Innovations

The Impact of Organizational Resources on the Sustainability of Small Businesses

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Abstract
Small and medium-sized enterprises (SMEs) play a crucial role in fostering economic growth but encounter obstacles such as limited financial access, inadequate infrastructure, and unreliable electricity supply. This study examines the determinants of SME sustainability in Nigeria, focusing on finance, location, power, and sustainability. Using data from 500 SMEs in Lagos, the researchers applied structural equation modeling (SEM). The findings indicate that access to finance, location, and power significantly influence SME sustainability in Lagos, Nigeria. This research advances the understanding of SME sustainability in developing countries like Nigeria and has practical implications for policymakers and business owners. Policymakers should implement measures to enhance financial access and improve infrastructure, including reliable power supply. Business owners can utilize these insights to make informed decisions and implement strategies for their SMEs' growth and sustainability. Overall, this study sheds light on the factors impacting SME sustainability in Nigeria, offering both theoretical and practical implications.

Keywords: *Entrepreneur, Finance, Location, Power, Sustainability*

1. Introduction

Small and medium-sized enterprises (SMEs) are vital drivers of economic growth, job creation, and poverty reduction in both developed and developing economies(Manzoor et al., 2021). In Nigeria, SMEs play a crucial role in the economy by contributing to employment generation, fostering innovation, and enhancing productivity. However, despite their significance, SMEs in Nigeria face numerous challenges that hinder their sustainable growth and limit their overall impact on the country's economic development. This study focuses on the specific context of Lagos state, the commercial hub of Nigeria, where SMEs encounter unique obstacles in their pursuit of sustainability.

One of the primary challenges faced by SMEs in Nigeria is limited access to financial resources(Adegboye & Iweriebor, 2018). Entrepreneurs often struggle to secure loans due to high-interest rates and stringent collateral requirements, impeding their ability to invest in business expansion, modernize operations, and adapt to changing market dynamics. The scarcity of financial resources has been identified as a significant hindrance to SME growth and sustainability in the Nigerian business landscape. Therefore, understanding the role of finance in driving SME sustainability is critical for formulating effective policies and strategies to support their development.

Another pressing challenge confronting SMEs in Nigeria, particularly in Lagos state, is the issue of unreliable power supply(Aladejebi, 2020). Access to uninterrupted and reliable electricity is crucial for SMEs to ensure efficient production processes, maintain product quality, and meet customer demands. However, SMEs in Lagos often face frequent power outages, high costs of alternative energy sources, and unreliable distribution networks. As a result, many SMEs resort to expensive diesel generators as a substitute power source, imposing a financial burden and limiting their long-term sustainability. Addressing the electricity access challenge is essential for enhancing the competitiveness and sustainability of SMEs in Lagos state.Moreover, the geographical location of SMEs within Nigeria has a significant influence on their sustainability (Aladejebi, 2020). The disparities in infrastructure pose challenges for SMEs in Lagos, Nigeria, hindering their ability to attract customers, access markets, and efficiently operate their businesses. Thus, investigating the role of location in SME sustainability will shed light on the spatial dynamics of SME development in Nigeria, with a specific focus on Lagos state.

To address these critical challenges and contribute to the existing literature on SME sustainability, this study adopts a Resource-Based Theory approach. The Resource-Based Theory suggests that a firm's sustainable competitive advantage is determined by its ability to leverage and deploy its unique bundle of resources effectively. By examining the interconnections among financial resources, location, and electricity access, this study aims to provide empirical evidence on the factors influencing SME sustainability in Lagos, Nigeria.

The general objective of this study is to comprehensively analyze the determinants of SME sustainability in Lagos state, Nigeria, with a specific focus on the interplay between financial resources, location, and electricity access. The specific objectives are as follows:

i. To assess the impact of access to finance on the sustainability of SMEs in Lagos state, Nigeria.
ii. To investigate the influence of location, on the sustainability of SMEs in Lagos state, Nigeria.
iii. To examine the influence of power supply on the sustainability of SMEs in Lagos state, Nigeria.

