

EFFECT OF CHANGE MANAGEMENT ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN ENUGU STATE, NIGERIA.

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Abstract: *The study evaluated the effect of change management on the performance of SMEs in Enugu State. The specific objectives are to: Examine the effect of leadership alignment on the output and evaluate the effect of communication on the profitability on growth of SMEs. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 911 staff was used. The sample size of 270 for the study was determined using Cochran (1963) formula. Two hundred and forty-eight (248) returned the questionnaire and accurately filled. Data was presented and analyzed using Likert Scale and the hypotheses using Z - test. The findings indicated that Leadership alignment had significant positive effect on the output, $Z(95, n = 248), 6.541 < 9.081, P. < .05$. Communication skills had significant positive effect on the profitability, $Z(95, n = 248), 5.525 < 9.208, P. < .05$. The study concluded that Leadership alignment and Communication skills, had significant positive effect on output, profitability, employee development and growth of SMEs in Enugu State. The study recommended among others that for proper team debates for success, proactively supporting each other, laser focused on what is most important, and committed to learning and improving there is need for Leadership alignment.*

Keywords: *Change management, Leadership alignment, Communication, Performance, Output, Profitability.*

INTRODUCTION

1.1 Background of the study

The speed at which human lives are evolving has exceeded expectations. This rapid transformation is primarily driven by scientific and technological advancements that continuously reshape individuals' perceptions of the world. In essence, change is not merely a matter of personal choice; rather, it is an unavoidable aspect of life, requiring individuals to constantly adjust in order to keep up. Consequently, organizations must undergo change to maintain their relevance and sustainability. In the modern, highly competitive global business landscape, businesses must continuously adapt to shifting

environmental factors by implementing strategic changes to remain both competitive and profitable (Melody, 2015).

Change essentially refers to any alteration in the usual way of carrying out tasks. When individuals repeatedly perform specific activities, they become accustomed to established methods that facilitate routine execution. Any deviation from these familiar practices constitutes change. Change management is a structured approach to overseeing an organization's transition or transformation regarding its objectives, procedures, or technologies. Its primary goal is to develop strategies that facilitate the implementation of change, control its impact, and assist employees in adapting to new conditions (George and Pratt, 2021). For a change management strategy to be successful, it must assess how modifications or replacements will influence organizational processes, systems, and workforce. The approach should encompass steps for planning and testing change, effective communication, scheduling and execution, documentation, and evaluation of outcomes. Proper documentation plays a vital role in change management as it not only maintains a record for potential rollbacks but also ensures adherence to both internal policies and external regulatory requirements. Applying change management principles and tools to various business domains provides a better understanding of its functions. Within project management, change management is crucial since every change request must be assessed for its potential impact on the project (George and Pratt, 2021).

In today's unpredictable economic landscape, organizations must develop the ability to manage change effectively to ensure their survival. To remain resilient in a competitive environment, businesses need to continuously evaluate their operational processes and performance strategies to identify necessary adjustments. The speed at which change occurs has significantly accelerated, making it an unavoidable reality for businesses and organizations. Those that resist change risk losing their competitive advantage. Change is one of the most crucial factors influencing organizations, and the ability to manage it successfully has become essential. Organizations must recognize how change affects various aspects such as employee culture, organizational history, goals, aims, and objectives. Adapting to change is vital for business continuity and expansion. Given the complexity and competitiveness of the global business environment, organizations must continuously modify their strategies to align with evolving market conditions, ensuring sustained profitability and relevance. Failure to implement timely and appropriate changes can jeopardize an organization's survival. Managers and businesses operate in dynamic and complex environments, and disregarding change can pose significant risks (Melody, 2015).

