

SMALL AND MEDIUM-SIZED ENTERPRISES AND THE SOCIOECONOMIC FACTORS IN A GLOBALIZED DIGITAL ERA IN NIGERIA

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ABSTRACT

This paper investigated the influence of global digital trends on the activities of small and medium-sized enterprises in Nigeria and identified some socioeconomic factors that constrain the full potential of SMEs considering the ongoing digital transformation in Nigeria. It examined the adoption of digital technology among Nigerian SMEs, identified challenges hindering digital integration, and proposed the need for SMEs to overcome inherent sociocultural biases to enhance competitiveness. Primary data was gathered through survey questionnaires administered to and completed by 124 SME operators across the six geo-political zones of Nigeria. Secondary data was obtained from journals, publications, articles, and reliable internet sources. The study found that over 25% of SME operators recognise that digital electronic platforms have positively impacted SMEs, while over 30% see social media tools as a vital contribution to the business performance of SMEs. The study's findings show a significant correlation between gender and income generation of SMEs in Nigeria. However, gender disparities persist within the Nigerian business sector, with women constituting only 32.3% compared to men's 67.7% population in the study. The Covid-19 pandemic, Russia-Ukraine war, and rising cost of living have led to a recent contraction of the economy, while the government's 8-month ban on Twitter between June 2021 and January 2022 led to daily losses of about ₦448 million (about \$1 million), amounting to over ₦107 billion. Although agriculture, manufacturing, and ICT (i.e., information and communications technology) are leading rebounds in the economy, digital infrastructure remains inadequate for millions of SMEs not in major cities.

Keywords: Globalization, Digitalization, Small and Medium-Sized Enterprises, Digital Era, Nigeria.

INTRODUCTION

The global business environment has evolved over two centuries, transforming the world into a more interconnected and interdependent entity (Singha, 2018). Facilitated by the Internet and digital platforms, the deepening and more rapid rate of globalization in the 21st century has further integrated global economic, political, and cultural systems (Ortiz-Ospina et al., 2023). The internet's ubiquity has made the world seem like a small village (Gelen, 2018), fostering a global business environment that benefits Small and Medium-sized Enterprises (SMEs) (Dumitriu et al., 2019). Globalization enables local SMEs to engage globally, thus reducing unemployment, fostering opportunities, and boosting GDP.

It lowers trade barriers, encourages entrepreneurship, and facilitates capital and knowledge dissemination (Danladi et al., 2015).

This integration of the world into one huge market has boosted market opportunities for businesses worldwide, including SMEs. However, it has also opened developing economies to the stiff competition of liberalisation, with advanced economies benefiting more due to their comparative advantage and the structural vulnerabilities developing economies grapple with—thus widening the inequality between advanced and developing economies (Faloye, 2015). Furthermore, recent events like the global recession instigated by the 2008 financial crisis and the COVID-19 pandemic have generally slowed SMEs' impact on the global economy and despite the continuous incentives from the Nigerian government through the small and medium enterprise development agency of Nigeria SMEDAN, (Orujekwe, et al. 2024) suggested that these two economic deterrents have negatively impacted on the internal and external growth and development of SMEs. They further argued that these periods also witnessed an unfriendly business environment, deterrence of new entrants, and business closure due to economic instability within the SME sector across Nigeria (Ogundele, Awoniyi & Okeya, 2020). On the other hand, large organizations within the Nigerian business environment might not have felt the impact of the recession and COVID-19 due to their financial stability and governmental synergy (Chukwuka & Amahi, 2021).

Digitalization, intertwined with globalization, reshapes businesses by fostering online and offline interactions. While large enterprises leverage digital transformation, SMEs face challenges like limited resources and market responsiveness (Storey, 1994; Toni, 2003). Nigerian SMEs, known for flexibility and adaptability, face digitalization challenges despite their strengths (Guo et al., 2020). Thus, SMEs must be innovative and creative to survive, essential to employment opportunities and general economic stability (O'Regan et al., 2006). SMEs need to rely on innovation ecosystems and trust-building strategies to optimise intellectual resources and value chain efficiency and enhance overall business performance (Roman & Rusu, 2022).

OVERARCHING RESEARCH AIM

This research aims to investigate the impact of socioeconomic factors on Nigerian small and medium-sized enterprises in today's globalized digital era.

Research Questions

- How is digital technology influencing the activities and performance of SMEs in Nigeria?
- What factors hinder Nigerian SMEs' adoption of digital technologies in today's globalized digital era?
- How do socioeconomic factors impact Nigerian SMEs despite increasing digitalization, and what strategies can be adopted to address the highlighted barriers?

