

TEAM-COHESION AS AN ENTREPRENEURIAL CULTURE FOR INNOVATION CAPABILITIES OF SMES IN LAGOS STATE

Adesina, Idris Adetayo¹ and Adeku, Salihu Ohiani²

¹Babcock University, Ilishan Remo, Ogun State, Nigeria

²University of Lagos, University Road, Akoka, Yaba, Lagos State, Nigeria

Email: idris.adesina@outlook.com¹, sadeku@unilag.edu.ng²

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ABSTRACT

Small and medium-sized enterprises (SMEs) have become a lubricant for socio-economic development and growth of every nation. However, this sector, particularly in developing countries like Nigeria tends to face substantial issues in staying competitive and achieving sustainable growth in today's fast-evolving markets, where rapid technological advancements and market instability are prevalent. In most cases, people often see innovation challenges of SMEs from constrained resources, limited access to cutting-edge technologies, and insufficient external support. Conversely, adequate attention has not been given to relational and entrepreneurial capacity of SMEs that can engender collaborative efforts towards innovation enhancement. The study, therefore, leverages Belbin's team roles theory to examine team-cohesion as an entrepreneurial culture for innovation capabilities of SMEs in Lagos State. Cross-sectional and random sampling techniques were deployed to gather data from 403 SME owners/Operators in Lagos State from the population of 8,395 out of which 385 were validly filled and returned through the aid of snowballing approach and this is above initial 382 sample size. The primary data retrieved from the participants were further subjected to statistical analysis with the aid of frequency, Pearson Product Moment correlation coefficient, and regression. The study concludes that team-cohesion as an entrepreneurial culture of SMEs through team risk-taking propensity, collaborative team work, and open communication can significantly foster innovation capabilities of the operators. The study further acclaims that by embedding cohesion into the organizational culture of SMEs, they can drive teams to draw on diverse perspectives and address challenges collectively, which is crucial for driving innovation.

Keywords: Collaborative team work, entrepreneurial culture, innovation capabilities of SMEs, open communication, team risk-taking propensity.

INTRODUCTION

Small and medium-scaled enterprises have gained global attention because of socio-economic roles they play in developed and developing nations. Consequently, in today's rapid and competitive ecosystem, the capacity to innovate appears as a key factor in the sustainability of SMEs. Innovation capabilities of SMEs are the capacity to create, manage, and implement new ideas, processes, products/services that engender enterprise growth

and competitiveness (Ajayi & Udeh, 2024; Ng et al., 2020). These capabilities involve efficiently utilizing resources, fostering teamwork, embracing risk, and maintaining a continuous focus on improvement (Furawo & Scheepers, 2018). For SMEs, developing or maintaining innovation capabilities seems essential for remaining relevant and competitive in the 21st fast-changing environment. However, innovation capabilities are not exclusively limited to

technologies, but also embedded within the entrepreneurial culture as the internal capacity of the organization. One of the internal cultural aspects that play a critical role is team cohesion, where the collective strengths of a group can considerably enhance firm's ability to innovate (Mutonyi et al., 2020). This collaborative nature of cohesive teams tends to enable SMEs to leverage diverse capacities, ideas, and skills to fostering the development of creative business solutions that meet market demands and promote enterprise growth.

Small and medium-sized enterprises often encounter constraints in resources and external pressures (Dasanayaka et al., 2022). Therefore, this sector could leverage on the importance of team-cohesion, because it is characterized by the principles of mutual trust, shared goals, effective communication, and a strong sense of belonging (Ben Sedrine et al., 2021). For instance, when employees operate in a close-knit team, they are more likely to share knowledge, take calculated risks, and actively participate in the innovation process. In a case of larger firms, it might be impossible for them because of the vast geographical locations they cover with more rigid structures and system. In other words, SMEs are expected to enjoy the flexibility and agility of cohesive teams. In the opinion of Zighan et al (2022), adaptability allows speedy responses to market shifts by creating new products, and optimizing internal processes, thereby supporting long-term growth and competitive opportunities of SMEs. Consequently, the argument of this study is that, encouraging workforce to collectively take initiatives and risk-taking by leveraging team-cohesion as an entrepreneurial culture, SMEs could foster a shared vision of innovation as a fundamental organizational goal to enhance competitiveness.