Organizations can effectively address resistance to change and foster a more adaptable workforce by implementing change management training, educating employees on the benefits of upcoming changes, soliciting feedback, and clearly communicating the change process and timeline before implementation. Performance refers to the execution of tasks, activities, or functions. In a business context, performance is defined as an organization's ability to accomplish objectives such as

profitability, product quality, market expansion, financial stability, and long-term sustainability by adopting appropriate strategic actions. Small and medium-sized enterprises (SMEs) are economic activities involving the production and distribution of goods and services (Kowo & Sabitu, 2018). They serve as essential drivers of economic organization and require effective communication to achieve their objectives. Business, more specifically, represents the collective efforts of individuals engaged in commerce and industry to provide goods and services that sustain or enhance living standards and improve the overall quality of life. This has necessitated the study the effect of change management on the performance of SMEs in Enugu State.

1.2 Statement of the problem

Change management is a structured discipline that facilitates the preparation, equipping, and support of individuals to successfully embrace change, ultimately driving organizational success and improved outcomes. Organizations experience continuous change through new projects and initiatives aimed at enhancing performance, boosting profitability, and strengthening competitive advantage. This could involve adopting technology to support a more mobile workforce, restructuring processes to meet regulatory requirements, or implementing a company-wide transformation focused on enhancing customer experience. Organizations can minimize resistance to change and foster adaptability by offering change management training, educating employees on the advantages of upcoming changes, gathering feedback, and clearly communicating the change timeline in advance.

Failure to adapt to emerging trends presents several challenges, including misaligned leadership, ineffective communication, insufficient training, lack of stakeholder engagement, outdated technologies, and evolving customer demands, all of which can render businesses and individuals obsolete. Without change, business leaders would still rely on outdated methods, such as manually dictating correspondence for secretarial transcription and revision, leading to inefficiencies and wasted time. Refusing to embrace change carries risks such as losing market relevance, reduced market share, lower productivity, declining profitability, limited employee development, stagnation, and ultimately, diminished competitive advantage. However, when change is implemented effectively, it minimizes waste and helps reduce costs. Properly managed change enables organizations to make informed decisions, improve efficiency, mitigate risks, and enhance overall profitability. Based on this has necessitated the study effect of change management on the performance of SMEs in Enugu State.

1.3 Objectives of the study

The main objective of the study was to evaluate the effect of change management on the performance of SMEs in Enugu State. The specific objectives are to:

- i. Examine the effect of leadership alignment on the output of the SMEs in Enugu State
- ii. Evaluate the effect of communication on the profitability of SMEs in Enugu State

1.4 Research Questions

The following research questions guided the study

- i. What is the effect of leadership alignment on the output of the SMEs in Enugu State?
- ii. What is the effect of communication skills on the profitability of SMEs in Enugu State?

Statement of Hypotheses

The following Hypotheses guided the study

- i. Leadership alignment has effect on the output of the SMEs in Enugu State
- ii. Communication skills have effect on the profitability of SMEs in Enugu State

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Change

Change refers to any deviation from the usual way of performing tasks. When individuals carry out activities in a particular manner repeatedly, they become accustomed to specific routines and develop methods that facilitate efficiency. Any modification to these established methods constitutes change. Change management is a structured approach to handling the transition or transformation of an organization's objectives, processes, or technologies. Its primary goal is to implement strategies that facilitate change, control its effects, and support individuals in adapting to it (George and Pratt, 2021). For a change management strategy to be effective, it must assess the potential impact of modifications on processes, systems, and employees within the organization. This requires a structured process that includes planning and testing the change, effectively communicating it, scheduling and executing the transition, documenting the changes, and evaluating their outcomes. Proper documentation is a crucial aspect of change management as it not only helps maintain an audit trail in case a rollback is required but also ensures adherence to internal and external regulations, including compliance requirements. To fully grasp how change management operates, it is beneficial to apply its principles and tools to specific business contexts. In project management, change management plays a vital role, as every change request must be thoroughly assessed for its potential impact on the project (George and Pratt, 2021).

