gather, store, interpret, and share knowledge for enhancing organisational performance (Belle, 2016; Briz-Ponce, Pereira, Carvalho, Juanes-Méndez & García-Peñalvo, 2017). Due to these features, organisations are often seen as "extended human beings" with cognitive capabilities that support the collection and interpretation of information in response to environmental demands (Ferreira, Cardim & Coelho, 2021).

Organisational learning - the process of generating, retaining, and disseminating knowledge within an organisation - lays the foundation for continuous development by promoting a culture of ongoing assessment and adaptation (Thorvaldsen & Madsen, 2020). In order for Small, and Medium-Sized Enterprises (SMEs) to innovate, adapt, and fortify their competitive edge, continuous improvement is an essential part of organisational learning (Inan, Gungor, Bititci & Halim-Lim, 2022). Continuous improvement refers to an organisation's systematic efforts to improve its products, services, and processes with little tweaks (Mohammadian & Bafti, 2023). This characteristic is particularly crucial for SMEs since it promotes resilience in dynamic marketplaces, enabling them to respond quickly to changes in customer expectations, technological advancements, and competitive obstacles (Smith, 2021). Therefore, it was hypothesized that:

H02: Organisational learning has no significant impact on sustainable entrepreneurship development among SMEs in Lagos Metropolis.

Adaptive Capability and Sustainable Entrepreneurship Development

Teece (2020) posits that adaptive capability is the ability to sense, interpret, and respond to environmental changes effectively, allowing businesses to thrive even during crises. Adaptation is a dynamic process that requires entrepreneurs to constantly align their strategies with emerging trends and challenges. This capability is particularly crucial for small and medium-sized enterprises (SMEs), which often lack the resources and buffer available to larger organisations during crises (Trunk & Birkel, 2022). Research suggests that adaptive capability enables SMEs to respond to changes more effectively by leveraging flexibility and quick decision-making (Mitsakis, 2020). When SMEs can rapidly adapt, they build resilience by increasing their ability to cope with adverse events and navigate market fluctuations.

One key aspect of adaptive capability is environmental scanning - the process of continually monitoring external forces, such as market trends, competitor actions, and regulatory changes. Entrepreneurs with high adaptive capability actively scan their environments to identify opportunities and threats early on, enabling them to adjust their strategies proactively (AlAbri, Taghizadeh, Khan & Rahman, 2022). By remaining vigilant and responsive to market signals, entrepreneurs can modify their offerings or reposition their businesses to meet shifting customer demands, thus sustaining their relevance and competitiveness. The ability to anticipate change and take early action is fundamental for resilience, as it reduces the likelihood of being caught unprepared by sudden disruptions (Inman, Green & Roberts, 2024). Therefore, it was hypothesized that:

H03: Entrepreneurial adaptive capability does not significantly contribute to variances in sustainable entrepreneurship development among SMEs in Lagos Metropolis

Methodology

Research Design

This study employed cross-sectional and descriptive research design with a survey and the research approach was quantitative. This is deemed appropriate because the study follows the positivism philosophy which necessitates the use of empirical data. (Hendriks, van Eeuwijk, Jellema, Westerhuis, Reijmers, Hoefsloot & Smilde, 2011). Furthermore, the study used questionnaire because of its broad scope and economical nature.

Population

The research population is the owners of small and medium enterprises (SMEs) all based in Lagos. This comprised of small business enterprise with employee's capacity of 10-49 and an asset excluding land and building with the range of 5 million to less than 50 million. Likewise, medium enterprises comprised of businesses with employee's capacity of 50-199 and an asset excluding land and building with the range of 50 million to less than 500 million. The justification for using SMEs is because of its crucial role in employment, poverty reduction, economic growth, adaptability, and potential for contributing to sustainable development goals (Endris & Kassegn, 2022). The selection of the businesses in Lagos is based on the fact that the state serves as both Nigeria's commercial centre and its former capital, and therefore it has a bulk of business coverage all over the nooks and crannies of the state. Based on recent data, Lagos is home to approximately over 11,643 small and medium enterprises (SMEDAN and National Bureau of Statistics Collaborative Survey; 2019). For the purpose of this study, the population of this study is 11,643 small and medium enterprises.

