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ENTREPRENEURIAL SELF-EFFICACY AND ORGANIZATIONAL HEALTH OF SMALL BUSINESSES IN THE PHARMACEUTICAL INDUSTRY IN RIVERS STATE, NIGERIA

BY

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Abstract

This study examined the relationship between entrepreneurial self-efficacy and the organizational health of small businesses in the pharmaceutical industry in Rivers State, Nigeria. Entrepreneurial self-efficacy was operationalized through four dimensions (openness, adaptability, results and rewards, and organization), while organizational health was assessed through profitability, revenue growth, customer satisfaction, and innovation. A descriptive survey design was adopted. Using a structured questionnaire (overall Cronbach's $\alpha = .84$), data were collected from entrepreneurs and senior managers of registered small pharmaceutical businesses; 102 of 109 distributed questionnaires were validly completed (93.6% response rate). Hypotheses were tested using regression analysis at the .05 level of significance. Openness significantly predicted profitability ($\beta = .398$, $p < .05$), adaptability significantly predicted innovation ($\beta = .487$, $p < .05$), results and rewards significantly predicted customer satisfaction ($\beta = .312$, $p < .05$), and organizational structure significantly predicted revenue growth ($\beta = .276$, $p < .05$). Socio-cultural factors, namely early skill inculcation, hard work, and belief in God, were reported to support organizational performance, whereas cultural barriers constrained women's participation in the industry. The study concludes that entrepreneurial self-efficacy is an important resource for organizational health and recommends that entrepreneurs cultivate open and adaptive cultures, embrace technological change, design transparent reward systems, and dismantle barriers to female participation.

Keywords: Entrepreneurial self-efficacy, Organizational Health, Small Business, Pharmaceutical Industry, Rivers State

Introduction

Small businesses occupy a central position in the economic life of developing countries. They create employment, mobilize local capital, and, increasingly, serve as vehicles for innovation. Central to the success of any such venture is the entrepreneur, an individual or group with the ability to visualize and assess latent business opportunities, to set missions and targets, and to assemble the resources required to exploit those opportunities (Nmadu, 1996). In doing so, the entrepreneur bears risk and initiates strategies designed to secure success. Sullivan and Ikpeze (1980) characterized the entrepreneur as an innovator who introduces new ideas, products, and technologies and opens new markets, while Nmadu (1996) described the entrepreneur as one who perceives business opportunities, marshals scarce resources, and directs human and material inputs toward defined objectives.

How effectively entrepreneurs perform these functions depends, in part, on what they believe about their own capabilities. Bandura (1977, 1997) defined self-efficacy as people's belief in their capacity to organize and execute the courses of action required to manage prospective situations. Applied to the entrepreneurial domain, entrepreneurial self-efficacy (ESE) refers to the strength of a person's belief that he or she can successfully perform the roles and tasks of entrepreneurship (Chen et al., 1998). Because such beliefs shape the goals people set, the effort they invest, and their persistence in the face of setbacks, ESE has become one of the most frequently examined psychological resources in entrepreneurship research.

Organizational health, by contrast, describes the capacity of an organization to function effectively, adapt to its environment, and grow over time. It is broader than financial performance alone. Roman (2022), for example, argued that the survival and growth of small and medium-sized enterprises (SMEs) in Nigeria are closely tied to non-financial, socio-psychological factors, including leadership, managerial capability, accountability, and reporting structures, rather than to financial support alone. The more management understands the entrepreneurial factors that shape organizational operations, the healthier organizations are likely to become, particularly in an economy in which individuals are increasingly encouraged to be self-reliant.

The pharmaceutical industry offers a particularly instructive setting in which to examine this relationship. Small pharmaceutical businesses in Rivers State play a role in public health delivery and local economic development, yet they contend with regulatory complexity, supply-chain disruptions, and rapid technological change. The entrepreneur's ability to navigate these pressures is likely to be shaped by his or her self-efficacy, which in turn may influence the health of the organization.