The opportunity that larger companies have to procure machines and technologies toward innovation may not be possible in the case of SMEs, but they could build on team soft skills and their entrepreneurial capacities to be innovatively competitive. Consequently, by encouraging and promoting resilient interpersonal relationships, shared leadership, and collaboration, cohesive teams create an environment conducive to

innovation for organisations (Adegbola et al., 2024; Super, 2020). On this backdrop, as SMEs tend to navigate the challenges of inadequate resources and market intricacy, building a culture where team-cohesion propels innovation could provide them with a competitive advantage, enabling them to not just survive but thrive in an evolving business landscape both locally and globally.

Despite the importance of SMEs in driving socio-economic development globally, the sector appears to face considerable issues in achieving competitiveness and sustainable growth, particularly in today's fast-evolving markets, where speedy technological disruption and market instability are ubiquitous. One of the critical challenges SMEs encounter is their limited capacity to innovate, often owing to constrained resources, limited access to cutting-edge technologies, and insufficient external support. However, innovation is essential for SMEs to remain adaptive, meet customer demands, and maintain a competitive edge against large corporations. While much of the existing research such as: Modi and Rawani (2021), Dani and Gandhi (2022), and Brancati et al (2022) emphasize external drivers of innovation, it seems there has been lesser focus on the internal firm's factors, such as entrepreneurial culture of team-cohesion that can considerably enhance the innovation capabilities of SMEs.

Collaboration, and a shared sense of purpose has been acknowledged as a crucial factor of team-cohesion in fostering innovation (Chaudhary et al., 2022; Chaudhary et al., 2022). However, lack of building a culture of team-cohesion could inhibit ability to harness collective knowledge, creativity, and diverse skills that are essential for generating innovative solutions. Without cohesive teams, SMEs may find it difficult to cultivate the collaborative environment necessary for innovation towards achieving better results and operational sustainability. Apparently, most SMEs have not adequately utilize entrepreneurial tendency in group of workforce in their enterprises through the culture of team risk-taking propensity, collaborative team work, and open communication.

Many SMEs appears to overlook the importance of building cohesive teams with an entrepreneurial mindset to overcome internal obstacles to innovation, such as resistance to change, narrowed-minded thinking, and poor communication. This gap presents a critical challenge for SMEs, where the absence of formal structures and processes makes it difficult to cultivate an environment that supports both cohesion and innovation. On this argument, this study aims to examine: i) the effect of team risk-taking propensity on innovation capability of SMEs; ii) the effect of collaborative team work on innovation capability of SMEs; and iii) the effect of open communication on innovation capability of SMEs.

LITERATURE REVIEW

Team-cohesion as Entrepreneurial Culture

Team-cohesion describes the strength of the connections that bring group members together by allowing them to collaborate efficiently towards actualizing common objectives (Abadi, 2023; Naibaho, 2023). It is predicated on mutual trust, respect, and a sense of belonging, which encourages teamwork, open communication, and team problem-solving (Kao, 2019; Naibaho, 2023). When cohesion among team members is high, they are more inclined to support each other, foster a positive atmosphere, and stay motivated to pursue shared goals. Scholars have demonstrated that when an enterprise takes entrepreneurial advantage of team cohesion, it creates an ecosystem that ensures employees work in close collaboration, cultivating mutual trust, support, and shared accountability, which fuels innovation and effective problem-solving (Kao, 2019; Park et al., 2017). This collective approach enhances adaptability, strengthens communication, and enables the team to overcome challenges, resulting in improved performance and sustainable growth (Ji & Yan, 2020; Park et al., 2017). In this study, team-cohesion is categorized into team-risk-taking propensity, collaborative team work, and open communication after a detailed review of extant literature.

Team risk-taking Propensity

Achieving organisational results is a function of team work because tasks are apparently designed with chain of activities that require employees to depend on one another. Consequently, team risk-taking propensity depicts a group's shared willingness to undertake actions or engage in decisions that involve uncertainty or the potential for failure in the pursuit of success (Gilley et al., 2002; Iyiola et al., 2023; Rashid & Boussabiane, 2021). It demonstrates the team's collective attitude toward calculated risks, which is often shaped by factors like mutual trust, confidence in their skills, and a strong dedication to achieving common objectives (Covin et al., 2020; Wójcik-Karpacz et al., 2022). Teams with a high risk-taking propensity tend to embrace innovation, challenge status quo, and experiment with new approaches, potentially leading to breakthrough outcomes (Gilley et al., 2002; Krasadakis, 2020). Building an ecosystem capable of stimulating calculated risk-taking, SMEs could nurture a value system of exploration and experimentation via openness to new ideas and readiness to explore them. Teams that embrace risk are more likely to challenge established norms, adopt new technologies, and pursue creative solutions, leading to the development of innovative products, services, and processes (Johnsson, 2017; Khanagha et al., 2022).