Technique and Sample Size

The study adopted a multi-stage sampling technique. Firstly, the study employed stratified sampling to divide Lagos state into three strata following the three senatorial districts – Lagos East, Lagos West and Lagos Central. After this, the study employed cluster sampling method to select the three business districts from each stratum where the SMEs business enterprises are concentrated. Following this, the study applied purposive sampling to select the owners of these businesses who attended to the items in the questionnaire. The purpose of utilizing a multi-stage sampling strategy is to enable the researcher select the participants based on their unique knowledge of or experience with the study phenomenon after applying several selection procedures to the group (Rahi, 2017). The sample size was determined from by applying the Taro Yamane formula for determining sample size. as shown below

$n_o = N / (1 + N e^2)$; where

n_o = Sample size,

N = Population = 11643,

e^2 = Acceptable sampling error, desired level of precision, confidence interval expressed as decimal (e.g., 0.05).

$n_o = 11643 / (1 + 11643*.0025)$; $n_o = 11643 / (30.1075)$; where

$n_o = 386.71$ This was approximated to 387.

Measures and Validation

A questionnaire was the research tool used to collect data from the study population. There were two sections to the questionnaire: Demographic data such as ages of SMEs, gender, marital status, employment history, and educational background will be gathered in Part A. The tasks in Part B contained items measuring the variables of the study.

Organisational resilience: This variable was measured using 6 items adapted from organisational resilience scale developed by Kantur, and Say (2015). The scale has a high Cronbach's alpha of .82

Organisational learning: The 8-item organisational learning scale developed by Yavas, and Celik (2020) was adapted to measure learning capability. The scale contains continuous learning measured with 4 items and cognitive learning with 4 items. The scale has a high Cronbach's alpha of .85. This demonstrates the scale's excellent reliability by exceeding the threshold of .65.

Adaptive capability: It was measured by 6-item adaptive capability scale developed by Whitman, Kachali, Roger, Vargo, and Seville (2013). The scale has a high Cronbach's alpha of .92. This demonstrates the scale's excellent reliability by exceeding the threshold of .65 that is suggested for the study (Kennedy, 2021).

Sustainable entrepreneurial development: was be measured with an 8-item adapted scale from the SED scale developed by a Sarango-Lalangui, Álvarez-García, and del Río-Rama (2018). Economic sustainability was measured with 4 items, environmental sustainability was measured with 4 items and social sustainability was measured with 4. The scale has a high Cronbach's alpha of .78. This shows that the scale's reliability by exceeding the threshold of .65 as suggested by (Agbo, 2010). All the items were measured on a 5 Likert scale ranging from 1 = strongly disagree to 5 = strongly agree

The questionnaire was evaluated for construct, content and face validity by experts in management sciences who specializes in entrepreneurship and SME competitiveness (Olaore, Adejare, and Udofia, 2021). Changes were made to the final document before the study instrument was given to the respondents. In a similar vein, an internal consistency test employing Cronbach's standardized alpha was used to assess the level of reliability of the questionnaire's measures. According to Pallant's (2020) recommendation, Cronbach's Alpha values of 0.70 or higher are anticipated for all proxies/dimensions of independent variables.

Data analysis

To achieve the study's objectives, both descriptive and inferential statistics was employed. Descriptive statistics was used to calculate averages and percentages. Inferential statistics included correlation and multiple regression models. Correlation analysis was utilized to illustrate the relationship between independent and dependent variables and serves as a preliminary test for further analysis (Field & Wilcox, 2017). Multiple regression was be chosen to demonstrate the predictability of the outcome variable based on the predictor factors.