By achieving these objectives, this study will contribute to a deeper understanding of the challenges faced by SMEs in Lagos state and provide valuable insights for policymakers, regulatory bodies, and SME owners to develop effective strategies for enhancing SME sustainability and fostering their long-term growth and development.

2. Literature Review

2.1. SMES Sustainability

Small and medium-sized enterprises (SMEs) play a crucial role in driving economic growth and development in both developed and developing countries. Their contributions to employment generation, innovation, and poverty reduction have positioned them as fundamental pillars of vibrant economies (Niekerk, 2020). This literature review aims to examine the role of SMEs in developed and developing countries, with a particular focus on Nigeria and the state of Lagos.

In developed countries, SMEs have long been recognized as essential drivers of economic prosperity. In the United States, SMEs account for approximately over 80% of all businesses, employing over 47% of the workforce(Fairlie, 2020). Similarly, in Europe, SMEs contribute significantly to employment and economic output. According toNerudová and Solilová(2019), SMEs represent 99% of all businesses in the European Union and provide around two-thirds of total employment. These statistics highlight the substantial impact of SMEs on developed economies, fostering innovation, productivity, and job creation. In developing countries, SMEs play an even more critical role in driving economic growth and reducing poverty. In Nigeria, SMEs are estimated to contribute over 70% of total employment and about 50% of the country's gross domestic product(Amadin & Ph, 2021). This demonstrates the significant reliance on SMEs for job creation and economic development, particularly in regions with limited industrial activities.Within Nigeria, Lagos State stands as a prominent hub for SME activity. Lagos is Nigeria's economic capital and home to a vast array of businesses, including SMEs. The state serves as a major driver of economic growth, contributing significantly to the country's GDP. In Lagos, SMEs are a vital source of employment, entrepreneurship, and innovation. They contribute to job creation, poverty reduction, and the overall economic well-being of the state(Adanlawo et al., 2021).

Despite the critical contributions of SMEs to both national and regional economies, various challenges limit their ability to grow and remain sustainable. Inadequate access to finance is a pervasive problem for SMEs globally. In developed countries, SMEs often struggle to secure funding from traditional financial institutions due to stringent lending criteria and risk aversion(Rao et al., 2023). Similarly, in developing countries like Nigeria, limited access to finance remains a significant obstacle for SMEs. High-interest rates, collateral requirements, and a lack of credit history hinder their ability to obtain affordable loans and investment capital(Asikhia et al., 2020). Infrastructure deficiencies pose another challenge for SMEs in both developed and developing countries. Developed countries generally have well-established infrastructure networks, facilitating smooth business operations. In contrast, developing countries often face inadequate infrastructure, including unreliable power supply, limited transportation networks, and poor telecommunications. In Lagos State, SMEs face significant challenges related to electricity access. Irregular power supply, high costs of alternative energy sources, and unreliable distribution networks hinder the efficient functioning of SMEs(Roy et al., 2023). Furthermore, the regulatory environment and institutional support have implications for SME sustainability. Developed countries typically have robust legal frameworks, transparent governance systems, and supportive institutions that foster a conducive business environment for SMEs (Ufua et al., 2020). In contrast, developing countries often struggle with weak institutions, corruption, bureaucratic hurdles, and cumbersome regulatory processes. These challenges make it difficult for SMEs to thrive and inhibit their long-term sustainability. Finally, SMEs make significant contributions to both developed and developing countries, fostering economic growth, employment generation, and poverty reduction. In Nigeria, and specifically in Lagos State, SMEs play a crucial role in driving economic activity, job creation, and entrepreneurial innovation. However, various challenges related to access to finance, infrastructure deficiencies, and institutional weaknesses hinder their growth and sustainability. Addressing these challenges is vital to unlocking the full potential of SMEs and promoting sustainable economic development at both national and regional levels.