Collaborative Team Work

Every system has a group of people with dissimilar potentials and complementary capacities. For this reason, a collaborative team work is a group of entities or persons who purposefully engage themselves in sharing ideas, skills, and responsibilities in pursuit of an objective that is common to their coming together (Adams et al., 2014; Castañer & Oliveira, 2020; Freeth & Caniglia, 2020). The implications of this is that members of the team enthusiastically engage in productive discussions, value the perspective each individual, and offer mutual support to handle intricacies (Edmondson, 2012; Susanta et al., 2021). Authors like Puccio et al (2020), and Sun et al (2020) argue that collaboration inspires creativity, and enriches problem-solving capacity as groups draw on their diverse strengths and expertise to develop effective solutions. In the opinion of Purg et al

(2023), and Huang (2024), a collaborative mindset emboldens idea cross-fertilization where intuitions from various viewpoints lead to innovative outcomes. This collective approach could foster productivity and cultivate a positive work environment, where everyone works in alignment toward shared goals, leading to more efficient and successful results. The implication of this is that any SME that prioritizes collaboration could be more adaptable to market shifts, as teamwork strengthens communication, knowledge sharing, and the ability to swiftly develop and implement new concepts. This could in turn, enhances their innovation potential, enabling them to remain competitive and responsive in evolving markets.

Open Communication

Information is necessary for a workable system because people need to be well informed and updated. For this reason, open communication is the unrestricted and transparent sharing of information, ideas, knowledge, and feedback within a group or organizational setting (Ljajić & Pirs, 2021; Yao et al., 2020). As argued by Adobor (2020), open communication paves ways for people to express their feelings, disquiets, and opinions at will without fear of judgment or negative consequences. A system that fosters open communication does that to ensure every individual feels accepted and appreciated, and this leads to a better trust, stronger interactions, and enhanced teamwork (Radziwon & Bogers, 2019; Wulf & Butel, 2017). In the opinion of Radziwon and Bogers (2019, this approach helps clarity, curtails misunderstandings, and aids faster problem-solving, and productive atmosphere where ideas flow openly and challenges are addressed productively. By fostering transparent and inclusive dialogue, SMEs could create an atmosphere where ideas can circulate freely, promoting creativity and collaboration among team members. This exchange of diverse viewpoints could stimulate innovative thinking and effective problem-solving. SMEs that prioritize open communication are better positioned to recognize opportunities, respond to market changes, and swiftly implement new ideas, thereby boosting their competitiveness and

adaptability in fast-paced business environments (Yuwono et al., 2024).

Innovation Capabilities of SMEs

Small and medium enterprises are businesses that operate within certain size, revenue, and workforce limits set by government or regulatory authorities (Berisha & Pula, 2015). Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2019) defines SMEs as enterprises that have minimum of total assets excluding land and building of ₦25, 000,000 but not exceeding ₦1, 000,000,000 with a workforce between 10 and 200. They are key drivers of economic growth, contributing considerably to innovation, job creation, and overall economic development (Kaira & Rześny-Cieplińska, 2019). While they often face challenges such as limited access to financing and resources, SMEs remain essential to the economic progress of many nations (Berisha & Pula, 2015).

Incessant conditional changing in today's business world makes enterprises to think of how to satisfy markets in a better way. On this premise, AlTaweel and Al-Hawary (2021) aver that innovation capability serves as the entrepreneurial strength of a firm to unswervingly create new products, offer new services, processes, or innovative ideas by harnessing resources, knowledge, and creativity, enabling it to stay competitive and adapt to evolving market demands. Innovation capabilities of SMEs, therefore, symbolize the capacity of the operators to create and execute new ideas, products, processes, or services that improve competitiveness and stimulate growth in the system (Gomes & Wojahn, 2017). This capability comprises of a blend of resources, skills, and firm's practices that empower SMEs to acknowledge opportunities, adapt to market shifts, and embolden creativity among their workforce (Quansah et al., 2022; Zighan et al., 2022). It includes not only the generation of innovative concepts but also their effective implementation and commercialization.