2.1.2 Management

Management involves organizing and directing business operations, workflows, and employees to achieve company objectives. The primary aim of management is to foster an environment that enhances employee efficiency and productivity. A well-defined organizational structure provides guidance to employees and helps shape their focus and responsibilities. Managers play a crucial role in establishing, implementing, and assessing these structures. As a manager, responsibilities may include the following: setting goals and objectives, developing schedules, formulating strategies to improve performance, productivity, and efficiency, ensuring adherence to company policies and industry regulations, mentoring employees, overseeing budgets and performance levels, addressing customer concerns, and training staff (Coursera, 2023).

Management entails the coordination and administration of tasks to fulfill organizational goals. These administrative duties involve defining strategies and directing employees' efforts to achieve set objectives by utilizing available resources. Additionally, management can refer to the hierarchical structure within an organization that defines seniority among staff members (Jennifer, 2023).

2.1.3 Change Management

Change management is a structured approach to managing the transition or transformation of an organization's objectives, processes, or technologies. Its primary goal is to establish strategies for implementing, controlling, and assisting individuals in adapting to change. Within project management, change management plays a vital role, as every change request must be assessed to determine its impact on the overall project. Project managers or senior executives responsible for change control must evaluate how modifications in one area may influence other aspects of the project and the overall outcome (Lawton, 2023).

Change management encompasses the entire process of navigating organizational changes, from initial planning to execution and reinforcement. It involves managing shifts such as the adoption of new technologies, modifications to existing workflows, and changes in organizational structure. The approach may vary depending on the type of change being implemented. Developing a structured change management plan allows organizations to facilitate smoother transitions. While changes can be enforced, the absence of a well-defined strategy for execution, monitoring, and evaluation increases the likelihood of failure. Regardless of the change being implemented, change management provides greater control over the entire process one that often involves a significant financial investment and structured implementation plan (Whatfix, 2023).

2.1.4 Leadership Alignment

A leadership team is considered aligned when all its members collaborate effectively to achieve a shared goal. More specifically, an aligned leadership team engages in meaningful discussions, actively supports one another, remains focused on key priorities, and is dedicated to continuous learning and development. Most importantly, such a team has confidence in its ability to realign after experiencing occasional misalignment. The alignment of a leadership team is essential for an organization's overall success.

According to a recent AON Hewitt Global Best Employer Research Report, employee engagement is influenced by how senior leaders interact with one another and how effectively they work together as a team. The study highlights that engagement is driven by leaders' accountability and effectiveness rather than merely their likability. In essence, employees observe how leadership teams challenge each other, maintain accountability, and work towards a shared vision (Jack, 2023).

2.1.5 Communication skills

Communication is at the core of business operations and is one of the most essential entrepreneurial skills. An organization's ability to convey information effectively enables both employees and clients to

engage with and trust the company. In today's complex business and market environment, communication has become even more crucial than in previous years. Developing and executing a strategic communication plan can provide significant advantages, such as keeping employees engaged and motivated while ensuring that clear and consistent messages are delivered promptly, thereby enhancing organizational productivity (Charles, 2018). Communication involves the exchange of ideas, opinions, knowledge, and data to ensure the message is conveyed and understood with clarity and intent. Effective communication leaves both the sender and the receiver feeling satisfied. Enhancing employees' communication abilities can positively impact their professional growth, education, and personal lives (Coursera, 2023). Being proficient in communication requires the ability to share information with clarity, empathy, and understanding in both professional and personal settings.

This article will define effective communication, highlight its benefits, and suggest ways to enhance communication skills. Effective communication ensures that messages are accurately understood by all parties involved. It can take various forms, including verbal, non-verbal, written, visual, and listening. It may occur through face-to-face interactions, online platforms such as social media and websites, phone calls, video chats, or traditional mail. For communication to be truly effective, it must be clear, accurate, complete, concise, and considerate (Coursera, 2023). In business, communication is a key management tool that contributes to team cohesion and improved performance. Management and communication are interrelated disciplines that play a crucial role in business success. While management skills are fundamental to business operations, understanding communication principles and effectively interacting with employees are equally vital for achieving organizational goals (Bodie & Crick, 2014).