2.2. Resource-Based Theory and SME Sustainability

Resource-Based Theory (RBT) is a theoretical framework propounded by Jay Barney in 1991 that focuses on the internal resources and capabilities of firms in creating a sustainable competitive advantage(Barney et al., 2021). This theory posits that firms can sustain a competitive advantage by acquiring and developing unique and valuable resources that are difficult to imitate competitors(Barney et al., 2021). In the context of SME sustainability, the RBT framework suggests that SMEs can enhance their sustainability by acquiring and leveraging valuable and unique resources that are not easily replicable by competitors. According to RBT, firms' resources can be categorized into tangible and intangible(Barney et al., 2021). Tangible resources, such as financial resources, physical assets, and technological resources, can be seen, touched, and quantified. Intangible resources, on the other hand, are those that cannot be seen or touched, but they are valuable and critical to the firm's competitive advantage, such as brand reputation, knowledge, and relationships with suppliers and customers(Barney et al., 2021).

The application of RBT to the context of SME sustainability has gained significant attention from researchers in recent years. In the context of this study, the theory posits that SMEs can achieve sustained sustainability by leveraging their financial, location, and electricity access resources. SMEs with access to abundant financial resources may be better positioned to invest in sustainable practices and technologies that improve their environmental and social performance. Similarly, SMEs located in areas with access to reliable electricity may have a lower risk of disruption to their operations, leading to increased sustainability. Several studies have utilized resource-based theory to investigate the relationship between firm resources and sustainability in the context of SMEs.

A study by Hernita (2021) examined the relationship between human capital and environmental sustainability in SMEs. The study found a significant positive relationship between human capital and sustainability performance, suggesting that SMEs can leverage their human capital resources to improve their sustainability performance. Similarly, a study by Ye and Kulathunga (2019)investigated the relationship between financial resources and the sustainability of SMEs. The study found that SMEs with access to greater financial resources were more likely to engage in sustainable practices, indicating the importance of financial resources in SME sustainability. Additionally Ajibola (2021) stated that the provision of electricity and alternative power sources significantly affect the performance of SMEs. The study also found that adequate electricity supply can increase the effectiveness of SMEs, and alternative power sources enhance their performance and aid in achieving their market goals. Furthermore, Banwo (2017) discovered that the sustainability of SMEs is primarily influenced by their location, which may be attributed to natural resource endowments and business climate. SMEs utilized location-specific resources to overcome the limitations they face and have played significant roles in the micro-economies The RBT provides a useful framework for understanding the relationship between firm resources and sustainability in SMEs. The theory suggests that SMEs can achieve sustained sustainability by leveraging their unique and valuable resources, such as financial, location, and electricity access resources.

A. Finance Resources and SME Sustainability

Financial resources have been identified as a critical factor in SME sustainability, and numerous studies have investigated the relationship between financial resources and SME performance(Adomako & Ahsan, 2022). SMEs often face difficulties obtaining financing due to lacking collateral and credit history(Awoyemi & Makanju, 2020). Adequate financial resources are essential for SMEs to invest in equipment, technology, research and development, marketing, and other areas that enhance their productivity and competitiveness(Lewandowska et al., 2021).Several studies have shown that access to financial resources significantly influences SME sustainability.(Awoyemi & Makanju, 2020)Found that lacking financial resources hampers SME growth and development. Similarly, Ganlin (2021)established that adequate financial resources enhance SMEs' survival and growth, while inadequate financing was found to be a significant challenge to SME sustainability. Hence, SMEs with access to financial resources were found to be more innovative and productive(Ganlin et al., 2021).Moreover, studies have shown that the availability of financial resources positively affects SMEs' capacity to compete with firms(Beliaeva et al., 2020; Nwachukwu & Chladkova, 2019). Additionally, SMEs with adequate financing can leverage their resources to exploit market opportunities and respond to challenges(Akenroye et al., 2020).