Research Objectives

- To identify how digital technology influences the activities and performance of SMEs in Nigeria.
- To highlight factors that hinder Nigerian SMEs' adoption of digital technologies in today's globalized digital era.
- To investigate the impact of socioeconomic factors on Nigerian SMEs despite increasing digitalization and recommend strategies to address the barriers.

Hypotheses

H₁: *Socioeconomic factors have no significant impact on SMEs in the globalized digital era in Nigeria.*

H₂: *Socioeconomic factors have a significant impact on SMEs in the globalized digital era in Nigeria.*

While the digital era has undeniably enhanced the performance of SMEs in Nigeria, it is important to note that certain socioeconomic factors continue to pose significant constraints (Okoroafor & Chukwuma, 2019; Shettima and Sharma, 2020; Ogundele, Awoniyi and Okeya, 2020; Sanchildrian & Ouchterlony, 2023). The null hypotheses will be tested at $\alpha = 0.05$ level of significance.

RESEARCH SUMMARY

With the aim of this paper in mind, the remaining part of this research is further divided into three sections. These sections not only provide an overview and insight into the different understandings of socioeconomic factors that impact SMEs in a globalized digital era, but also offer a clear understanding of the global view and values of sustainability of globalization on small and medium-sized enterprises in Nigeria in the digital era. The final section of this research work concludes with a set of crucial policy recommendations.

Globalization from the Nigerian Perspective

Globalization, a concept subject to diverse interpretations, involves increased integration among countries (Forbes, 2019; Subasat, 2015). Its contemporary characteristics resemble the pre-First World War era, marked by extensive economic integration and international trade (Putko, 2006; Nobis, 2017). The origins of globalization can be traced back to West Africa, where the slave trade fuelled industrialisation in Europe, perpetuating economic disparities (Onyeonoru, 2003; Tomlinson et al., 2019).

Globalization often exacerbates economic inequalities in Nigeria and other developing African nations, with the wealthy exploiting the less privileged (Warf, 2015). Despite Western narratives promoting globalization's benefits, it has failed to uplift the average citizen, perpetuating poverty and deprivation (Oshewolo, 2010). Nigeria faces numerous challenges, including ineffective governance, ethnic tensions, and corruption, hindering socioeconomic progress (World Bank, 2005; Chukwu, 2017). Despite being Africa's largest oil producer, Nigeria struggles to meet the basic needs of its population (Aluko & Odularu, 2019; Etim, Mohammed & Tarewa, 2022). Globalization's dynamics and trajectory extend beyond economics, significantly impacting the growth of small and medium-sized enterprises (SMEs) globally and in Nigeria. Understanding globalization's effects on SMEs is critical for assessing their role in national and international economies.

Globalization and the Adoption of Digital Technology by SMEs

The link between globalization and the integration of digital technology within SMEs has garnered considerable scholarly attention. Research underscores globalization's transformative influence on the business landscape, catalysing technological innovation and adoption (Skare & Soriano, 2021; Lukonga, 2020). SMEs, propelled into international markets by globalization, face the imperative of adapting swiftly to dynamic market dynamics (Suraji, 2022). This necessitates strategically adopting digital technologies to enhance competitiveness (Trenkle, 2020). In response, SMEs are compelled to explore and implement innovative digital solutions, aiming to streamline operations and gain an edge in the global marketplace.

Adopting digital technologies equips SMEs with enhanced operational capabilities, broader market access, and alignment with global trends (Matt & Rauch, 2020). Moreover, strategic utilisation of these technologies empowers SMEs to offer novel products and services, meet international standards, and compete robustly with larger corporations on the global stage. Consequently, the symbiotic relationship between globalization and digitalization underscores SMEs' need to leverage technology strategically to thrive in an increasingly competitive international environment. (Hart, 2010) provided an understanding that digitalization has effectively contributed to the accessibility and the use of e-commerce across the global business environment. This was further strengthened by Nitu *et al.* (2019), who suggested that this synergy further provides small and medium-sized businesses the opportunity to become a micro-multinational organization using digital platforms such as Alibaba, eBay, Temu, Amazon, Facebook, LinkedIn, etc.

Understanding Digitalization from an SME Perspective

The definition of SMEs in the technological industry lacks consensus (European Commission, 2002; VODA, 2020), mirroring the varied perspectives on digitisation. While it involves converting information into digital form for storage in devices like mobile phones or computers, Gartner's digital transformation roadmap defines it as utilising digital technologies to alter business models and generate new revenue. The argument of Czichoshez *et al.* (2019) suggested digitalization is the encompassment of the representation of objects and processes in digital format, heralding disruptive transformations across society and the economy, especially in SMEs in countries like Romania (Türkes *et al.*, 2019).

