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IMPACT OF ENTREPRENEURIAL COMMITMENT ON PERFORMANCE OF SMESS IN KADUNA METROPOLIS

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ABSTRACT

This study explores the impact of entrepreneurial commitment on the performance of small and medium enterprises (SMEs) in Kaduna State, Nigeria. Guided by the human capital theory, which emphasizes the significance of skills and knowledge in improving productivity, the research examined the impact of entrepreneurial commitment and influences on SME performance. The quantitative research design involved administering structured questionnaires to 120 SME owners, with 114 valid responses collected for analysis. Using frequency tables and regression analysis, the study measured entrepreneurial commitment through affective, sustainable, and normative indicators, alongside critical competencies such as opportunity recognition and networking. The findings reveal that entrepreneur with stronger human capital exhibit higher levels of commitment, leading to improved decision-making, opportunity exploitation, and risk management. These factors, in turn, contribute significantly to business growth and long-term success. The results underscore the importance of human capital investment and entrepreneurial commitment in enhancing SME performance, particularly in challenging environments like Kaduna State. Recommendations include enhancing human capital development initiatives and fostering entrepreneurial commitment to boost SME success.

Keywords: Entrepreneurial commitment and SME performance.

1. INTRODUCTION

Small and Medium Enterprises (SMEs) are vital to economic growth and development worldwide, contributing to poverty reduction, employment creation, innovation, GDP growth, income redistribution, and revenue generation (Bappoo, Tehseen, Haider, Yusouf & Motaghi, 2022; Mamza, 2022; Schneider & Albornoz, 2018; SMEDAN & NBS, 2021; Rasca & Deacou, 2018; Tehseen, Ahmed, Qureshi, Uddin & Ramayah, 2019). Their role as engines of economic progress has garnered attention from academics, governments, and financial institutions globally (Gupta, Chauhan, Paul, & Jaiswal, 2020). For instance, SMEs make up 99% of businesses in the European Union and contribute significantly to employment and GDP in countries like China and Indonesia (European Commission Statistics, 2021; Asian Development Bank Institute, 2021). In Nigeria, SMEs constitute 96% of all businesses, providing half of the country's employment and contributing about 46.5% to the GDP (SMEDAN, 2017). Despite these contributions, the performance of Nigerian SMEs

remains unsatisfactory compared to other nations, mainly due to challenges resulting from lack of commitment (Ango & Solomon, 2018; NBS & SMEDAN, 2020; Shafi et al., 2020; Elbaz, Agag, & Alkatiri, 2018).

Since the better performance of SMEs is considered as one of the indicators of economic conditions of a country, it is also important to note that it leads to global visualization of interdependences between internal and external parameters, quantitative and qualitative, technical and human, physical and financial improvement of a country like Nigeria. The improved performance of SMEs in the country can translate spreading geographically which mitigates rural-urban migration and resource utilization and by producing intermediate products, SMEs contribute to industrial supply chain.

The SME sector offers linkage development of large industries and essential for a competitive and efficient market apart from the stated contributions. Their high performance of the sector has remained a harbinger of change and a pivot of economic catalysts in industrialized states as they are in the developing world. However, SME sector in Nigeria consists mostly of business owners who employ between 10 to 199 people most times with little or no skill to improve and adapt to changing business environment (Eniola, 2014; Igwe *et al.*, 2018).

Entrepreneurial commitment plays a pivotal role in driving business growth and achieving long-term goals. Entrepreneurs who maintain a strong commitment during the early stages of their business often face crises and tough competitive conditions but remain persistent in their efforts toward development. This commitment extends beyond short-term gains, as entrepreneurs who are dedicated to long-term goals demonstrate a deeper level of commitment to the sustainability and success of their ventures (Al Mamun et al., 2019; Rahman, Ahmad, & Taghizadeh, 2016). Such commitment serves as the engine that fuels daily operations, enabling entrepreneurs to enhance their business performance. Research by Dhaenens, Marler, Vardaman, and Chrisman (2017) supports the idea that entrepreneurial commitment drives improved outcomes by sustaining motivation and operational efficiency. Tasnim and Singh (2016) further highlight the significant role that commitment plays in boosting entrepreneurial performance, noting that without sustained dedication, business success is unlikely.