Financial resources are a critical determinant of SME sustainability, and adequate access to financial resources is essential for SMEs to invest in their growth and development. However, the availability of financial resources alone may not be sufficient to ensure SME sustainability, and how SMEs use these resources is also critical. Additionally, the source of financial resources may also influence SME sustainability. Formal sources of financing may provide SMEs with better access to resources and expertise that enhance their sustainability(Rao et al., 2023; Ye & Kulathunga, 2019). Based on this the following hypothesis is formulated.
H_1: Finance (Financial resources) have a positive and significant impact on the sustainability of SMEs in Lagos, Nigeria

B. Location and SME Sustainability

Location is a crucial factor that can significantly impact the sustainability of SMEs. It is common knowledge that location can affect the success or failure of a business, and SMEs are not immune to this fact(Banwo et al., 2017). In Nigeria, there is a significant disparity in the economic and social development of different regions, with some areas being more developed than others. This disparity can have significant implications for SMEs' sustainability in less-developed regions(Manzoor et al., 2019). Research has shown that the location of an SME can affect its access to critical resources such as finance, markets, and skilled labour(Niekerk, 2020). SMEs located in remote or rural areas may face challenges accessing finance due to a lack of financial institutions or collateral requirements. Similarly, SMEs in less developed regions may have limited market access, making it difficult to sell their products and grow their businesses(Masroor & Asim, 2019). These challenges can make it difficult for SMEs to achieve sustainability, as they struggle to access the resources needed to thrive(Mendy et al., 2021).Furthermore, the physical infrastructure in different regions can also affect the sustainability of SMEs. SMEs located in areas with poor road networks may struggle to transport their goods to market, while those in areas with inconsistent electricity supply may face challenges in meeting production deadlines. These challenges can result in increased costs, reduced productivity, and decreased profitability(Banwo et al., 2017).

However, location also can potentially present opportunities for SMEs to access new markets and resources. SMEs in areas with high tourist traffic can leverage this to develop niche products or services catering to tourists' needs. Similarly, SMEs located in areas with a large agricultural sector can specialize in producing goods that complement the region's primary industry, such as processing farm produce. These opportunities can help SMEs to achieve sustainability by tapping into new markets and resources(Garfias et al., 2023; Lee & Lee, 2020; Rahman & Kabir, 2019).Finally, location is a crucial factor that can significantly impact the sustainability of SMEs in Lagos, Nigeria.
While location can present challenges such as limited access to finance, markets, and physical infrastructure, it can also present opportunities for SMEs to tap into new markets and resources. Based on this the following hypothesis is formulated.

H_2: Location has a positive and significant effect on the sustainability of SMEs in Lagos, Nigeria.

C. Power Supply and SME Sustainability

Electricity is a critical input for SMEs, and its availability is crucial to their sustainability. Reliable access to electricity enables SMEs to operate efficiently and effectively, enhancing their productivity and profitability. On the other hand, lack of access to electricity or unreliable supply hampers SMEs' operations, leading to reduced output, increased downtime, and lower revenue(Ajibola et al., 2021).In Nigeria, access to electricity is a significant challenge, particularly for SMEs operating in rural areas. The country's power sector is characterized by frequent power outages and poor power infrastructure, which significantly affect the operations of SMEs(Ajibola et al., 2021).

A study by(Adanlawo & Vezi-Magigaba, 2021) found that Nigerian SMEs experience a lotof outages every month, leading to significant revenue and productivity losses.Electricity is also a significant cost for SMEs, and its affordability affects their sustainability. SMEs often face high electricity tariffs, contributing to operating costs and affecting their profit margins(Adanlawo & Vezi-Magigaba, 2021). In Nigeria, the cost of electricity is a significant concern for SMEs, with some businesses spending up to 40% of their operating costs on electricity(Anaba & Olubusoye, 2021).Therefore, it is essential to understand the relationship between electricity access and SME sustainability. Ensuring reliable and affordable access to electricity can enhance the productivity and profitability of SMEs, contributing to their sustainability. Based on this the following hypothesis is formulated.

H_3: Power (Electricity) has a positive and significant impact on the sustainability of SMEs in Lagos, Nigeria.