Despite challenges such as financial constraints and limited expertise hindering the adoption of new technologies, funding is pressing to expedite their implementation and foster digital enterprise transformation (Gilmore *et al.*, 2006). Recognised as a pivotal technological trend shaping society and business, digitalization demands substantial investment yet promises to propel countries towards sustainable prosperity (Parviainen *et al.*, 2017; Reis *et al.*, 2020; VODA, 2020). Moreover, the concept of digital transformation strategy is pivotal for orchestrating the coordination, prioritisation, and execution of digital initiatives within firms (Matt *et al.*, 2015). Studies stress that SMEs must embark on digital transformation to enhance global competitiveness and embrace information technology. Measures of digitalization activities range from evaluating the digital economy to societal, industrial, enterprise, and client metrics (Kotarba, 2017). Digital maturity models assess an organization's ability to respond effectively to its environment through management practices (Thordsen *et al.*, 2020). However, criticisms point to the lack of a robust theoretical basis and empirical evidence, undermining the validity and rigour of these models (de Bruin *et al.*, 2015).

Digitalization from the Nigerian SMEs Perspective

Small and medium enterprises (SMEs) are universally acknowledged as pivotal drivers of economic growth, and Nigeria is no exception. The surge of digitalization signals not merely a passing trend but heralds the dawn of a new era across various facets of life and business, particularly in developing nations like Nigeria. The digital transformation of Nigerian SMEs presents a spectrum of opportunities, including heightened revenue generation, expanded customer bases, streamlined operations, and enhanced customer interactions.

Governmental oversight and infrastructure deficits have stifled progress, impeding the sector's potential growth trajectory. Recent government restrictions on social media

platforms, exemplified by the Twitter ban, have adversely affected youth entrepreneurship, with estimated daily economic losses of six million US Dollars (Varrela, 2021).

This underscores the economic significance of social media platforms and their role in the Nigerian business environment; however, the digitalization process is bound to navigate complex policy, legal and socio-political environments. Therefore, coordinated digital technology policies and legal frameworks are crucial for leveraging digital technological innovation for economic transformation. (Anekwe et al. (2019) stress that sustainable business performance relies on an enterprise's ability to meet critical performance indicators consistently.

Digitalization, while offering cost-saving benefits and product enhancement opportunities, poses significant challenges for SMEs due to resource constraints, limited technological expertise, and managerial capabilities. Moreover, the dearth of research on digitalization in developing nations exacerbates the predicament, worsening the misalignment between business and IT strategies, particularly evident in Nigeria. Effective resource allocation becomes paramount given the varied success rates of digitalization investments in developed economies. The imperative for sustainability underscores the critical importance of astute capital management strategies for SMEs amidst the digital transformation landscape.

Conceptual Adaptation of Digital Technology on SMEs

As King-man (2018) puts it, the conceptual definition of the digital economy has not yet been developed since it is still evolving in the international community. Various attempts have been used to conceptualise the digitalization of SMEs, whilst Pelletier and Cloutier (2019) focused on the use of group concept mapping to define clusters about issues and challenges of adoption and use of turnkey IT applications in SMEs; Chavez et al. (2021) built on the development of four managerial capabilities of a production process in the conceptualisation of digitalization of SMEs. However, Thordsen et al. (2020) critically evaluates 17 existing digital maturity models identified through a systematic literature search (2011–2019) concerning their measurement validity. As a result, the evaluation was based on applying qualitative content analysis to establish academic criteria, such as generalizability or theory-based interpretation. Unfortunately, most models identified did not correlate to the established evaluation criteria. However, the Nigerian context of the acceptance model can be linked to the behavioural concept of technology acceptance, which has contributed to the significant increase and development of small and medium-sized enterprises in the Nigerian society (Khairuddin & Olowosuyi, 2020)

Globalization and the Nigerian SMEs in the Digital Age

The escalation of poverty rates in Nigeria has become a pressing concern, compounded by income inequality and deteriorating living standards across major cities. Scholars like Ukpere and Slabbert (2009) attribute this rise in poverty partly to globalization's adverse effects. The recent global economic downturn and the wild spread of COVID-19 in Nigeria have negatively increased and exacerbated the level of poverty, inequality, environmental degradation, widespread unemployment, and income disparities in the country (Oshewolo, 2010; Ogar, Okuta, Okon & Odama, 2021; Ajayi and Musyimi, 2022). These challenges manifest in various forms, including high unemployment rates, deindustrialisation, a flawed educational system, rampant political corruption, and inadequate wage levels, highlighting the multifaceted nature of poverty Table 1.