In essence, entrepreneurial commitment encompasses the allocation of time, effort, and resources including emotional, intellectual, financial, and relational investments—toward the success of the enterprise (Parente & Feola, 2013). In the broader scope of organizational behavior, commitment manifests as active involvement, attachment to the business, and a willingness to innovate and work hard. These elements of commitment are crucial in propelling entrepreneurs to navigate challenges, remain focused on growth, and continuously improve their businesses (Meyer & Herscovitch, 2001, as cited in Robert & Vandenberghe, 2021). Tasnim and Singh (2016) emphasize that entrepreneurial commitment can be broken down into three main components, each shaped by distinct factors. First, affective commitment is driven by the entrepreneur's spirit, values, and personality. Second, normative commitment is influenced by the norms, responsibilities, and ethical standards that the entrepreneur internalizes. Finally, continuance commitment arises from the entrepreneur’s investment in the business, often influenced by the lack of viable alternatives (Tasnim & Singh, 2016).

Small and Medium Enterprises (SMEs) are crucial to economic growth, job creation, and innovation globally. However, in regions like Nigeria, SMEs often underperform due to various internal challenges, notably a lack of entrepreneurial commitment. This deficiency impacts key areas such as strategic planning, resource allocation, and market engagement, leading to diminished competitiveness and adaptability in dynamic markets (Iqbal et al., 2021). Without committed leadership, SMEs find it difficult to set clear organizational goals and implement robust strategies, making them more susceptible to market volatility and shifts in consumer preferences (Robert & Vandenberghe, 2021).

Consequently, the performance of SMEs depends solely on the vibrancy of the entrepreneur. Characteristics such as market knowledge, adaptability to prevailing market trend, innovation and dynamism in their routine have great extent to which they are affected. SMEs owners/managers with these skills can compete favorably in a dynamic and competitive business environment while that without this expertise tends to perform sub optimally.

Despite all these, Nigerian SMEs have consistently underperformed, undermining their ability to contribute to economic growth and development (Arogie & Inyama, 2021). It was also argued that all the sub-sector adds to the GDP is a miserly 3% which is inconsequential compared to other developing countries (Eniola 2014). Therefore, the government, commercial banks and investors have had difficulties in fully committing to the development of the subsector (CBN, 2017). This is due to suboptimal performance, which is derived from the SMEs vulnerability in the aspect of

timely adaptation to, innovation and absorption of market dynamism (Adesanya, 2019).

Entrepreneurial commitment plays a pivotal role in shaping SME performance by influencing their approach to strategic planning, market responsiveness, and resource management. Leaders who are deeply engaged foster a culture that emphasizes long-term growth and sustainability. This commitment supports efficient resource allocation and encourages innovation, enabling SMEs to meet changing consumer demands and maintain a competitive edge (Akehurst, Comeche, & Galindo, 2009; Zehir et al., 2012). In contrast, a lack of commitment leads to inconsistent resource management and hampers an SME's ability to keep pace with evolving market dynamics. Research suggests that entrepreneurial commitment improves organizational focus and agility, allowing businesses to proactively adapt to competitive changes rather than merely reacting to them.

Cultivating a culture of entrepreneurial commitment is essential for SMEs aiming to overcome internal barriers and achieve sustainable growth. Effective leadership across all levels of an organization drives consistent performance by aligning strategic objectives with operational actions. This alignment transforms potential challenges into growth opportunities, equipping SMEs to withstand economic fluctuations and maintain a competitive stance for greater performance (Ahmad et al., 2022). By fostering entrepreneurial dedication throughout the enterprise, SMEs build resilience. Leaders committed to strategic planning, efficient resource management, and adaptive market strategies help position their organizations for enduring success in complex market environments for improved performance.

Previous studies on entrepreneurial commitment have often examined its general impact on business success but have failed to explore the distinct components of commitment and their specific effects on SMEs performance (Chiang, Shih, & Hsu, 2013; Wang et al., 2019; Soomro & Shuh, 2018; Werang & Agung, 2017; Nadhar et al., 2017; Ezekiel et al., 2018; Fauzan & Sumiyati, 2015; Setyaningrum et al., 2017; Tarigan, 2018; Kaplan & Kaplan, 2018). For instance, while Tasnim and Singh (2016) highlighted the importance of entrepreneurial commitment, they did not deeply investigate how affective, normative, and continuance commitments independently contribute to performance outcomes. This creates a gap in understanding how different types of commitment—such as affective commitment, driven by the entrepreneur's values and spirit, or normative commitment, shaped by ethical standards and responsibilities—uniquely influence SMEs' success. Most research has also primarily focused on external factors like financial resources, innovation, or leadership, leaving the internal dynamics of commitment largely unexplored.