3. Methodology

In this study, the research method used is a quantitative method employing a survey questionnaire. The survey method is a widely used research tool that allows researchers to collect large amounts of data from a representative sample of the population of interest(Tobi & Kampen, 2018). A survey questionnaire is a structured tool containing questions designed to gather information on a specific research topic(Tobi & Kampen, 2018).The survey questionnaire for this study was designed to capture data on financial resources, location, electricity access, and SME sustainability. The questionnaire was pre-tested with a small sample of SMEs in Lagos to ensure that the questions were clear, relevant, and easy to understand. The final version of the questionnaire was then administered to a sample of 500 SMEs in Lagos, Nigeria.

The sampling technique used for this study is a purposive sampling method. Purposive sampling is a non-random sampling method that involves selecting participants based on specific characteristics or criteria that are relevant to the research question(Rai & Thapa, 2015). This study selected the sample based on the criteria that the participants must be SMEs operating in Lagos, Nigeria.The survey questionnaire was administered electronically and physically (paper-based), and participants were selected based on convenience sampling. Convenience sampling is a type of non-probability sampling that involves selecting participants based on their availability and willingness to participate in the study(Stratton, 2021). In this study, the participants were selected based on their availability and willingness to participate in this study.

The survey questionnaire was divided into four sections. The first section gathered information on the demographic characteristics of the participants, including age, gender, education level, and business experience. The second section was gathered using a 5piont Likert-scalefor the financial resources of the SMEs, the location of the SMEs, and the Power (electricity access) of the SMEs,The data collected through the survey questionnaire was analyzed using structural equation modelling (SEM). SEM is a statistical technique that allows researchers to test complex causal models by analyzing the relationships between multiple variables(Schumacker & Lomax, 2015). This study used SEM to test the relationships between financial resources, location, electricity access, and SME sustainability.

4. Results and Discussion

4.1. Descriptive Statistics

The study collected data from 500 SMEs located in Lagos, Nigeria, to investigate the impact of financial resources, location, and electricity access on the sustainability of SMEs using a resource-based theory approach. The results of the descriptive statistics are presented below. Regarding the size of the SMEs, 25.6% of the participants had 1-5 employees, 23.4% had 6-10 employees, and 20.4% had 11-15 employees. Additionally, 12.4% of the SMEs had 16-20 employees, 7.0% had 20-25 employees, and 11.2% had more than 25 employees. The size of the SMEs ranged from microenterprises to small businesses with over 25 employees, suggesting a diverse representation of SMEs in the study.

Also, the results show that 18.4% of the SMEs had startup capital of less than 100,000 Naira, while 29.2% had startup capital between 100,000 and 500,000 Naira. Furthermore, 24.0% of the SMEs had startup capital between 500,000 and 1,000,000 Naira, while 28.4% of the SMEs had startup capital above 1,000,000 Naira. These results suggest that a considerable number of SMEs in Lagos, Nigeria, require significant startup capital to establish their businesses. Concerning the running costs of SMEs, 22.6% of the participants had running costs less than 100,000 Naira, while 30.8% had running costs between 100,000 and 500,000 Naira. Moreover, 23.0% of the SMEs had running costs between 500,000 and 1,000,000 Naira, while 23.6% of the SMEs had running costs above 1,000,000 Naira. These findings suggest that a majority of SMEs in Lagos, Nigeria, have significant running costs to maintain their businesses.

The results show that the SMEs in the study were engaged in various sectors, including wholesale/retail trade (20.2%), education (13.4%), and hospitality and tourism (7.6%). The remaining sectors accounted for less than 7% of the participants each. These results suggest that SMEs are present in diverse sectors in Lagos, Nigeria, indicating the presence of opportunities for entrepreneurship across various sectors. Regarding the sources of finance for the SMEs, the results show that 56.4% of the participants used their funds, while 16.0% used commercial banks. Additionally, 11.0% of the SMEs received funding from friends and family, while 6.4% received government assistance. These results suggest that SMEs in Lagos, Nigeria, rely heavily on their funds as sources of finance, indicating a need for access to external funding sources.