<p align="center">Table 1 SMES DISTRIBUTION WITHIN THE SIX GEO-POLITICAL ZONES IN NIGERIA</p>

S/ No	SMES TYPES	South South	South East	South West	North East	North central	Nor th Wes t	Tot al	Percent age
1	Tour industries operators	33	31	32	25	32	31	184	3.1
2	Mechanics	36	32	30	34	27	32	191	3.9
3	Vulcanizers	36	27	11	23	20	27	144	2.4
4	Bricklayers/molding	59	64	38	23	36	64	294	4.9
5	Power chain saw operators	8	34	8	28	35	34	147	2.5
6	Glass fabricators	15	34	25	8	36	34	152	2.5
7	Carpenters	28	36	25	28	25	36	178	2.9
8	Painters	8	25	31	28	17	25	134	2.2
9	Traders	64	52	61	92	82	52	403	6.7
10	Raw food vendors/food stuff	62	56	44	96	74	56	388	6.4
11	Provision dealers	71	84	15	43	38	84	335	5.5
12	Fruits and vegetables seller	69	83	28	59	40	83	362	6.0
13	Meat/fish/etc sellers	56	49	8	56	51	49	269	4.4
14	Restaurants/cateren	63	56	60	60	44	56	339	5.8
15	Cow/goat/chicken	40	50	86	33	58	50	317	5.2
16	Agrobusiness	50	53	64	63	31	53	314	5.2
17	Water factory	20	54	70	40	19	54	257	4.2
18	Whole sellers	53	38	75	60	53	38	317	5.2
19	Transporters	36	27	57	15	43	27	205	3.4
20	Electrical/electronic s	37	27	49	25	38	27	203	3.3
21	Cybercafe operators	15	21	48	38	28	21	171	2.8
22	Food vendors on campus	53	28	33	47	40	28	229	3.8
23	Beer/Wine shop operators	43	15	48	40	57	15	218	3.6
24	Night clubs/hotch	14	11	31	22	31	11	120	2
25	Uncategorized groups	31	13	23	14	35	13	129	2.1
	Total	1000	1000	1000	1000	1000	1000	6000	100

Source: Ogar, Okuta, Okon and Odama (2021).

It illustrates the total number and types of small and medium-sized businesses in Nigeria's six geopolitical zones. The table above further indicates that there are more small and medium-sized businesses in the Southeast, South-South, Southwest, and Northeast than in the rest of Nigeria's two geopolitical zones.

Despite the significant contribution of SMEs, which account for 48% of the national GDP, employ 84% of the workforce, and represent 96% of major businesses, Nigeria faces numerous economic and socio-political hurdles. Challenges such as political transitions, economic restructuring, and foreign direct investment policies underscore the complexity of Nigeria's economic landscape (Lucia et al., 2018).

Globalization has engendered many challenges at Nigeria's national boundaries, leading to accessibility issues due to various bottlenecks like exploitation, theft, and extortion

(Ukpere & Slabbert, 2009). In response to these challenges, Nigerians have demonstrated resilience by engaging in entrepreneurial activities and establishing small and medium-sized enterprises to bolster their financial stability. This entrepreneurial mindset has spurred increased international trade activities, albeit dominated by larger multinational organizations.

Globalization, Digitalization, and Their Strategic Implications for SMEs in the Present-day Nigeria

Scholars underscore the critical role of Small and Medium Enterprises (SMEs) in fostering economic development, both in developed and developing nations (Oloruntoba et al., 2016). In Nigeria, the government and financial institutions support the growth of SMEs (Olatunji & Umukoro 2019). Central Bank initiatives have been instrumental in this regard, although local banks need to reevaluate their risk perceptions regarding SME support, aiming to reduce loan rejection rates. Addressing these issues can mitigate unemployment and incentivise entrepreneurial endeavours among Nigerians.

The challenges of contemporary globalization have heightened the demand for SMEs in Nigeria, leading to a surge in SME operators within the business landscape. However, Nigerian SMEs face various growth impediments, including market instability, weak competitiveness, inadequate infrastructure, and limited innovation. Strategic adoption of e-commerce and digital marketing holds promise for enhancing SME efficiency and effectiveness in Nigeria. Despite SME dominance in Nigeria, over 65% struggle due to financial constraints, exacerbated by insufficient governmental support and ineffective agency management, as evidenced by SMEDAN's 2013 survey. Initial start-up capital for Nigerian SMEs typically ranges from fifty thousand to ten million Naira, underlining the need for targeted interventions to bolster SME resilience and sustainability.