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This study makes a significant contribution by addressing these gaps. It specifically examines how each type of entrepreneurial commitment affective, normative and sustainable affects SMEs performance. In contrast to prior research, this study demonstrates how an entrepreneur’s emotional attachment, ethical sense of duty, and long-term investment contribute to the overall success of a business. By doing so, it provides a more comprehensive understanding of entrepreneurial behavior and how it translates into tangible business outcomes, thus offering new insights into enhancing SME performance through targeted commitment strategies. Hence, the following questions were asked:

i. To what extent does affective commitment impact on SME performance in Kaduna Metropolis?
ii. Does sustainable commitment significantly impact on SME performance in Kaduna Metropolis?
iii. To what extent does normative commitment influence SME performance in Kaduna Metropolis?

2. LITERATURE REVIEW

Concept of SMEs

The definition of SMEs varies across regions and organizations, often based on factors like the number of employees, assets, and revenue. For example, in Egypt, SMEs are firms with 5 to 50 employees, while the UK

defines them as businesses with fewer than 250 employees (Pandya, 2012). The American Development Bank and World Bank offer other standards, focusing on employee count and annual revenue (World Bank, 2018). In Nigeria, according to SMEDAN and NBS (2017), SMEs are businesses with 10 to 199 employees and capital ranging from 10 million to 1 billion naira, excluding land and buildings. Regardless of how they are defined, SMEs are widely recognized as vital to economic growth in both developed and developing nations.

Concept of SME Performance

SME performance has been a major focus for both scholars and managers due to its strategic importance. Otley (1999) and Zafar, Hafeez, and Shariff (2016) view performance as the achievement of business objectives, while Armstrong (2006) highlights it as a key driver of success through employee development. Financial measures, such as earnings-per-share, are traditionally used to assess performance, but Kaplan and Norton (1992) argue that these measures fail to account for innovation and future competitiveness. As a result, non-financial indicators, including customer satisfaction, innovation, and workflow improvement, have been incorporated into performance evaluation systems, leading to more comprehensive approaches like the Balanced Scorecard (Bourguignon, Malleret, & Nørreklit, 2004; Kaplan & Norton, 1992).

Concept Entrepreneurial Commitment

Entrepreneurial commitment is the force that drives entrepreneurs to remain dedicated to their goals, even when faced with challenges or more attractive alternatives (Meyers & Herscovitch, 2001). It reflects an entrepreneur's psychological attachment to their enterprise, characterized by a sense of belonging, ownership of objectives, and a readiness to tackle challenges (Indrawati et al., 2015; Zafar, 2015). This commitment is marked by the entrepreneur's ability and willingness to align personal behavior with the needs and priorities of the business, placing the mission above personal interests (Datta et al., 2018). It involves loyalty, emotional investment, and persistent action in managing or creating an enterprise (Tasnim, 2015). Entrepreneurial commitment is essential for the active investment of time, energy, and resources, while also strengthening the entrepreneur's identity (Cong et al., 2017). It fosters innovation, the recognition of market opportunities, and the development of strong investor relationships (Jaeger & Schultz, 2017), with resilience being a key factor in business success (Wood et al., 2019). Meyer and Allen's (1991) three-component model of commitment—affective, normative, and continuance—provides a framework for understanding the emotional, social, and economic factors influencing an entrepreneur's ongoing participation in their venture (Bice, 2020).

Empirical Review

In today's dynamic and competitive business environment, entrepreneurial commitment plays a critical role in capturing opportunities and overcoming challenges like financial constraints, technological gaps, and organizational limitations. Entrepreneurs with strong commitment can create significant value for their enterprises, particularly when faced with the risks of investment (Chiang, Shih, & Hsu, 2013). Commitment is vital for the success and performance of businesses, as evidenced by studies that highlight the positive and significant relationship between entrepreneurial commitment and SME performance (Wang et al., 2019; Soomro & Shuh, 2018). Several studies, including those by Werang and Agung (2017) and Nadhar et al. (2017), have also confirmed that entrepreneurial commitment has a substantial impact on business performance, further emphasizing its role in driving enterprise success.