The Study Conceptual Model

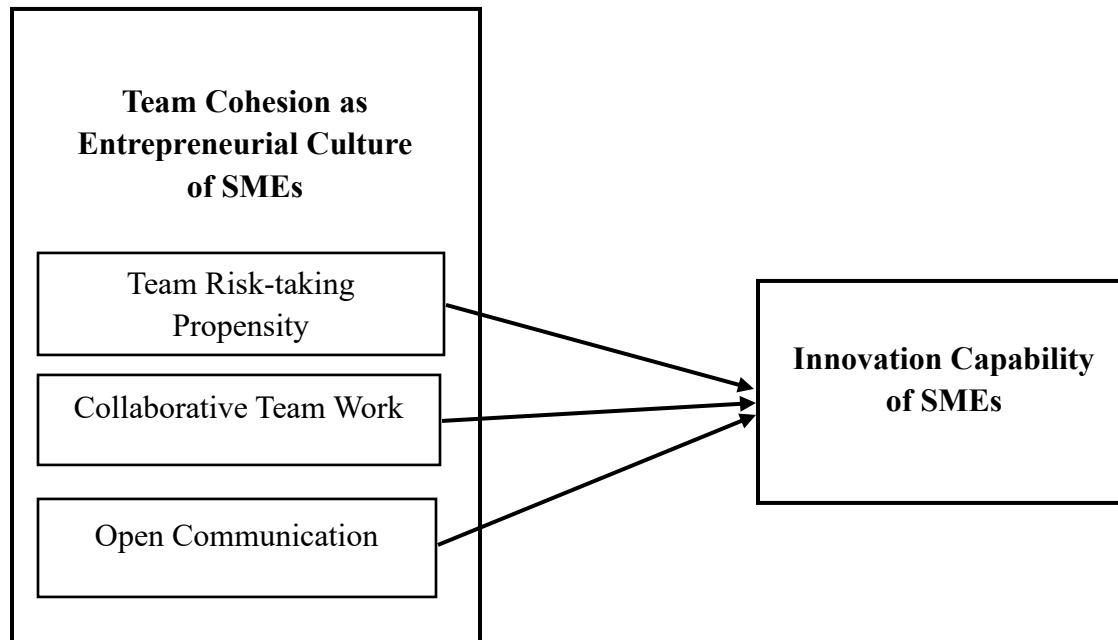


Fig. 1: The study conceptual model showing the interactions between team cohesion entrepreneurial elements and innovation capabilities of SMEs

Source: Researchers (2024) as advanced in literature

Theoretical Review

Belbin's Team Roles Theory

Meredith Belbin advanced Belbin's team roles theory in 1981 by categorizing 9 divergent roles that people can carry out within a team, and each plays an inimitable part in the overall dynamics and effectiveness of the group (Aritzeta et al., 2007; Nair, 2020). These roles are further grouped into 3 categories: action-oriented roles, people-oriented roles, and thought-oriented roles (Belbin & Brown, 2022). The supposition of this theory is that a well-balanced team encompasses members who represent various roles, smoothing a more all-inclusive approach to problem-solving and decision-making (Haupt, 2018). The theory underscores the importance of ascertaining and determining individual strengths, align them with suitable roles, thereby promoting team cohesion and effectiveness (Nguyen et al., 2024). This cohesive atmosphere not only improves communication but also stimulates creative thinking and collaboration, which are crucial for

driving innovation (Ferreira et al., 2017; Nair, 2020). Consequently, considering Belbin's team roles theory could support SMEs in Lagos State to form cohesive teams that are better positioned to leverage their collective strengths towards enhancing innovation capabilities and achieving enterprise success.

Empirical Review

Iyiola et al., (2023) examined the mediating role of team risk-taking propensity in the connection between learning orientation and innovation capability of SMEs in Turkey whereby four hundred and twenty one (421) start-up managers with lesser than 6 years' experience in operations were surveyed using quantitative approach. The study anchored on the challenges of start-up ventures in Istanbul, Kocaeli and Bursa in Turkey to build teams that are risk-inclined to learning and innovation capability. Hayes Process Macros was deployed to test the mediating effect of risk-taking propensity in the association between learning orientation and innovation capability of

SMEs. The findings of the study demonstrated that team risk-taking propensity has a mediating role in enhancing innovation capability and operational performance among SMEs in Turkey through learning orientation.