Results

4.1 Demographic profiles of Respondents

Table 4.1 Demographic Profiles of the Respondents

Profile	Frequency	Percentage (%)
Gender		
Male	223	68.6
Female	102	31.4
Total	**325**	**100.0**
Marital Status		
Single	63	19.4
Married	234	72.0
Divorced/Separated	28	8.6
Total	**325**	**100.0**
Educational Qualification		
ND/ NCE	66	20.3
B.Sc./ BA/ HND	205	63.1
MBA/M.Sc.	39	12.0
Others	15	4.6
Total	**325**	**100.0**

Table 4.1 is a summary of the respondents' demographic characteristics. For gender, 223 (68.6%) of respondents were male, while 102 (31.4%) were female. The education qualification distribution shows 205(63.1%) were BSc/BA/HND, 39(12.0%) were MBA/MSc, 66(20.3%) were OND/ NCE holders while 15(4.6%) were respondents with other qualifications. Notably, a significant proportion (63.1%) of participants were second degree holders. In Table 4.2, the marital status varied, with 234(72.0%) respondents that were married, 63(19.4%) that were single, and 28(6.6%) divorced/ separated; reflecting diversity in marital backgrounds of the SMEs owners.

Analysis of Correlation among Study Variables

Correlation analysis shows the relationship between the variables of the study. This section deals with the output of the correlation analysis conducted for the study as shown in Table 4.3 below.

Table 4.2 Mean, SD and Correlation of the Study Variables

Variables	Mean	SD	1	2	3	4	5
1. SED	2.40	.675	1				
2. OGRE	2.43	.477	.396**	1			
3. OGLE	2.45	.521	.895**	.454**	1		
4. ADCA	2.49	.647	.515**	.809**	.586**	1	

p** < .01; p *< .05; Key: SD: Standard Deviation; SED: Sustainable entrepreneurship development; OGRE: Organisational resilience; OGLE: Organisational learning; ADCA: Adaptive capability. ***Source: Field survey, 2025***.

Pearson correlation coefficients were calculated for each variable, as displayed in Table 4.2. The results reveal that there is a significant relationship between organisational resilience and sustainable entrepreneurship development (r = .396; p < .01). This implies that a significant improvement in organisational learning tends to lead to an increase in sustainable entrepreneurship development and vice versa. A further look at Table 4.2 showed a strong positive significant relationship between organisational learning and sustainable entrepreneurship development (r = .895; p < .01). This means that the more organisational learning is well implemented, the better is the sustainable entrepreneurship development accordingly and vice versa. In the same vein, Table 4.2 also showed that there is a positive and significant relationship between adaptive capability and sustainable entrepreneurship development (r = .515; p < .01). This indicates an increase in business's adaptive capability will tend to an increase in sustainable entrepreneurship development and vice versa. However, correlation does not mean causation. Therefore, to establish the predictability among the study variables, the study further conducted regression analysis.

Testing of Hypotheses

The hypotheses for the study were tested using multiple regression. Regression analysis was conducted to determine the individual and the combined effect of organisational capability on sustainable entrepreneurship development among SMEs in Lagos State.

Table 4.3 Simple Regression Analysis showing the influence of Organisational Resilience on Sustainable Entrepreneurship Development

Variables	**constant**	**B**	**Beta**	**T**	**R**	**R^2**	**F**	**P**
Organisational Resilience	**1.038**	**.560**	**.396**	**7.759**	**.396**	**.157**	**60.207**	**.000**

Dependent variable: Sustainable Entrepreneurship Development; **p < .01, * p < .05
Source: Field Survey 2025

From the Table 4.3, the R value of .396, which shows the significant relationship between organisational resilience, and sustainable entrepreneurship development. From the regression model table, R^2 value of .157 indicates that 15.7% of the variance in sustainable entrepreneurship development among SMEs in Lagos State is explained by the influence of organisational resilience. However, the remaining 84.3.0% could be explained by other factors not captured by this study. In addition, the F-value test of 60.207; p = .000 shows

a statistically significant value of the model. From the Table 4.3, the individual contributions of the variables shows that organisational resilience has a statistically significant influence on sustainable entrepreneurship development (B = .560; t = 7.759, p = .000). Likewise, the beta result showed that a unit increase in organisational resilience will lead to a 56.0% increase in sustainable entrepreneurship development. Thus, hypothesis one which stated that organisational resilience has no significant effect on sustainable entrepreneurship development among SMEs in Lagos Metropolis was rejected.