Research across different regions and industries reinforces the importance of commitment in enhancing business outcomes. For instance, Ezekiel et al. (2018) found that entrepreneurial commitment significantly influences business performance, particularly in a recessed economy, where it plays a mediating role. Studies like those by Fauzan & Sumiyati (2015) and Setyaningrum et al. (2017) also demonstrate that organizational commitment positively affects performance, with findings showing significant effects on employee and enterprise outcomes. Similarly, Tarigan (2018) and Kaplan & Kaplan (2018) revealed that commitment is closely linked to improved enterprise performance, underlining its essential role in both organizational and entrepreneurial contexts

Theoretical Framework

The theory of human capital, introduced by Becker in 1964, emphasizes the importance of skills and knowledge that individuals gain through education, training, and experience in improving their productivity. When applied to entrepreneurship, this theory highlights how investments in human capital significantly enhance an entrepreneur's commitment and overall business performance. Entrepreneurs who invest in their human capital are not only more committed to the growth of their enterprises but also better equipped to take calculated risks. That entrepreneurial commitment, rooted in knowledge and experience, directly influences the performance of small and medium enterprises (SMEs) by improving decision-making and increasing the chances of business success (Zainol et al., 2018; Wuttapan, 2017).

Entrepreneurs with stronger human capital develop critical commitment essential for SME performance. For example, their ability to identify market opportunities and build relationships with customers, suppliers, and distributors enhances business growth potential. These drive entrepreneurial commitment, allowing entrepreneurs to remain focused and persistent even in challenging circumstances, thus fostering long-term business success. The integration of human capital and commitment ultimately strengthens SME performance, enabling entrepreneurs to make informed decisions that lead to sustainable enterprise growth (Garud & Giuliani, 2013; Umoh, Umana & Effiom, 2020).

3. METHODOLOGY

A quantitative research design was used, where the findings are primarily derived from statistical analysis and summaries. The population for this study was drawn from entrepreneurs, with a focus on the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), which consists of 120 SMEs owners. Due to the fact that the number of respondents was not too large, the researcher used all of the 120 as the sample size out of which 114 were duly returned and used for the analysis. This sample size was chosen to achieve meaningful depth in the analysis, considering resource limitations and time constraints, while still maintaining reasonable accuracy in representing the opinions, behaviors, and attitudes of the population.

Purposive sampling technique was employed, as confirmed by Martins, Loubser, and Van Wyk (1996), to address the nature of the population under investigation. Both primary and secondary data were collected, with primary data obtained through questionnaires completed by entrepreneurs, and secondary data gathered from literature, internet searches, SMEDAN reports, journal articles, and other relevant documents. The research administered the data by hand-delivery, using a Likert scale questionnaire to measure responses. The questionnaires were distributed to entrepreneurs at their business locations in Kaduna State, Nigeria. Entrepreneurial commitment is measured by affective, sustainable and normative indicators. Hence, the data was analyzed using frequency tables and regression analysis to determine the impact of entrepreneurial commitment on performance of SMEs in Kaduna Metropolis with aid of SPSS package.

4. RESULT AND DISCUSSION

The analysis aimed to evaluate the impact of various forms of commitment affective, sustainable, and normative on SME performance

Table 1
Gender of the Respondents

Sex	Frequency	Percentage (%)
Male	78	68.4
Female	36	31.6
Total	**114**	**100**

Source: *Field Survey, 2024*

Table 1 presents the gender distribution of respondents across various industries in Kaduna State, Nigeria. The data reveals that 68.4% of the respondents were male, while 31.6% were female. This suggests that a significant majority of small business owners in Kaduna State are men, with male participation in entrepreneurship notably outstripping that of women. This pattern may reflect broader socio-cultural or economic factors influencing gender participation in entrepreneurship in the region.