Susanta et al (2021) examined the effect of SMEs team collaboration on innovation capabilities in Bantul Yogyakarta during the period of Covid-19 by sampling the opinion of one hundred (100) SMEs processed food using quantitative method. The study identified the importance of team collaboration in driving innovation capabilities of SMEs which is not sufficiently harnessed. Descriptive and inferential statistical analyses were used in the study with the aid of Warp-Partial Least Square. The outcome of the study indicated that SMEs collaborative team during the COVID-19 pandemic showed to enhance their capacities for innovation, leading to the development of new products and marketing strategies.

In addition, Yao et al (2020) examined the effect knowledge sharing from the perspective of open communication on technological innovation capabilities of SMEs in China using quantitative method. The study argued that knowledge sharing via open communication is not adequately considered in the extant literature. The study administered 457 copies of questionnaire to the SMEs in the space of software in China, and structural equation model was adopted. Structure equation modelling was adopted to test causal relationships. The finding revealed that knowledge sharing through open communication has significant relationship with innovation capabilities of SMEs in China.

Having reviewed extant studies, the gap still exists because literature has not adequately discussed team-cohesion measures (team risk-taking propensity, team collaboration, and open communication) from the perspective of entrepreneurial culture to drive innovation capabilities of SMEs, particularly in Lagos State, Nigeria. On this background, this study is considered essentially important to close the gap by examining the interactions among the variables.

METHODOLOGY

The approach applied in this study is a survey method because it provides more efficient and representative approach of gathering a large and reliable data from SMEs in Lagos State regarding the concept of this study. It is established in the Small and Medium Enterprises Development Agency of Nigeria –SMEDAN (2019) report in conjunction with the National Bureau of Statistics being the last widely published document by the agency that Lagos State has 8,395 out of 73,081 SMEs with the highest compared to other states in Nigeria. Consequently, the population of this study comprises 8,395 SMEs in Lagos State being the commercial epicenter of Nigeria. For the purpose of choosing sample size of this study, a sample size formula developed by Yamane (1967) was deployed to arrive at sizable number of approximately 382 from the population of 8,395 SMEs in Lagos.

However, to take care of the challenge of low response rate, Quilan et al (2015) attrition rate of 30% was considered and this has increased the number to approximately 546 SMEs in Lagos State. Cross-sectional and random sampling techniques were deployed to gather data from 403 SME owners/Operators in Lagos State out of which 385 were validly filled and returned through the aid of snowballing approach and this is above initial 382 sample size. The validity of this study was done using experts and scholars in the field of leadership and organisational behaviour. The reliability results revealed .724; .801; .749; and .811 (for innovation capacity of SMEs, team risk-taking propensity, collaborative team work, and open communication) respectively in line with a cronbach alpha acceptability limit by Burns and Burns (2008). The primary data retrieved from the SME owners/Operators in Lagos State were further subjected to statistical analysis with the aid of frequency, Pearson Product Moment correlation coefficient, and regression.

RESULTS AND DISCUSSIONS**Participants' Socio-Demographic Variables****Table 1 Respondents Demographic Profile**

Characteristics	Status	Frequency	Valid %	Cumulative Percent
Age (Years)	20-30	61	15.8	15.8
	31-40	204	53.0	68.8
	41-50	74	19.2	88.1
	51 & above	46	11.9	100.0
	Total	385	100.0	100.0
Highest Educational Qualification	ND/NCE	77	20.0	20.0
	B.Sc./HND	216	56.1	76.1
	Others	92	23.9	100.0
	Total	385	100.0	100.0
Years of Experience	5-10	72	18.7	18.7
	11-20	181	47.0	65.7
	21-30	65	16.9	82.6
	31 & above	67	17.4	100.0
	Total	385	100.0	
Sector	Services	271	70.4	70.4
	Production/Manufacturing	114	29.6	100.0
	Total	385	100.0	

Source: Fieldwork 2024

The demographic variables of SMEs owners/operators in Lagos State are necessary to demonstrate the representation direction and social identity of the participants as germane to this study. Table 1 illustrates that age of participants are categorized into 4 and they are all in years (20-30; 31-40; 41-50; and 51 years and above). The findings revealed that the highest age bracket was 30-40 years with 53%, followed by 41-50 with 19.2%; 20-30 with 15.8%, while the remaining 11.9% was the participants with the age of 51 years and above. This does not indicate generality demographic ages of the total SMEs owners or operators in Lagos State but of those that responded to the survey. In the case of highest

education, the study limited it to 3 categories (ND/NCE; B.Sc./HND, and others that were not captured in the study). The finding showed that the largest number of the participants with 56.1% have acquired B.Sc./HND as basic academic qualification that an entrepreneur is expected to acquire, followed by other qualifications that were not mentioned in this study with 23.9%, while the remaining 20% was recorded for the participants with ND/NCE certificates.