The Nigerian economy faced significant challenges in 2020, including rising energy prices and cost of living, pandemic-induced shutdowns, and the Russia-Ukraine war, resulting in 6.10% and 3.62% contractions in the second and third quarters of the economic year. However, in 2021, the economy rebounded with 4.03% year-on-year growth, driven by expansion in the non-oil sector, notably in ICT, Agriculture, and Manufacturing. Despite a surge in crude oil prices, Nigeria's oil sector declined by 8.30% in 2021 due to setbacks and declining production volumes. Digitalization has been pivotal in fostering globalization, particularly since the onset of the COVID-19 pandemic. However, outside major cities, digital infrastructure remains inadequate for millions of SMEs.

Challenges persist in funding digitalization efforts, with previous initiatives showing slow progress. Public funding for digitalization may exacerbate inequality by favouring early winners and deepening existing disparities. Research highlights gender disparities in entrepreneurship, exacerbated by the COVID-19 pandemic. The World Trade Organization stresses the need for re-globalization policies prioritising gender equality and digitalization. Digitalization policies aim to expand choices and support competitive global markets but must navigate complex legal regulations. Coordinated digital technology policies and legal frameworks are crucial for leveraging technological innovation for globalization.

RESEARCH METHODOLOGY

This study adopted a descriptive quantitative research approach that was used to describe and explain the impact of globalization on digital technology adoption among small and medium-sized enterprises (SMEs) in Nigeria (Du, et al. 2023; Melo et al., 2023). The research collected some primary data using Google Docs survey to administer and articulate the research questionnaire (Saunders et al., 2019). One hundred twenty-four questionnaires

were randomly distributed to SME operators within the six geopolitical zones in Nigeria. This was further strengthened by using secondary data mainly collected from journals, publications, articles, internet sources, etc (Knight & Ruddock, 2008). The questionnaire structure comprised two parts: Part A focused on demographic information and evaluated the strategic implications of globalization on SMEs. At the same time, Part B assessed the outlook of the Nigerian SME sector. Statistical Package for Social Sciences (SPSS) was utilised to analyse the collected data (Saunders et al., 2019). This research sheds light on the nuanced strategic impacts of socioeconomic factors for Nigerian SMEs in a globalized digital age. Despite the absence of robust and conducive global policies on SME growth in emerging economies like Nigeria, the findings offer some meaningful insights into empowering SME operators through digitalization strategies for sustainable development (Danladi, 2021).

Data Collection and Analysis

Questionnaires were distributed to 124 business owners across Nigeria's geopolitical zones, selected from the Small and Medium Enterprises Development Agency of Nigeria SMEDAN website (Gillham, 2007); White (2023), in an extensive literature review involving 21,506 articles on SCOPUS, has shown that most researchers use a 100 to 124 sample size of participants as the accepted minimum standard to gain statistically significant results in quantitative studies. This formed the rationale for going ahead with the 124 responses in the study. The research team were also able to share some of the questionnaires via LinkedIn, WhatsApp, and Facebook (Keat, et al. 2023). Initial contact was made informally, followed by formal outreach via email and phone calls to seek consent (Thomas, 2023). The questionnaire, titled the SME Participants Questionnaire, comprised two sections. The first section, which had six questions, collected demographic information from participants. The second section, consisting of 18 questions, delved into the strategic impact of globalization on small and medium-sized enterprises (SMEs) in Nigeria's digital era, using a Likert scale (Blaxter, et al. 2010). Informed by existing literature and research within Nigeria's SME sector, the questionnaire addressed the research question and objectives (Gillham, 2007). Data analysis was performed using the Statistical Package for Social Sciences (SPSS), employing descriptive statistics such as frequency distribution and mean.

Data Analysis and Discussion

Data from Tables 2 & 3 show that 74.2% of the 124 questionnaire respondents, aged between 30 and 50, were business owners. This highlights a significant presence of enterprising Nigerian youths within this age group, with some individuals continuing their entrepreneurial pursuits beyond 50. Okolo-Obasi and Uduji (2021) stress the importance of fostering youth entrepreneurship in Nigeria, supported by findings from Fadeyi et al. (2015) indicating that government policies and programs have had limited impact on youth entrepreneurial development. The study underscores the necessity for enhanced governmental support through initiatives such as grants, loans, and informed policy decisions to address the lack of comprehensive data and analysis concerning youth entrepreneurship in Nigeria.