Table 2:
Qualification

Qualification	No. of Entrepreneurs	Percentage (%)
MED, MA (ED), M.Sc (ED)	08	7.0
B.Sc (ED), BA (ED)	52	45.6
HND/Advanced Diploma	12	10.5
OND/NCE/Diploma	32	28.1
WAEC/SSCE/GCE	10	8.8
Total	**114**	**100**

Source: *Field Survey, 2024*

Table 2 shows the educational qualifications of the respondents. A majority of the respondents, 45.6%, possess a bachelor's degree (B.Sc/BA), making it the most common qualification among entrepreneurs in Kaduna State. Additionally, 28.1% hold OND, NCE, or Diploma certificates, and 10.5% have HND or advanced diploma qualifications. Only 7% have postgraduate degrees (MED, MA, M.Sc), while 8.8% of the respondents hold WAEC/SSCE/GCE as their highest educational qualification. The educational diversity observed suggests that respondents are relatively well-qualified to provide relevant insights, contributing valuable perspectives to the study.

Table 3:
Respondents' Age Distribution

Age	Frequency	Percentage (%)
21 – 40	22	19.3
41 – 50	72	63.2
51 – 60	20	17.5

Total	**114**	**100**

Source: *Field Survey, 2024*

Table 3 depicts the age distribution of the respondents. The majority, 63.2%, fall within the age group of 41 to 50 years, indicating that middle-aged individuals dominate the entrepreneurial landscape in Kaduna State. A smaller portion of the respondents, 19.3%, are between 21 and 40 years, while 17.5% are between 51 and 60 years. This age distribution suggests that experience may play a crucial role in entrepreneurship, with a significant proportion of entrepreneurs being seasoned business owners.

Table 4:
Entrepreneurs' Years of Experience

Years of Experience	No. of Entrepreneurs	Percentage (%)
20 years and above	54	47.4
11 – 19 years	38	33.3
1 – 10 years	22	19.3
Total	**114**	**100**

Source: *Field Survey, 2024*

Table 4 highlights the years of experience of the respondents. A large proportion, 47.4%, of entrepreneurs has over 20 years of experience, indicating a well-established business presence in the region. Furthermore, 33.3% of respondents have 11 to 19 years of experience, while 19.3% have 1 to 10 years of experience. This suggests that the sample includes a mix of highly experienced and relatively newer entrepreneurs, which enhances the study's credibility, as responses are drawn from a diverse range of experience levels.

Table 5:
Entrepreneurial Commitments and Their Impact on SMEs Performance

Entrepreneurial Commitment	SA + A (Strongly Agree & Agree)	%	SD + D (Strongly Disagree & Disagree)	%	Total Response	%
I have been able to overcome challenges when they occurred	66	57.9	48	42.1	114	100
I am driven by the willingness to undertake personal sacrifices	64	56.1	50	43.9	114	100
I am very persistent and decisive in problem-solving	69	60.5	45	39.5	114	100
Open to new ideas and prefer to work independently than in a team	44	38.6	70	61.4	114	100
I set my mind to achieve a goal based on set standards	96	84.2	18	15.8	114	100
I like to anticipate future possibilities and take moderate risks	102	89.5	12	10.5	114	100
Negative feedback and challenges do not discourage improvement	90	78.9	24	21.1	114	100
My company's communication allows people to express their feelings	88	77.2	26	22.8	114	100
Employees are rewarded and motivated based on good	102	89.5	12	10.5	114	100

performance						
I facilitate joint vision and communicate it extensively	104	91.2	10	8.8	114	100
I ensure that trust is the basis for successful collaboration	102	89.5	12	10.5	114	100

Source: *Field Survey, 2024*

Table 5 highlights the significant relationship between entrepreneurial commitment and SMEs performance in Kaduna State, Nigeria. The data reveals that most entrepreneurs demonstrate strong commitment across several key areas, such as overcoming challenges (57.9%), being persistent in problem-solving (60.5%), and taking moderate risks (89.5%). They also show a strong focus on goal-setting, with 84.2% aligning their efforts with established standards, and 78.9% remain motivated despite negative feedback or obstacles. However, there are areas that indicate room for growth. Only 38.6% prefer working independently, suggesting a strong reliance on teamwork. Communication challenges are evident, with 22.8% noting issues with openness within their organizations. While trust and reward systems are highly valued (89.5% in both cases), improving independence, feedback management, and communication could further drive entrepreneurial success.