Table 1 further captured years of experience of the participants with 4 categories. The outcomes revealed that participants with 11-20 years of experience responded more with 47%, followed

by 5-10 years (18.7%, 31 years and above (17.4%), and 21-30 years with 16.9%. The sector of where the participants operate from were captured by dividing it into two (services and production/manufacturing). The outcomes of this

demonstrated that participants that are operating in the space of services recorded a higher percentage with 70.4%, while the remaining 29.6% represents the participants in the space of production/manufacturing.

Testing of Hypotheses

Table 2: Correlation matrix among the study variables

	Variable	N	Mean	Std. Dev.	Sig.	1	2	3	4
1	ICS	385	3.99	.619	.000	1			
2	TRP	385	4.06	.568	.000	.344**	1		
3	CTW	385	4.02	.612	.000	.229**	.240**	1	
4	OPC	385	3.78	.689	.000	.209**	.199**	.196*	1

Keys: ICS= Innovation Capabilities of SMEs; TRP= Team Risk-Taking Propensity; CTW= Collaborative Team Work; OPC= Open Communication; N= Total number of the respondent or participants; Std. Dev. = Standard Deviation

Source: Field computation of the researchers (2024)

Preliminary checks were captured in table 2 to understand the statistical strength of inferential statistics that was further applied in this study using mean, standard deviation, and Pearson Product Moment correlation coefficient. To check for mean is important in this study because it represents the central point of a dataset, offering an average value that can encapsulate the overall results. In addition, the study went further to check for standard deviation of the data to measure variability and the extent to which the data used in this study likely deviate from the mean. A minimal standard deviation (i.e. close to zero) suggests that data points are tightly clustered around the mean, while a greater standard deviation signifies that data points are more dispersed from the mean. Therefore, table 2 revealed a mean between 3.78 and 4.06 which appears suitable for a central point within a 5 likert scale as adopted in this study. The standard deviation between 0.568 and 0.689 has demonstrated good confidence and prescription.

In addition, the correlation matrix illustrates the relationships among the study's variables and is deployed to examine the correlation coefficients among them. However, the findings do not indicate prediction but how the interactions among the variable with the use of Pearson correlation statistical analysis at $p < 0.01$. In table 2, Innovation capabilities of SMEs (dependent variable) is significantly correlated to the three components of team-cohesion as an entrepreneurial culture (team risk-taking propensity = .344**, $p < 0.01$, collaborative team work = .229** $p < 0.01$, and open communication = .209**, $p < 0.01$). In addition, the association among the 3 independent variables (team risk-taking propensity, collaborative team work, and open communication) was positive and significant (between .196** $p < 0.01$, and .240** $p < 0.01$). Considering the level of association between independent and dependent variables, and among dependent variables, the study presumed that they are reasonably normal as they floated between -0.01 and .344 which does not create any concerns for multicollinearity.

Table 3: Presents regression analysis for independent and dependent variables

Model 1						
R= .334a						
R2= .119						
R2 (Adjusted) = .616						
Standard Error of Estimate = .582						
F=51.540, P <0.05						
Model 2						
R= .229a						
R2= .053						
R2 (Adjusted) = .050						
Standard Error of Estimate = .603						
F=21.235, P <0.05						
Model 3						
R= .209a						
R2= .044						
R2 (Adjusted) = .041						
Standard Error of Estimate = .606						
F=17.571, P <0.05						
Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	B	T	Sig.	Remarks
1 (Constant)	2.468	.214		11.533	.000	Significant
TRP	.375	.052	.344	7.179	.000	Significant
2 (Constant)	3.059	.204		14.963	.000	Significant
CTW	.232	.050	.229	4.608	.000	Significant
3 (Constant)	3.279	.172		19.029	.000	Significant
OPC	.188	.045	.209	4.192	.000	Significant

Source: Field computation of the researchers (2024)

DV: Innovation capabilities of SMEs (P<0.05)

IVs: Team risk-taking propensity; Collaborative team work; Open communication

The regression analysis in table 3 tests the objectives of this study whereby R coefficient shows the relationship between each independent variable and dependent variable. Consequently, the R coefficients of 0.344 for team risk-taking propensity and innovation capabilities of SMEs; 0.229 for collaborative team work and innovation capabilities of SMEs; and 0.209 for open communication and innovation capabilities of SMEs in Lagos State indicate positive relationship in all objectives.