Concerning the gender distribution of the SMEs, 52.2% of the participants were male, while 47.8% were female. These results suggest a relatively even gender distribution of SMEs in Lagos, Nigeria. Regarding the industry experience of SMEs, 31.8% of the participants had less than five years of experience, while 29.6% had 6-10 years of experience. Furthermore, 19.6% of the SMEs had 11-15 years of experience, while 13.0% had 16-20 years of experience. Lastly, 6.0% of the SMEs had above 20 years of experience. These findings suggest that a significant proportion of SMEs in Lagos, Nigeria, have less than 10 years of industry experience, highlighting the need for support and resources to ensure the sustainability of these businesses. However, it is also worth noting that a small percentage of SMEs have been operating for over 20 years, indicating that some businesses have been able to maintain their sustainability over an extended period. The descriptive statistics indicate that the SMEs in Lagos, Nigeria, are mainly small businesses in the service sector with relatively low startup capital and running costs. Most of the SMEs relied on their own funds for finance, and the majority of the owners had less than ten years of industry experience.

4.2. Structural Equation Modelling

This study aimed to investigate the impact of financial resources, location, and electricity access on the sustainability of SMEs in Lagos, Nigeria, using a resource-based theory approach. A quantitative research method was used, and data were collected through a survey questionnaire. The analysis was carried out using Structural Equation Modelling (SEM).

A. Convergent Validity

The results of the convergent validity analysis are presented in Table 1. The Cronbach's alpha, rho_A, composite reliability, and average variance extracted (AVE) were used to assess the convergent validity. All the constructs have a Cronbach's alpha greater than 0.7, which suggests that the constructs have good internal consistency(Hair et al., 2010). The rho_A and composite reliability values for all the constructs are above the recommended value of 0.7(Fornell & Larcker, 1981), indicating that the constructs have good reliability. The AVE values for all the constructs are above the recommended value of 0.5 (Hair et al., 2010), indicating that the constructs have good convergent validity.

Table 1: Reliability and Validity Items

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Finance	0.848	0.857	0.893	0.627
Location	0.884	0.886	0.915	0.684
Power	0.783	0.796	0.849	0.532
Sustainability	0.920	0.923	0.931	0.510

B. Discriminant Validity

Table 2 shows the results of the discriminant validity analysis. The diagonal values in the table represent the square root of the AVE, which represents the correlation between a construct and itself. The off-diagonal values represent the correlation between different constructs. The results show that the diagonal values are higher than the off-diagonal values, indicating that the constructs have good discriminant validity.

Table 2: Discriminate Validity (Fornell-Larcker Criterion)

	Finance	Location	Power	Sustainability
Finance	0.792			
Location	0.505	0.827		
Power	0.343	0.255	0.729	
Sustainability	0.524	0.460	0.287	0.714

C. Hypothesis Testing

Table 3 and Figure 1 show the results of the hypothesis test and path diagram of the model. The original sample (O), sample mean (M), standard deviation (STDEV), t statistics, and p values are presented in the table. The results show that all the independent variables, financial resources, location, and electricity access, significantly impact SME sustainability. The t statistics for all the variables are above the recommended value of 1.96, and the p values are less than 0.05, indicating that the relationships are statistically significant(Hair et al., 2010). Additionally, approximately 33.4% of the variance of sustainability is illustrated by the finance, location, and power; Where $R^2 = 0.334$

Table 3: Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Finance -> Sustainability	0.363	0.362	0.053	6.879	0.000
Location -> Sustainability	0.252	0.252	0.045	5.538	0.000
Power -> Sustainability	0.099	0.105	0.043	2.309	0.021