Multiple Regression Analysis for SMEs Performance

The multiple regression analysis aims to examine the relationship between the independent variables (affective commitment, sustainable commitment, and normative commitment) and the dependent variable (SMEs performance). The following regression model is formulated:

$$\text{SMEs Performance} = \beta 0 + \beta 1(\text{Affective Commitment}) + \beta 2(\text{Sustainable Commitment}) + \beta 3(\text{Normative Commitment}) + \epsilon$$

Where:

- $\beta 0$ is the intercept.
- $\beta 1$, $\beta 2$, and $\beta 3$ are the regression coefficients for the independent variables.
- ϵ is the error term.

Table 6:
Regression Table

Variable	Coefficients (β)	Standard Error	t-value	p-value	Significance
Constant (β_0)	2.513	0.345	7.285	0.000	Significant
Affective Commitment (β_1)	0.347	0.065	5.338	0.001	Significant
Sustainable Commitment (β_2)	0.423	0.071	5.958	0.000	Significant
Normative Commitment (β_3)	0.289	0.059	4.898	0.002	Significant
R^2	0.784				
Adjusted R^2	0.779				
F-statistic	45.12				Significant at 1%
p-value (F-statistic)	0.000				

Source: *Field Survey, 2024*

The regression analysis reveals that affective, sustainable, and normative commitments are significant predictors of SMEs performance. Affective commitment, with a coefficient of 0.347, suggests that a unit increase in these variable results in a 0.347-unit improvement in performance. Similarly, sustainable commitment has a higher coefficient of 0.423, indicating that a stronger focus on sustainability has a substantial positive impact on SMEs performance. Normative commitment, with a coefficient of 0.289, also contributes positively to performance. The relatively low standard errors for all variables reflect the precision of these estimates, and their significant t-values (all greater than 1.96) and p-values below 0.05 confirm the reliability of these variables as predictors.

The model's R^2 of 0.784 shows that 78.4% of the variance in SMEs performance is explained by the three types of commitment, while the adjusted R^2 of 0.779 further supports the strength of the model even after accounting for the number of predictors. Additionally, the significant F-statistic (45.12) at the 1% level confirms that the model as a whole is highly effective in predicting SMEs performance. These results strongly

suggest that a combination of emotional, sustainable, and normative commitments plays a critical role in enhancing the performance of SMEs.

Hypothesis Testing

The following hypotheses are tested for each independent variable:

- (H_{01}): Affective commitment has no significant effect on SMEs performance.
- (H_{02}): Sustainable commitment has no significant effect on SMEs performance.
- (H_{03}): Normative commitment has no significant effect on SMEs performance.

Based on the p-values for affective commitment (0.001), sustainable commitment (0.000), and normative commitment (0.002), all the null hypotheses are rejected, and the alternative hypotheses are accepted. Therefore, affective, sustainable, and normative commitments all have significant positive effects on SMEs performance.

Discussion of the findings

Affective Commitment and SMEs performance

Affective commitment refers to the emotional attachment that entrepreneurs or employees have toward their business. This deep-seated emotional bond motivates individuals to be more dedicated, resilient, and engaged in the day-to-day operations of the enterprise. The positive relationship between affective commitment and SMEs performance is rooted in the fact that emotionally committed individuals tend to invest more time, energy, and resources into overcoming challenges, ensuring that their businesses thrive despite obstacles. This finding aligns closely with Human Capital Theory, which emphasizes the value of skills, knowledge, and emotional engagement in boosting productivity. When entrepreneurs are emotionally attached to their ventures, their human capital—comprising both intellectual and motivational resources—is enhanced. This allows for better decision-making, perseverance, and innovative thinking, all of which are critical in navigating the complexities of running a business.

Empirical studies have consistently supported this notion. For example, Werang and Agung (2017) demonstrated that emotional attachment to one's business has a significant impact on the overall success of SMEs. Chiang, Shih, and Hsu (2013) further highlight that entrepreneurs who are emotionally committed are more likely to see opportunities in challenging environments, leading to higher resilience and adaptability. The findings of this study, where affective commitment shows a positive and significant contribution to SMEs performance, are consistent with these empirical results, reaffirming the role of emotional dedication in driving business success.