2.1.6 Performance

Performance is regarded as the key outcome expected in any business activity (Mohammed et al., 2019; Ahmed, Shah, Qureshi, Shah, & Khuwaja, 2018). It encompasses a company's overall results, evaluated based on its financial, marketing, and human resource activities over a specific period. Organizations establish goals and objectives that must be achieved within a defined timeframe. The effectiveness of an organization is determined by how successfully it attains these objectives. Consequently, organizational performance reflects a company's ability to accomplish its targets such as achieving high profit margins, superior product quality, increased market share, and improved financial outcomes within a set period while applying the right strategic approaches (Nnabugwu & Onwujekwe, 2019)).

Performance is characterized as the successful completion of a task, assessed against predefined standards of accuracy, completeness, cost, and speed. Within a contractual context, performance signifies the fulfillment of an obligation in a way that absolves the performer of all liabilities associated with the contract (McNamara, 2018). It involves executing a task by applying relevant knowledge, skills, and competencies.

In a workplace setting, job performance refers to an individual's effectiveness in fulfilling the expected responsibilities of a given role, aligning with predetermined task requirements. Meanwhile, citizenship performance involves additional contributions by employees—often described as pro-social organizational behaviors that support the overall work culture. Organizational performance, therefore, represents the culmination of various activities undertaken by a firm, reflecting how both tangible and intangible resources are deployed to achieve strategic objectives (McNamara, 2018).

2.1.7 Output

The output of an organization is directly influenced by its input. In manufacturing firms, output may be consumed or utilized for further production processes. It serves as a key indicator of both organizational performance and employee productivity. Productivity is commonly defined as the average measure of production efficiency, expressed as the ratio of output to the inputs utilized during production. This means productivity reflects the output generated per unit of input, signifying the overall efficiency of a production process. As a result, maximizing productivity remains a fundamental objective in manufacturing operations (Yadav & Marwah, 2015).

Output represents the tangible outcome of an organization's activities. In manufacturing firms, it refers to the volume of goods or services produced within a specific period. For an organization to generate output, it must first possess the necessary inputs. Output can be described as the total amount of energy, work, goods, or services generated by an individual, machine, factory, or company within a given timeframe. Additionally, it may also refer to the expected deliverables from a project or contractor, as outlined in (Business Dictionary, 2019).

2.1.8 Profitability

Profitability refers to the ability of an entity to generate profit, which occurs when the total revenue exceeds the total expenses within a given reporting period. In cases where businesses use the accrual basis of accounting, it is possible that profitability does not align with the cash flows of the organization, as certain accrual-based transactions (such as depreciation) do not involve actual cash movements. While profitability can be achieved in the short term by selling assets that provide immediate financial gain, this form of profitability is not sustainable in the long run. For long-term success, an organization must have a business model that consistently generates profits from its ongoing operations, otherwise it risks failure.

Profitability is often used as one of the metrics to determine the valuation of a business, typically calculated as a multiple of annual profits. However, a more accurate method of valuation is using a multiple of annual cash flows, as this approach better reflects the stream of net cash receipts a potential buyer can expect (MSG, 2021).

Understanding the factors that influence and improve profitability is crucial, as it provides valuable insights to both corporate managers and policymakers. This topic has been widely debated in academic literature and remains significant in the business world. Profitable companies create value, provide

employment, and actively seek to become more innovative and attractive to both existing and potential investors.

Profitability is influenced by both external and internal factors. External factors include elements such as economic growth, inflation, trade relationships, interest rates, innovation, technological advancements, and employment levels. On the other hand, internal factors consist of financial indicators that assess a company's efficiency, performance, and overall profitability (Khan, Shamim & Goyal, 2018).