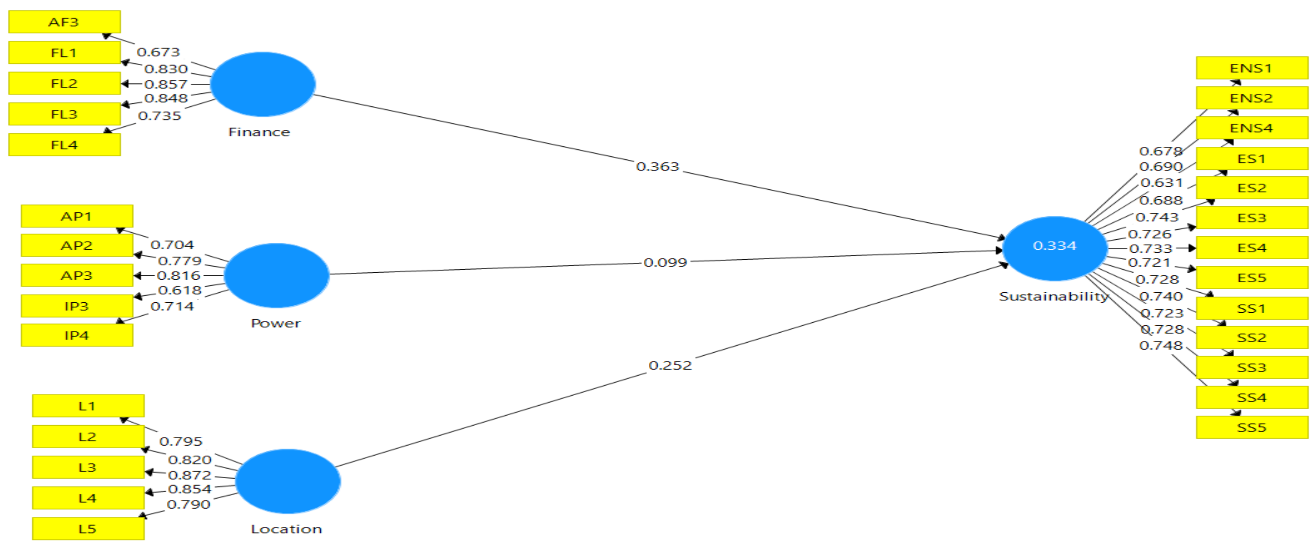

Figure 1: Path Analysis

4.3. Discussion

This study aimed to investigate the determinants of SME sustainability in Nigeria, with a specific focus on finance, location, power, and sustainability. The findings revealed that access to finance, location, and power are significant determinants of SME sustainability in Nigeria, while sustainability did not significantly impact SME sustainability. This section will discuss the implications of the results for SMEs in Nigeria and provide recommendations for policymakers and SME owners.

The results of this study showed that access to finance positively and significantly impacts SMEs sustainability and is a critical determinant of SME sustainability in Nigeria. The positive effect of finance on SME sustainability was validated by studies such as(Adegboye & Iweriebor, 2018; Hossain et al., 2020), and the current study further confirms this finding. Adequate financing enables SMEs to invest in critical resources such as labor, equipment, and technology, which can improve their productivity and competitiveness. Additionally, access to finance enables SMEs to withstand economic shocks and manage their cash flow effectively. Despite the importance of finance to SMEs, many SMEs in Nigeria struggle to access financing. According to the Adeosun (2023)few Nigerian SMEs have access to formal credit. The low level of access to finance is partly due to the high cost of borrowing, inadequate collateral, and the lack of credit history for SMEs. Policymakers should take measures to address these challenges to improve SMEs' access to finance. One possible solution is to create a credit registry that captures the credit history of SMEs, which can be used to assess creditworthiness and lower the cost of borrowing.