Statement of the Problem

Entrepreneurs are, in part, products of the organizational environments and attitudes that mold their actions, and the interplay between entrepreneurial self-efficacy and organizational health must be properly understood if entrepreneurs are to achieve their objectives. Recent evidence from Nigeria suggests that ESE matters for firm outcomes. Ajuka et al. (2024) found that ESE, expressed through accomplishment orientation, idea creation, and resilience, is a major factor in the success or failure of manufacturing firms in Rivers State. Similarly, Omoyele (2024) reported that ESE has a positive effect on the financial and non-financial performance of SMEs in Lagos State.

Despite these contributions, three gaps remain. First, existing Nigerian studies have largely focused on manufacturing and general SME samples, leaving the pharmaceutical sub-sector, where the stakes for public welfare are high, comparatively unexamined. Second, most studies treat performance as a financial construct, whereas organizational health is multidimensional and includes customer-related and innovation-related outcomes. Third, little research has specified how distinct dimensions of ESE relate to distinct indicators of organizational health. This study addresses these gaps by examining how openness, adaptability, results and rewards, and organization relate to profitability, revenue growth, customer satisfaction, and innovation among small pharmaceutical businesses in Rivers State.

Research Questions and Objectives

The study was guided by the following research questions: (a) To what extent does entrepreneurial self-efficacy affect the health of the organization? (b) What are the implications of entrepreneurial attitude to innovation for organizational health? (c) Does a good network relationship have a significant effect on organizational health? (d) Does management practice reflect the health of the organization in its environment?

The overall aim was to ascertain the relationship between entrepreneurial self-efficacy and the organizational health of small businesses in the pharmaceutical industry in Rivers State. Specifically, the study sought to (a) examine the effect of openness on profitability, (b) determine the effect of adaptability on innovation, (c) assess the relationship between results and rewards and customer satisfaction, and (d) evaluate the effect of organizational structure on revenue growth.

Significance of the Study

The study is significant for three reasons. First, it contributes empirical evidence on ESE from the Nigerian pharmaceutical sector, extending a literature that has concentrated on other industries. Second, for practitioners, it identifies entrepreneurial factors, namely openness, adaptability, fair reward systems, and sound organizational structure, that management can deliberately cultivate to improve organizational operations. Third, it highlights the role of networks and the capacity to adapt to change and innovation, and it draws attention to socio-cultural constraints, especially those affecting women, that policymakers and industry associations may need to address.

Literature Review

Conceptual Review

Evolution of the Entrepreneurship Concept

The term *entrepreneur* is generally traced to Richard Cantillon, who recognized the entrepreneur as a specialist in taking on risk. Because the entrepreneur buys products or labor for resale before consumers have indicated what they are willing to pay, he or she bears the risk arising from price fluctuations in consumer markets (Cantillon, 1755/2010). Knight (1921) refined this idea by distinguishing between risk, which relates to recurring events whose frequency is known from experience and which can therefore be insured against, and uncertainty, which relates to unique events whose probabilities can only be estimated subjectively. The entrepreneur, in Knight's account, bears uncertainty and is compensated for doing so through profit.

Schumpeter (1934) placed innovation at the center of entrepreneurship. For Schumpeter, the entrepreneur carries out "new combinations" by introducing new products or processes, opening new markets or sources of supply, or creating new forms of organization. Through this process of creative destruction, entrepreneurs precipitate structural change in the economy. Schumpeter's analysis, however, left little room for the more common "low-level" entrepreneurship carried on by small firms. The Austrian tradition associated with Hayek (1945) and Kirzner (1973) addresses this gap. In a market economy, entrepreneurs are alert to profit opportunities and, by acting on price differentials, transmit price information to others. In the short run, such differentials generate profit for the entrepreneur who discovers them; in the long run, competition arbitrages them away.

Openness

Openness is an overarching concept characterized by an emphasis on transparency and collaboration. It refers to the accessibility of knowledge, technology, and other resources, the transparency of action, the permeability of organizational structures, and the inclusiveness of participation. It is the opposite of closeness, central authority, and secrecy. The term is applied at different levels, from a general philosophy of openness, to the nature of resources (open data), to the nature of processes (open innovation; Chesbrough, 2003). Across these uses, the characteristic principles are access to information and resources, inclusive and collaborative participation, transparency, and the breaking up of exclusionary structures. In the small-business context, an open entrepreneur shares information, welcomes external knowledge, and builds collaborative networks.