2.2 Empirical Review

Okeke (2019) conducted a study on Leadership in small and medium enterprises (SMEs) has remained an under-researched area in the management literature, especially in developing countries such as Nigeria. SME owner-managers in Nigeria lacked in-depth understanding of their leadership style to objectively evaluate its implication on long-term performance and growth of their enterprise. The purpose of this qualitative multiple-case study was to explore the experiences of SME owner-managers in Nigeria to gain an in-depth understanding of their leadership style and its implication for long-term performance and growth of their enterprise. The conceptual framework for this study was anchored in two key concepts; leadership styles and leadership in SMEs, with the full range leadership model as the theoretical foundation. The research question sought to explore the role of SMEs owners and managers leadership styles in the long-term success of their enterprise. Interview data were collected from 6 SME owner-managers who employ less than 200 employees within the manufacturing, education, and trading sectors. The cross-case synthesis technique was used for data analysis which allowed for within-case analysis and cross-case comparisons. Findings from this study showed that Nigerian SME owner-managers do not follow any specific leadership style. They exhibited few characteristics of transformational and transactional leadership behaviors, leaning more to transactional leadership. This study has significance for positive social change by providing insights on how leadership styles can improve the performance and sustainability of Nigerian SMEs, thus increasing their capacity to create employment.

Ugwu (2020) conducted a study on the effect of workforce planning on the organizational performance of SMEs in Enugu State, Nigeria. The specific objectives were to evaluate the effect of succession planning on the quality of service of SMEs in Enugu State and determine the effect of leadership development on the profitability of SMEs in Enugu State. The population of the study is three thousand five hundred and eleven (3511) staff of the organizations understudy. The study used the survey approach and stratified random sampling. The primary source was the administration of questionnaire. The adequate sample size of 346 was determined using Freund and William's statistic formula. 331 staff returned the questionnaire and accurately filled. That gave 96 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.74 which was also good. Data

was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z – test statistics tool. The findings indicated that Succession planning had positive effect on the quality of service of SMEs in Enugu State $Z(95, n = 262) = 7.709 < 10.608, p > 0.05$. and Leadership development had positive effect on the profitability of SMEs in Enugu State $Z(95, n = 262) = 5.895 < 8.149, p > 0.05$. The study concluded that Succession planning and Leadership development had positive effect on the quality of service and profitability of SMEs in Enugu State. The study recommended among others that Succession planning components such as competence, skill, commitment, and the show of interest should be integrated into the mission statement of SMEs. This will create an enabling culture which can be transferred from one generation to another.

Sanya, Olateju and Popoola (2020) conducted a study on the impact of marketing practices on organizational performance of small medium enterprises (SMEs) in Lagos State, Nigeria. The purpose of the study is to contextually validate recent findings as to the efficacy of marketing practices in developing economies. Within a survey design, data were obtained from 545 business owners and senior marketing personnel using structured questionnaire and analyzed using factor analysis, ANOVA and other relevant statistical tools in the predictive analysis software (version 19). The findings implicated marketing mix factors and product strategy issues as the most important and impacting factors in the marketing practices of small businesses in Nigeria while advertising and marketing research appears neglected. The study found a strong positive relationship between the marketing practices of Nigerian SBEs and organizational performance indicants. The paper proposes a model that can be used to explain the influence of marketing practices on the performance of small business enterprises. It also makes some recommendations for marketing practitioners and suggests areas for future research.

Omiunu, Omotayo & Longe, (2021) conducted a study on the significant roles small and medium-scale enterprises (SMEs) play in growth and development is acknowledged universally. They are known to be major contributors to national development, especially the socio-economic development of countries. As a sector, they create jobs and introduce innovative ideas or products, thereby contributing to nations' gross development product. However, this important group is incapacitated by several factors militating against their growth, among which is the way intellectual capital is managed by them. The study, therefore, investigated the types of information and communication technologies (ICTs) used by the SME managers to manage intellectual capital. Survey research design was adopted. The population of the study is SME managers in Ibadan, Nigeria. Findings reveal that the SMEs understood the concept of intellectual capital, as well as the importance of managing intellectual capital to enhance the performance and productivity of their organisations, and as value drivers for optimal business performance. The SMEs managers used basic ICTs to manage intellectual capital, while the adoption and use of sophisticated ICTs was low. They possessed ICT literary skills, however, their technology and

digital skills influenced the type of ICTs used to manage intellectual capital. The year of establishment of the SMEs determined their adoption and use of ICTs. The study recommends that managers of SMEs in Nigeria should acquire skills in using sophisticated ICTs to manage their businesses as well as intellectual capital.