Table 4.4 Simple Regression Analysis showing the influence of Organisational learning on Sustainable Entrepreneurship Development

Variables	constant	B	Beta	T	R	R^2	F	P
Organisational learning	**-.443**	**1.160**	**.895**	**36.121**	**.895**	**.802**	**1304.728**	**.000**

Dependent variable: Sustainable Entrepreneurship Development; **p < .01, * p < .05
Source: Field Survey 2025

From the Table 4.4, the R value of .895, which shows A very strong significant relationship between organisational learning, and sustainable entrepreneurship development. From the regression model table, R^2 value of .802 indicates that 80.2% of the variance in sustainable entrepreneurship development among SMEs in Lagos State is explained by the influence of organisational learning. However, the remaining 19.8.0% could be explained by other factors not captured by this study. In addition, the F-value test of 1304.728; p = .000 shows a statistically significant value of the model. From the Table 4.4, the individual contributions of the variables shows that organisational learning has a statistically significant influence on sustainable entrepreneurship development (B = 1.160; t = 36.121; p = .000). Likewise, the beta result showed that a unit increase in organisational learning will lead to a 116% increase in sustainable entrepreneurship development. Thus, hypothesis two which stated that organisational learning has no significant impact on sustainable entrepreneurship development among SMEs in Lagos Metropolis was rejected.

Table 4.5 Simple Regression Analysis showing the influence of Adaptive Capability on Sustainable Entrepreneurship Development

Variables	constant	B	Beta	T	R	R^2	F	P
Adaptive Capability	**1.060**	**537**	**.515**		**.515**	**.265**	**116.591**	**.000**

Dependent variable: Sustainable Entrepreneurship Development; **p < .01, * p < .05
Source: Field Survey 2025

From the Table 4.5, the R value of .515, which shows A moderately strong significant relationship between adaptive capability, and sustainable entrepreneurship development. From the regression model table, R^2 value of .265 indicates that 26.5% of the variance in sustainable entrepreneurship development among SMEs in Lagos State is explained by the influence of adaptive capability. However, the remaining 73.50% could be explained by other factors not captured by this study. In addition, the F-value test of 116.591; p = .000 shows a statistically significant value of the model. From the Table 4.5, the individual contributions of the variables shows that adaptive capability has a statistically significant influence on sustainable entrepreneurship development (B = .537; t = 10.798; p = .000). Likewise, the beta result showed that a unit increase in adaptive capability will lead to a 53.7% increase in sustainable entrepreneurship development. Thus, hypothesis three which stated that entrepreneurial adaptive capability does not significantly contribute to variances in sustainable entrepreneurship development among SMEs in Lagos Metropolis was rejected.

Discussion

In order to accomplish the objectives of this study, the study employ the use of regression analysis to analyze the data and posed five distinct research questions and hypotheses. The correlation analysis's findings demonstrated a relationship among all predictor variables and sustainable entrepreneurship development. To investigate the predictability among predictor variables and the outcome variable, the study went further to conduct a simple regression analysis. Based on the analysis, which stated that organisational resilience has no significant effect on sustainable entrepreneurship development among SMEs in Lagos Metropolis was rejected. This suggests that owners of SMEs believed that organizational resilience was sufficient on its own since it resulted in long-term business growth and sustainability. Organizational resilience, in addition, can help businesses get over challenges like supply chain disruptions, market competitiveness, and economic downturns. This result is consistent with the findings of Ayala and Manzano (2022) and Ong et al. (2010), who verified that SMEs' resilience induces negative reactions, which promotes growth. Furthermore, the results corroborate the views of Koswatte and Gallage (2022), who believed that SMEs with low resilience typically show a reduced capacity to engage in important business activities.