The F-statistic value of 51.540, $P < 0.05$ for objective one; 21.235, $P < 0.05$ for objective two; and 17.571, $P < 0.05$ indicated the goodness of fit of the model to explain the variants. In addition, the Beta (β) values of .375 for objective one; .232 for objective 2; and .188 for objective three confirmed positive association between the variables. The value of $t=7.179$, $p<.05$ for objective one; $t=4.608$, $p<.05$ for objective two; and $t=4.192$, $p<.05$ for objective three showed that each predictor's variable (team risk-taking propensity; collaborative team work; and open communication) has significant effect on dependent variable (innovation capabilities of SMEs). However, individually, the results demonstrated that team risk-taking propensity has the highest contributions (0.375) to the innovation capabilities of SMEs in Lagos State, followed by collaborative team work (0.232), and open communication (0.188).

Discussion of Findings

It is established in literature that SMEs have become a lubricant for socio-economic development, therefore, entrepreneurial strategies are essentially important for their sustainability. The outcomes of this study have demonstrated that a cohesive team setting, open communication, collaborative problem-solving, and a shared commitment to goals create a foundation for innovation. It was found out in this study that team risk-taking propensity has significant and positive effect on innovation capabilities of SMEs to which Iyiola et al (2023) also alluded. Within these SMEs, a strong sense of unity facilitates the integration of diverse perspectives, encourages risk-taking, and enables agile responses to market dynamics as these are key drivers of innovation.

In the space of SMEs, building teams coherently is a cultural platform that can enhance entrepreneurial mindset of workforce who meaningfully engross in innovative processes, products, and services. This is because, individuals have different potentials that require integrated ecosystem for them to achieve synergy. Therefore, collaborative team work is a factor that can substantially and positively enhance innovation capabilities of SME, and this validates Susanta et al (2021). This study underscores that SMEs fostering a cohesive entrepreneurial culture are better equipped to optimize internal resources, respond to competitive pressures, and maintain innovation-led growth. Consequently, embedding team cohesion within the organizational structure is crucial for SMEs seeking to boost their innovative potential and ensure sustainable growth. Therefore, open communication is found significant to the innovation capabilities of SMEs, and this is established in the study of Yao et al (2020).

CONCLUSION AND RECOMMENDATIONS

Based on these findings, it is concluded in the study that team cohesion as an entrepreneurial culture of SMEs through team risk-taking propensity, collaborative team work, and open communication can significantly foster innovation capabilities.

The study was carried out to critically and empirically examine how SMEs can take advantage of teams in their organisations by bringing out entrepreneurial capacities in them towards achieving innovation competitiveness. The argument centers around the fact that SMEs do not have equal hard potentials in terms of resources and technologies, but they can leverage on their flexibilities and soft potentials like entrepreneurial culture to be innovative. Based on this premise, the outcomes of this study demonstrated that entrepreneurial culture predicated on team cohesion is essentially important for innovativeness of SMEs in Lagos State, in the country and beyond the coast. The study indicates that SMEs owners or CEOs need to build their focus on a cohesive team

atmosphere, recognizing that a unified team is essential for fostering innovation. SMEs owners or CEOs can facilitate this by implementing regular team-building activities, encouraging open communication, and promoting collaborative decision-making processes that build trust and alignment within the team. These initiatives help employees feel more connected to each other and to the organization's mission, enhancing their motivation to contribute creatively. By embedding cohesion into the organizational culture, managers can drive teams to draw on diverse perspectives and address challenges collectively, which is crucial for driving innovation.

The owners or CEOs of SMEs or their managers are expected to view team cohesion as not only a cultural asset but a strategic advantage that stimulates competitiveness and responsiveness. A well-integrated team is more agile and ready to adapt to market shifts, positioning an SME to remain resilient in a competitive environment. Managers can support this by fostering a culture that embraces entrepreneurial thinking and risk-taking, giving employees the freedom to experiment and propose innovative solutions. Training programs that focus on cross-functional collaboration, creativity, and resilience can further enhance both team cohesion and innovation capacity. Establishing an innovative culture that is embedded in team cohesion will guarantee SMEs to build a groundwork for sustainable growth, greater adaptability, and a competitive edge in locally and globally.

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