Egwakhe, Akoma, Egbuta & Akinlabi (2021) conducted a study on innovation effect on firm performance in selected manufacturing firms in Ogun State, Nigeria. Survey research design approach was adopted, 126 SMEs were purposively selected with 434 owners and managers as respondents. The questionnaire used was adapted with its validity and reliability determined. The analysis was based on inferential statistics with emphasis on multiple regression. The findings show that innovation in form of product, system, embedded input affected sales volume of the surveyed SMEs [(Adj. R₂ = 0.722, F (4, 433) = 281.543, p<0.05)]. Gap in the literature on innovation and sales volume was addressed as this provided necessary information to improve sales volume. It was recommended that owners and managers should selectively embrace and adopt innovations that are bet-fit to enhance and strengthen their sales volume.

Onajite & Popoola (2022) conducted a study on the impact of entrepreneur personality traits on the performance of Small and Medium Enterprises (SMEs) in Ekiti State. The study adopted descriptive research of the survey design. The population consisted of 16,058 operators of SMEs in Ekiti State. The sample consisted of 324 respondents, and the selection process was based on a multistage sampling procedure. The instrument for data collection was a structured questionnaire constructed by the researcher. The questionnaire was titled “Entrepreneurial Personalities and Performance of Small and Medium Enterprises” (EPPSMEs). Section A elicited information on the bio-data of the respondents; section B had 15 items that measured the performance level of SMEs in Ekiti State, while section C had 20 items on the information on the impact of entrepreneur personality traits on the performance of SMEs in Ekiti State. Sections B and C are structured on a four-point Likert scale, with the scoring range: Strongly Agree (4), Agree (3), Disagree (2) and Strongly Disagree (1). The instrument was subjected to the Cronbach Alpha method of testing reliability to obtain a coefficient of 0.82. Data collected were analyzed using descriptive and inferential statistics. The finding of the study showed that the level of performance of SMEs in Ekiti State was moderate. Based on the findings, it was recommended that government should encourage entrepreneurs through the provision of enabling environment for businesses to thrive. It is also recommended that entrepreneurs should see training and seminar workshops as avenues to improve their skills, thus, they are encouraged to attend regularly.

METHODOLOGY

The study employed survey research design. Both primary source and secondary source were utilized. The area of the study was selected small and medium Enterprises (SMEs) in Enugu metropolis, Enugu state, Nigeria. The major ethnic group had various traditional values which of course could be found in their culture, food, dressing and religion. The target population of the study (911) consists of the

customers and employees of the selected SMEs. Based on the above population, the sample size of 270 customers and employees was determined for this study using Cochran (1963) formula. Questionnaire was used. In the method both structured and unstructured questions was prepared and given to selected respondents. The secondary data was collected from firms, journals, publication, textbooks and the internet. Data from the questionnaire was further analyzed using simple percentages, mean and standard deviation. For the 5-point likert scale questions, the scale and decision rule stated below was used in analysing the findings. Z- test was used to test the hypotheses with the aid of SPSS.

DATA PRESENTATION AND ANALYSES

A total of 270 copies of the questionnaires were distributed to the firms. A total of 248 representing 93% copies were returned and used, 22 representing 7% were unreturned.