The findings of this study indicate that location positively and significantly impacts SMEs sustainability and is a significant determinant of SME sustainability in Nigeria. The results showed that SMEs located in favourable locations had better access to markets, customers, and critical infrastructure such as roads, transportation, and telecommunications, which can improve their efficiency and reduce their operational costs. However, SMEs located in less favourable locations may struggle to access finance and other resources necessary for their sustainability. This finding of this study aligns with studies such as(Banwo et al., 2017).To improve the sustainability of SMEs in Nigeria, policymakers should invest in critical infrastructure in less favourable locations to make them more attractive to SMEs. This includes improving road networks, transportation, and telecommunications infrastructure. Additionally, policymakers should consider providing incentives such as tax breaks and subsidies to SMEs that locate in less favourable locations to encourage their growth. Furthermore, the results of this study revealed that power positively and significantly impacts SMEs sustainability and is a significant determinant of SME sustainability in Nigeria. The study found that the lack of access to electricity is a significant barrier to SMEs' growth and sustainability. This finding of this study collaborates with studies such as(Sabo & Kazeem Lekan, 2019). SMEs rely heavily on electricity to power their operations, and the lack of reliable and affordable electricity can impede their productivity and competitiveness.

The present study provides important implications for policymakers, investors, and SME owners. The theoretical implications of this study relate to the development of the firm's resource-based view (RBV), which suggests that the availability and allocation of resources are critical determinants of firm performance. Specifically, this study confirms the importance of financial resources, location, and power as determinants of SME sustainability. These findings support the RBV's assertion that firms with access to critical resources can better compete and sustain their operations in the long run. Additionally, the present study extends the literature on SME sustainability in Nigeria by examining the effects of finance, location, and poweron SME sustainability. While previous research has focused mainly on the role of finance in SME sustainability, this study highlights the importance of location and power as critical determinants of SME sustainability. This finding is important because it underscores the need for policymakers and investors to address SMEs' challenges in accessing critical resources such as power and infrastructure.

Furthermore, the finding that finance is a critical determinant of SME sustainability suggests that policymakers should prioritize policies that enable SMEs to access affordable and sustainable sources of finance. For example, the Central Bank of Nigeria could provide targeted funding programs and loan guarantees to SMEs to enable them to access affordable credit. Additionally, policymakers could work to promote financial inclusion by developing financial literacy programs and increasing access to banking services in rural and underserved areas. Despite the significant findings of this study, some limitations should be considered when interpreting the results. First, the study used a cross-sectional design, which limits the ability to establish causality. Future research should consider using a longitudinal design to examine the causal relationships between the determinants of SME sustainability. Second, the study was conducted in Nigeria, which may limit the generalizability of the findings to other countries with different economic, social, and cultural contexts. Future research should consider replicating the study in other countries to test the robustness of the findings across different contexts. Third, the study used self-reported data, which may be subject to common method bias. To address this limitation, future research should consider using objective measures of the determinants of SME sustainability, such as financial records, energy consumption data, and geographic information system (GIS) data.

5. Conclusion

This study examined the determinants of SME sustainability in Nigeria, with a focus on finance, location, power, and sustainability. The results of the study showed that access to finance, location, and power are significant determinants of SME sustainability. Specifically, access to finance, location and powersignificantly positively affect SME sustainability. This study contributes to the literature on SME sustainability by providing empirical evidence of the importance of access to finance, location, and power. Practically, this study provides valuable insights for policymakers, entrepreneurs, and other stakeholders in the SME sector in Nigeria. The findings of this study suggest that policymakers should focus on improving SMEs' access to finance, particularly in less favorable locations. Additionally, policymakers should invest in critical infrastructure such as electricity, roads, and telecommunications to improve SMEs' productivity and competitiveness.

Entrepreneurs and other stakeholders in the SME sector can also benefit from the findings of this study by developing strategies to improve their access to finance, regardless of their location. SMEs can also consider investing in alternative sources of energy to mitigate the negative effects of power outages and disruptions.

In conclusion, this study provides valuable insights into the determinants of SME sustainability in Nigeria. The findings of this study suggest that policymakers, entrepreneurs, and other stakeholders in the SME sector should focus on improving SMEs' access to finance, investing in critical infrastructure, and developing strategies to mitigate the negative effects of power outages and disruptions. Future research should build on the findings of this study to provide a more comprehensive understanding of the factors that contribute to SME sustainability in developing countries.

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