Likewise, hypothesis two which stated that organisational learning has no significant influence on sustainable entrepreneurship development among SMEs in Lagos Metropolis was rejected. With a standardized beta value of .895, this indicates that respondents believed organizational learning had a considerable and positive impact on the development of sustainable entrepreneurship. This emphasizes how crucial ongoing education and knowledge development are to the expansion of SMEs. Knowledge-sharing programs, employee training, and exposure to emerging industry trends should be given top priority by SMEs' owners. This finding supports the submissions of Clauss et al. (2020), Hansen et al. (2020) opine that continual learning for sustainable innovation in his "learning organisation" paradigm, emphasizing shared vision, team learning, and systemic thinking

Hypothesis three, which stated that entrepreneurial adaptive capability does not significantly contribute to variances in sustainable entrepreneurship development among SMEs in Lagos Metropolis was also rejected. This showed that the respondents believed that corporate growth is frequently linked to adaptability. One explanation is that although SMEs might be able to adjust to shifting consumer needs, legal requirements, and market conditions, this flexibility would always be consistent with sustainability-focused practices. Therefore, SME owners should make sure that their adaptation efforts are strategically focused on integrating sustainability into business operations rather than just responding reactively to external constraints. This finding was in line with the assertions of Mitsakis (2020), Inman et al. (2024), and Groenewald et al. (2024) who stated that adaptive capability helps SMEs react to changes more successfully by utilizing flexibility and speedy decision-making.

Conclusion and Recommendations

This study examined the influence between including organizational learning, organizational resilience, adaptive capability and sustainable entrepreneurship development among SMEs in Lagos Metropolis. The results showed that including organizational learning, organizational resilience, and adaptive capability play a crucial role in promoting business sustainability, as they all accounted for a significant variation in sustainable entrepreneurship development. Organizational learning, in particular, significantly contributed the most in sustainable entrepreneurship development, highlighting the need for ongoing education, creativity, and information exchange in SMEs. Based on the findings of the study, the following recommendations were suggested

i. SMEs should create resilience-building techniques including financial buffers, contingency planning, and risk management frameworks to resist supply chain interruptions, economic downturns, and market rivalry,

ii. SMEs can collaborate with academic institutions, research organizations, and industry specialists by supporting staff training, knowledge-sharing projects, and mentorship programs,
iii. In accordance with sustainability principles, SMEs should embrace adaptable business structures that enable them to react quickly to shifts in consumer preferences, market demand, and regulatory requirement.

Suggestions for Further Research

Future research might use a longitudinal strategy to monitor changes in organizational capacities and their effects on the growth of sustainable entrepreneurship over time, as this study used a cross-sectional design. Deeper understanding of the long-term impact of learning, adaptation, and resilience on SME sustainability might result from this. To find out if comparable associations exist across diverse economic sectors, future research might duplicate this study in areas other than Lagos Metropolis or concentrate on different industries, such agriculture, or technology-driven SMEs. In order to better understand their impact on the growth of sustainable entrepreneurship, future research should consider additional potential moderators or mediators, such as digital adoption, financial literacy, or leadership styles, as this study looked at the moderating effect of SME age.

A comparison between startups and more established SMEs may shed light on how organizational capabilities affect sustainable entrepreneurship at various phases of company growth. Given that this study found that business ethics had a detrimental effect on sustainable entrepreneurship, more research could examine the ways in which regulatory contexts, cultural norms, and public expectations affect ethical capacity and business sustainability. By conducting in-depth interviews or case studies to examine how SME owners and managers view and apply organizational capacities for sustainability, a qualitative or mixed-methods study could supplement the findings of this one.

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