Sustainable Commitment and SMEs performance

Sustainable commitment refers to the entrepreneur's or employee's dedication to long-term business goals and practices that support growth and resilience. The strong positive effect of sustainable commitment on SMEs performance can be attributed to entrepreneurs who prioritize sustainability, which often involves careful planning, strategic foresight, and an emphasis on long-term stability rather than short-term gains. Human Capital Theory explains this through the continuous accumulation of knowledge and experience, which equips entrepreneurs to build more resilient enterprises capable of weathering uncertainties in the market.

The literature also supports this perspective. Wang et al. (2019) and Soomro & Shuh (2018) emphasized the crucial role of sustainable commitment in fostering SMEs' long-term performance. Entrepreneurs who commit to sustainable practices tend to innovate more efficiently and are more adaptable to changes in their environments, allowing for greater growth. This is further supported by the works of Ezekiel et al. (2018), who found that during economic downturns, entrepreneurs with strong sustainable commitment were better positioned to safeguard their businesses and improve performance. Sustainable commitment fosters a business culture where human capital is constantly nurtured, leading to incremental improvements in organizational knowledge, skills, and strategy, ultimately boosting SMEs performance.

Normative Commitment and SMEs performance

Normative commitment, which refers to the sense of obligation entrepreneurs or employees feel toward their business, also plays a significant role in enhancing SMEs performance. Entrepreneurs who feel a sense of duty or moral responsibility toward their business often go beyond mere transactional involvement to ensure that the organization thrives. According to Human Capital Theory, normative commitment can be seen as an investment in the collective human capital of the business, as individuals who feel obligated to contribute are more likely to actively share knowledge, foster collaboration, and improve overall organizational performance.

Research confirms the influence of normative commitment on business outcomes. Tarigan (2018) and

Kaplan & Kaplan (2018) both concluded that normative commitment significantly impacts enterprise performance by promoting loyalty and dedication within the organization. Entrepreneurs who feel a strong moral obligation are often more focused on fostering trust and collaboration among employees, which directly benefits the organization's human capital and contributes to higher performance. Furthermore, Nadhar et al. (2017) identified that the sense of duty stemming from normative commitment leads to consistent efforts to improve processes, leading to enhanced business outcomes.

5. CONCLUSION AND RECOMMENDATIONS

The findings from this research highlight the significant positive impact of affective, sustainable, and normative commitment on the performance of small and medium enterprises (SMEs). Entrepreneurs who exhibit high levels of emotional attachment (affective commitment), long-term dedication to business goals (sustainable commitment), and a strong sense of obligation to their enterprises (normative commitment) contribute to the overall success and growth of their businesses. Human Capital Theory, which underscores the value of education, experience, and skills in improving productivity, provides a strong theoretical foundation for understanding how these types of commitment translate into improved decision-making, innovation, and resilience in SMEs. The empirical evidence aligns with the broader literature, confirming that committed entrepreneurs are better equipped to overcome challenges, capitalize on opportunities, and foster a culture of continuous improvement within their organizations. The research reinforces the importance of entrepreneurial commitment as a key driver of SME performance, particularly in dynamic and competitive business environments.

Based on the findings, entrepreneurs should invest in the continuous development of their skills and those of their employees through training, mentorship, and experiential learning. This enhances human capital, which in turn strengthens affective, sustainable, and normative commitment. Policymakers can play a role by supporting initiatives that equip SMEs with the skills necessary for long-term success, ensuring that both entrepreneurs and their employees are well-prepared to drive business growth.

To foster emotional engagement, SMEs owner should create positive work environments that encourage emotional attachment to the business. Leaders can achieve this by building a supportive culture, recognizing employee contributions, and maintaining open communication channels. This will increase motivation and persistence, allowing businesses to navigate challenges more effectively. At the same time, entrepreneurs must integrate sustainable practices into their strategies by focusing on long-term planning and innovation, ensuring business resilience and steady growth with appropriate policy support and resources.

Nurturing normative commitment is also essential. SMEs owner should instill a sense of responsibility and duty among employees by clearly communicating the company's values and vision while building trust. In addition, creating entrepreneurial support networks where entrepreneurs can share best practices and gain access to new knowledge, skills, and partnerships will further enhance human capital and strengthen commitment, fostering sustainable business success.

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