Table 2
DEMOGRAPHIC FREQUENCIES

Statistics							
		Age	Education	Income	Gender	Management Level	Business Location
N	Valid	124	124	124	124	124	124

	Missing	0	0	0	0	0	0
Mean		2.15	1.91	3.32			
Std. Error of Mean		0.44	0.63	0.42			
Median		2	2	1			
Mode		2	1	1			
Std. Deviation		489	928	469			
Variance		239	662	220			
Skewness		341	798	768			
Std. Error of Skewness		217	217	217			
Kurtosis		728	-209	-1433			
Std. Error of Kurtosis		431	431	431			
Range		2	3	1			
Minimum		1	1	1			
Percentiles	10	2.00		1.00	1.00		
	20	2.00		1.00	1.00		
	25	2.00		1.00	1.00		
	30	2.00		1.00	1.00		
	40	2.00		2.00	1.00		
	50	2.00		2.00	1.00		
	60	2.00		2.00	1.00		
	70	2.00		2.00	2.00		
	75	2.00		2.00	2.00		
	80	3.00		3.00	2.00		
	90	3.00		3.00	2.00		

Source: SPSS Data Analysis

Table 3 AGE DISTRIBUTION ANALYSIS					
		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	Below 30 years	7	5.6	5.6	5.6
	Between 30-50	92	74.2	74.2	79.8
	Above 50	25	20.2	20.2	100
	Total	124	100.0	100.0	

Sources: SPSS Data Analysis.

The demographic frequency in Table 4 illustrates and reveals a means distribution of 2.15% for age, 1.91% for education and 1.32% for Gender. The SPSS analysis in further reveals that 20.2% of respondents to the questionnaire are between the ages of 50 and above, while 5.6% are below 30 years old, indicating a diverse age distribution among Nigerian entrepreneurs (Ovat, 2013; Musa et al., 2022). Moreover, 93.5% of business owners possess varying levels of education, with 42.7% holding at least a bachelor's degree and 50.8% having one or more postgraduate qualifications. Despite this, most small and medium-sized enterprise (SME) owners report annual incomes below 10 million Naira, or less than USD 25,000, reflecting economic challenges within Nigeria's business landscape.

Recent government restrictions on social media platforms, exemplified by the Twitter ban, have adversely affected youth entrepreneurship, with estimated daily economic losses of six million US Dollars (Varrela, 2021). This underscores the economic significance of social media platforms and their role in the Nigerian business environment. Anekwe et al. (2019) stress that sustainable business performance relies on an enterprise's ability to consistently meet critical performance indicators.

Gender disparities persist within the Nigerian business sector, with women constituting only 32.3% of the total sample size compared to men's 67.7%. Altuzarra *et al.* (2021) highlight the detrimental impact of gender inequality on economic development, suggesting that such disparities impede overall national growth and progress. Addressing these challenges is essential for fostering Nigeria's more inclusive and sustainable business environment Table 4.

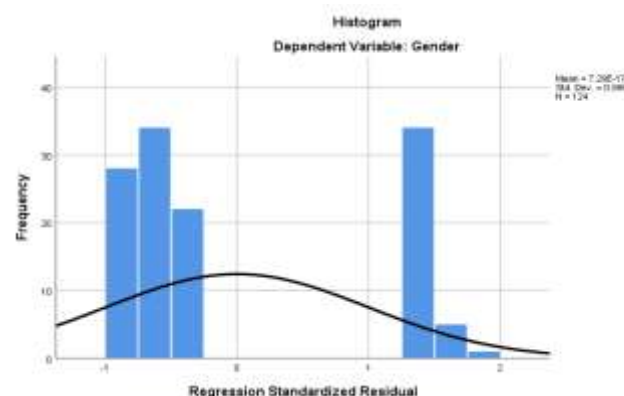
Table 4 COLLINEARITY DIAGNOSTIC					
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
1				(Constant)	Income
	1	1.9	1	.05	.05
	2	0.1	4.363	.95	.95

Dependent Variable: Gender

Source: SPSS Data Analysis

The collinearity diagnostics on gender differences in the above table show a significant linear correlation between the research's male and female participants. The table 5 interpretation indicates that your gender as a man or woman is a determinantal factor in many things within the Nigerian business environment. It further shows that your income distribution is significantly determined by gender. In the argument of Awotide et al. (2015 p. 20), it was opined that *“gender differences in income inequality and poverty status could lead to inefficient allocation of resources and may reduce economic growth. If disparities between men’s and women’s status in access to resources, control of assets and decision-making powers persist, these will undermine sustainable and equitable development”*. The implication of income inequality in our society justifies the increasing constraints of societal and economic productivity within the Nigerian Business Environment (Igwegbe & Metu, 2021; Ullah et al., 2019).

Multicollinearity is a statistical phenomenon in which two or more predictor variables in a multiple logistic regression model are highly correlated or associated Figure 1.



Source: SPSS Data Analysis.