Data Presentation

4.1 The effect of leadership alignment on the output of the SMEs in Enugu State

Table 4.1 Response on the effect of leadership alignment on the output of the SMEs in Enugu State

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	Leader make sound decisions when they are aligned, promotes productivity	530	80	198	50	31	889	3.58	1.434	Agree
		106	20	66	25	31	248			
		42.7	8.1	26.6	10.1	12.5	100.0			
2	Based on the shared understanding of the organizational goals and objectives, this helps the organizational growth	590	196	99	46	25	956	3.85	1.369	Agree
		118	49	33	23	25	248			
		47.6	19.8	13.3	9.3	10.1	100.0			
3	Communicating openly by the leaders helps problem solving	715	148	66	52	20	1001	4.04	1.348	Agree
		143	37	22	26	20	248			
		57.7	14.9	8.9	10.5	8.1	100.0			
4	Leader remaining agile aim flexible help to avoid costly mistakes for the business	515	240	54	86	24	919	3.71	1.405	Agree
		103	60	18	43	24	248			
		41.5	24.2	7.3	17.3	9.7	100.0			
5	Alignment helps to create a unified and focused organization and physical expansion	575	272	57	30	31	965	3.89	1.380	Agree
		115	68	19	15	31	248			
		46.4	27.4	7.7	6.0	12.5	100.0			
Total Grand mean and standard deviation								3.81	1.387	
								4		

Source: Field Survey, 2024

Table 4.1, 126 respondents out of 248 representing 50.8 percent agreed that Leader make sound decisions when they are aligned, promotes productivity with mean score of 3.58 and standard deviation of 1.434. 167 respondents representing 67.5 percent agreed that Based on the shared understanding of the organizational goals and objectives, this helps the organizational growth with mean score of 3.85 and standard deviation of 1.369.185 respondents representing 72.6 percent agreed that communicating openly by the leaders helps problem solving with mean score of 4.04 and standard deviation of 1.348. 163 respondents representing 65.7 percent agreed that Leader remaining agile aim flexible help to avoid costly mistakes for the business with mean score of 3.71 and standard deviation of 1.405. 183 respondents representing 73.8 percent agreed that Alignment helps to create a unified and focused organization and physical expansion with a mean score of 3.89 and standard deviation 1.380.

4.2 Effect of communication on the profitability of SMEs in Enugu State

Table 4.2 Response on the effect of communication on the profitability of SMEs in Enugu State

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	Communication mitigates conflicts promotes earning generations	700	268	54	12	17	1051	4.24	1.236	Agree
		140	67	18	6	17	248			
		56.5	27.0	7.3	2.4	6.9	100.0			
2	Better engagement is enhanced with	615	328	39	36	12	1030	4.15	1.366	Agree
		123	82	13	18	12	248			
		49.6	33.1	5.2	7.3	4.8	100.0			
3	Team building is ensured with relationship which helps generates profits	415	348	39	86	22	910	3.66	1.342	Agree
		83	87	13	43	22	248			
		33.5	35.1	5.2	17.3	8.9	100.0			
4	Secured feedback and improved productivity are enhanced with income generation	435	80	237	80	22	854	3.44	1.264	Agree
		87	20	79	40	22	248			
		35.1	8.1	31.9	16.1	8.9	100.0			
5	Communication promotes healthy workspace culture and gross margin	675	80	117	62	23	957	3.85	1.240	Agree
		135	20	39	31	23	248			
		54.4	8.1	15.7						
					12.5	9.3	100.0			
Total Grand mean and standard deviation								3.86	1.28	
								8		

Source: Field Survey, 2024

Table 4.2 207 respondents out of 248 representing 83.5 percent agreed that Communication mitigates conflicts promotes earning generations with the mean score of 4.24 and standard deviation of 1.236.

205 respondents representing 4.15 percent agreed that Better engagement is enhanced with mean score of 4.15 and standard deviation of 1.366. 170 respondents representing 68.6 percent agreed that Team building is ensured with relationship which helps generates profits with mean score of 3.66 and standard deviation of 1.342. 107 respondents representing 43.2 percent agreed that Secured feedback and improved productivity are enhanced with income generation with mean score of 3.44 and standard deviation of 1.264. 155 respondents representing 62.5 percent agreed that Communication promotes healthy workspace culture and gross margin with a mean score of 3.85 and standard deviation 1.240