FIGURE 1
REGRESSION STANDARDIZED RESIDUAL – GENDER DEPENDENT VARIABLE

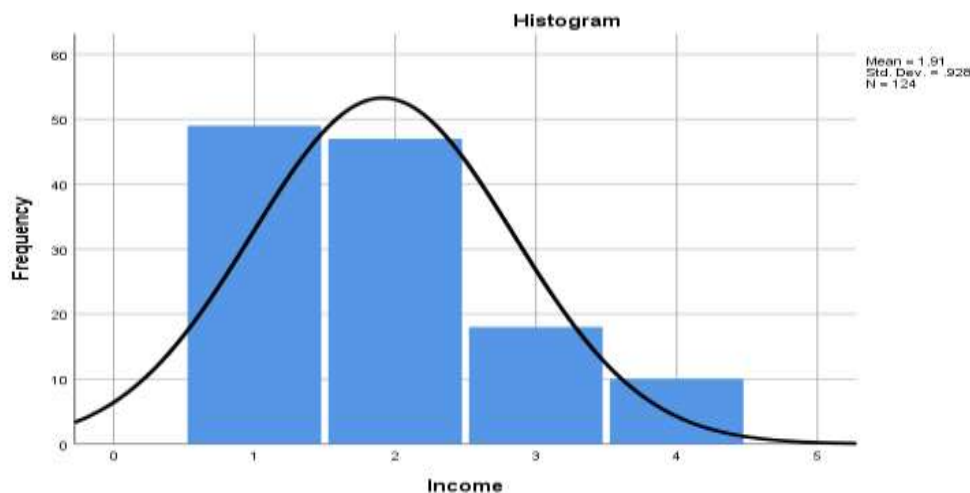
Table 5 ANOVA TEST – GENDER						
ANOVA ^a Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.03	1	1.03	4.822	.030 ^b
	Residual	26.066	122	0.214		
	Total	27.097	123			

Source: SPSS data analysis.

- a. Dependent Variable: Gender
 b. Predictors: (Constant), Income

The criteria suggest that if the coefficient value is (less than or equal) ≤ 0.3 , it is a weak correlation; if the value is (less than or equal) ≤ 0.5 , it is a moderate correlation; and where it is (equal or greater than) ≥ 0.7 it is a strong correlation.

The gender regression standardised residual in shows a normal distribution from the left fit to the histogram with a mean value of 7.29 and a standard deviation of 0.996. This further informs the gender ANOVA test , which shows a significant coefficient value of ($F=4.822$; $p<0.030$), which illustrates that there is a significant correlation between gender and income generation of SMEs in Nigeria. However, this opines that regardless of the dominance of men in the Nigerian SME sector, this factor doesn't necessarily determine the factor of income generation of an SME operator. However, these further questions the assumption of why men are more trained and educated towards leadership roles than women due to some unjustifiable reasons such as updated tradition or cultural ideology, religion, fear of the unknown, Nigerian factor, female labour market discrimination, and to mention a few (Okoroafor & Chukwuma, 2019; Sanchildrian & Ouchterlony, 2023). On a clear note, this shows that the inequality within the business environment will continue to impede women's participation in economic transformation in Nigeria. In a study carried out in Egypt, ElKhouly, et al. (2021) they opined that *"gender matters in entrepreneurship activities as women entrepreneurs exposed to extra and clearly defined hardness and difficulties compared to their male entrepreneurs' equivalents. Women work more hours, are paid less, and usually have less education than their male counterparts have because they have less access to training, credit, and markets"* Figure 2.



Source: SPSS Data Analysis.

FIGURE 2 THE POSITIVE SKEWNESS & KURTOSIS DISTRIBUTION – INCOME DISTRIBUTION

Orcan (2020) opines that “if z-scores of Skewness and Kurtosis are smaller than 1.96 (for 5% of type I error rate), *the data was considered as normal*”—the income distribution in Figure 2 above shows that this is a right-skewed or right-tailed distribution. However, the chart shows the curve leaning to the left (Dhakal, 2018; Ajibola, 2020). The income distribution in Figure 2 exhibits that the medium showcases a positive figure of 2.00 with a mean of 1.91 and a mode Tables 6 & 7.

Table 6 ANOVA TEST – DIGITAL ELECTRONIC PLATFORM (SOURCE: SPSS DATA ANALYSIS)					
		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	Very strongly disagree	2	1.6	1.6	1.6
	Strongly disagree	1	0.8	0.8	2.4
	Disagree	2	1.6	1.6	4
	Neutral	20	16.1	16.1	20.2
	Agree	14	11.3	11.3	31.5
	Strongly agree	9	7.3	7.3	38.7
	Very strongly agree	10	8.1	8.1	46.8
	Agree	31	25	25	71.8
	Disagree	1	0.8	0.8	72.6
	Strongly Disagree	24	19.4	19.4	91.9
	Very strongly Disagree	10	8.1	8.1	100
	Total	124	100	100	

Table 7 ANOVA TEST – SOCIAL MEDIA TOOLS					
Social Media Tools					
		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	Very strongly disagree	3	2.4	2.4	2.4
	Disagree	3	2.4	2.4	4.8
	Neutral	17	13.7	13.7	18.5
	Agree	9	7.3	7.3	25.8
	Strongly agree	11	8.9	8.9	34.7
	Very strongly agree	8	6.5	6.5	41.1
	Agree	19	15.3	15.3	56.5
	Disagree	8	6.5	6.5	62.9
	Neutral	15	12.1	12.1	75
	Strongly Disagree	23	18.5	18.5	93.5
	Very strongly Disagree	2	1.6	1.6	95.2
	Very Strongly Agree	6	4.8	4.8	100
	Total	124	100	100	

The ANOVA Test results indicate that more than 25% and 30% of respondents perceive a significant positive influence from social media tools such as Facebook, LinkedIn, YouTube, and Instagram on SME growth in Nigeria. Adoyi et al. (2022) suggest that social media enables SMEs to enhance brand awareness, customer relationships, and sales. Solomon et al. (2023) supports the views that justify the increasing adoption of social media and digital platforms in developing countries like Nigeria, which improves connectivity between SMEs and their customer base (Shettima & Sharma, 2018). *H1: Socioeconomical factors have significant impact on SMEs in the globalized digital era in Nigeria.* The interpretation from tables provides a clear justification and positive correlation between digitalization and effective performance growth of SMEs in Nigeria.

THE CONCLUSION: RE-PURPOSING POLICIES TOWARDS RE-GLOBALIZATION AND DIGITALIZATION

Digitalization has significantly enhanced the competitiveness of Nigerian SMEs, presenting more spectrum of opportunities in e-commerce, heightened revenue generation, expanded customer base, and streamlined operations—which helps save costs and gives more room for product/service enhancement. It has also enhanced customer interaction and increased innovativeness among Nigerian SMEs, with over 25% of SME operators recognising the positive impact of business digitalization, and over 30% attesting to the value of tools like social media platforms in boosting the performance of SMEs.

However, resource constraints, limited technological expertise, and weaknesses in managerial capabilities, pose significant challenges to the ability of Nigerian SMEs to maximise the transformational opportunities of digitalization. There is also a dearth of research on digitalization in developing economies, which leads to misalignments between business strategies and information technology strategies as is the case in Nigeria. This underscores the need for astute capital management, better resource allocation, and more effective priority planning by SME operators in the amidst of the digital transformation landscape.

Nigerian SMEs face various socioeconomic impediments, including ineffective governance, macroeconomic instability, policy and legal inconsistencies, infrastructural deficits, insecurity and ethnic tensions, and corruption. The Nigerian economy faced significant challenges recently, including pandemic-induced shutdowns in 2020 and rising cost of living, resulting in contractions of 6.10% and 3.62% in the second and third quarters of the economic year. In 2021, the economy rebounded with 4.03% year-on-year growth, driven by expansion in the non-oil sector, notably in ICT, Agriculture, and Manufacturing. However, despite a surge in crude oil prices, Nigeria's oil sector declined by 8.30% in 2021 due to setbacks and declining production volumes.

A stable macroeconomic environment and consistency in policy and legal frameworks are essential to the growth and development of SMEs which represent the economic engine room of the country. Digitalization policies should aim to expand the choices that support global competitiveness, however, outside major cities, digital infrastructure remains inadequate for millions of SMEs. Public funding for digitalization may exacerbate inequality by favouring early winners and deepening existing disparities. Therefore, coordinated digital technology policies and legal frameworks that take these factors into consideration are crucial for effectively leveraging digital technology for economic transformation. Inconsistencies in policy and legal regulations require ethical approaches and a comprehensive framework that do not stifle technological innovation, but prioritises local businesses, ensures inclusiveness, and better balances the effects of globalization.

Another major social factor SMEs face is the seeming gender disparity that exists in the business environment. The study's findings show that there is a significant correlation between gender and income generation of SMEs in Nigeria, however, gender disparities persist within the Nigerian business sector, with the study reflecting women constituting only 32.3% compared to men's 67.7%. This aligns with other research findings in the literature on the various forms of gender disparities that exist in entrepreneurial and business development terrain, further justifying why the World Trade Organization has stressed the need for re-globalization policies that prioritise gender equality and digitalization.

To promote gender equality and support SMEs, sustainable training for government officials and women entrepreneurs is essential. Establishing a Nigerian research hub focused on re-globalization and digitalization can facilitate information sharing, research partnerships, and comparative studies across geopolitical zones and African Continental Free Trade Agreement Member Countries. This justifies the call for enhancement of gender equality under globalization trends and necessitates sustainable training and awareness programs for government officials and women entrepreneurs in core competences like digital technology.

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