4.2 Test of Hypotheses

4.3 Hypotheses One: Leadership alignment has effect on the output of the SMEs in Enugu State

One-Sample Kolmogorov-Smirnov Test

	Leader make sound decisions when they are aligned, promotes productivity	Based on the shared understanding of the organizational goals and objectives, this helps the organizational growth	Communicating openly by the leaders helps problem solving	Leader remaining agile aim flexible help to avoid costly mistakes for the business	Alignment helps to create a unified and focused organization and physical expansion
N	248	248	248	248	248
Uniform Parameters ^{a,b}	Minimum	1	1	1	1
	Maximum	5	5	5	5
Most Extreme Differences	Absolute	.427	.476	.577	.488
	Positive	.125	.101	.081	.097
	Negative	-.427	-.476	-.577	-.415
Kolmogorov-Smirnov Z	6.731	7.493	9.081	6.541	7.684
Asymp. Sig. (2-tailed)	.000	.000	.000	.000	.000

a. Test distribution is Uniform.

b. Calculated from data.

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value ranges from $6.541 < 9.081$ and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that Leadership alignment had significant positive effect on the output of the SMEs in Enugu State

Decision

Furthermore, comparing the calculated Z- value ranges from $6.541 < 9.081$ against the critical Z- value of 0.000 (2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus, the alternative hypothesis was accepted which states that Leadership alignment had significant positive effect on the output of the SMEs in Enugu State

4.4 Hypotheses Two: Communication skills have effect on the profitability of SMEs in Enugu State

One-Sample Kolmogorov-Smirnov Test

	Communicat ion mitigates conflicts promotes earning generations	Better engagem ent is enhance d with	Team building is ensured with relationship which helps generates profits	Secured feedback and improved productivity are enhanced with income generation	Communicat ion promotes healthy workspace culture and gross margin	
N	248	248	248	248	248	
Uniform Parameters a,b	Minimum	1	1	1	1	
	Maximum	5	5	5	5	
Most Extreme Differences	Absolute Positive Negative	.585 .069 -.585	.577 .048 -.577	.435 .089 -.435	.351 .089 -.351	.544 .093 -.544
Kolmogorov-Smirnov Z	9.208	9.081	6.858	5.525	8.573	
Asymp. Sig. (2-tailed)	.000	.000	.000	.000	.000	

a. Test distribution is Uniform.

b. Calculated from data.

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value ranges from $5.525 < 9.208$ and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that communication skills had significant positive effect on the profitability of SMEs in Enugu State

Decision

Furthermore, comparing the calculated Z- value ranges from $5.525 < 9.208$ against the critical Z- value of 0.000 (2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus, the alternative hypothesis was accepted which states that communication skills had significant positive effect on the profitability of SMEs in Enugu State

5.1 Summary of the Findings

- i. Leadership alignment had significant positive effect on the output of the SMEs in Enugu State $Z(95, n = 248), 6.541 < 9.081, P. <.05$
- ii. Communication skills had significant positive effect on the profitability of SMEs in Enugu State $Z(95, n = 248), 5.525 < 9.208, P. <.05$

5.2 Conclusion

The study concluded that Leadership alignment and Communication skills, had significant positive effect on output and profitability of SMEs in Enugu State. Building a change management plan helps organizations make smoother transitions during times of change. You can mandate changes, but if you do not have a plan for how to implement, monitor, and report on the success of that change, you are setting up to fail. Regardless of the type of change to make, change management gives more control over the entire process – a process that is typically supporting a costly implementation plan and investment.

5.3 Recommendations

Based on the findings, the following recommendations were proffered:

- i. For proper team debates for success, proactively supporting each other, laser focused on what is most important, and committed to learning and improving this is need for Leadership alignment. Leaders who align with their values and create leverage through leadership principles can inspire and motivate others to work towards a shared vision.
- ii. Effective communication is vital and should be enhanced in any organizations, hence Making roles, responsibilities, and relationships clear gives everyone the information they need to do their jobs and to understand their contributions to the organization.

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