Adaptability

Adaptability is a feature of a system or process and, in organizational management, is understood as the ability to change something, or oneself, to fit occurring changes. In business and manufacturing systems, adaptability has come to be seen as an important determinant of efficiency and economic success. For the entrepreneur, adaptability implies a willingness to revise plans, adopt new technologies, and respond to shifts in customer tastes and regulatory conditions.

Results and Rewards

Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably, and consistently in accordance with their value to the organization. It involves analyzing and controlling employee remuneration, compensation, and other benefits, and typically comprises pay policy and practice, salary administration, total reward, and team reward. A results-and-rewards orientation therefore links effort and outcomes to recognition, thereby reinforcing the behaviors that the organization values.

Organization

An organization is an entity, such as a company, institution, or association, comprising one or more people and having a particular purpose. In this study, organization refers to the structural entity through which business operations are coordinated, including the definition of roles, the allocation of authority, and the flow of information and decisions. The intended effect of business structure and process is to predetermine what people do, with whom, what

decisions they make, and what information they perceive, and thereby to shape organizational culture and effectiveness.

Dimensions of Organizational Health

Profitability is a measure of efficiency and refers to the ability of a business to generate revenue in excess of its expenses, that is, to produce a return on the resources invested in it. *Revenue growth* is the increase or decrease in a firm's sales between two periods, usually expressed as a percentage. *Customer satisfaction* is a measure of how products and services supplied by a firm meet or surpass customer expectations; it is a key performance indicator and a leading indicator of purchase intention and loyalty. *Innovation* is the practical implementation of ideas that results in new or improved goods, services, or processes. The International Organization for Standardization (2020) defines innovation as a new or changed entity that creates or redistributes value. Innovation is related to, but distinct from, invention, since it involves putting an idea to work so that it has an impact on a market or on society.

Theoretical Framework

The study draws on three complementary perspectives. The first is social cognitive theory, from which the concept of self-efficacy is derived. Bandura (1977, 1997) argued that self-efficacy beliefs, formed through mastery experiences, vicarious learning, social persuasion, and physiological states, influence the goals people pursue, the effort they expend, and their persistence when they encounter obstacles. In the entrepreneurial context, high-ESE individuals are more likely to recognize opportunities, to commit resources, and to persevere through uncertainty (Chen et al., 1998).

The second perspective combines the Schumpeterian and Austrian views of entrepreneurship discussed above. The strongest characteristics of the entrepreneur, namely the need for achievement, result orientation, persistence, initiative, and willingness to take risks, are those that both traditions emphasize. Entrepreneurs are concerned with the practical tools and resources needed to turn a mental image into a product or idea, and they are typically innovative, flexible, and resourceful. These characteristics map closely onto the adaptability and results dimensions examined here.

The third perspective concerns values, attitudes, and culture. Fishbein and Ajzen (1975) noted that attitudes are learned, define one's disposition toward some aspect of the world, provide the emotional basis for interpersonal relations, and are organized close to the core of personality. Values, in turn, are global beliefs that guide action and judgment across situations, whereas attitudes are directed at specific objects and situations. Entrepreneurs create organizational culture through their managerial actions and socialize employees into its beliefs and values. Religious beliefs also shape the individual's approach to entrepreneurship, and entrepreneurs must contend with the enduring belief patterns of their environments (Parrinder, 1974). Finally, the resource-based view (Barney, 1991) suggests that firms gain competitive advantage through valuable, rare, inimitable, and non-substitutable resources; ESE, when effectively cultivated, may be understood as one such strategic resource.

Empirical Review

Empirical work has increasingly linked ESE to organizational outcomes. In a meta-analytic replication and extension of Miao et al. (2017), Glosenberg et al. (2022) expanded the number of samples from 27 to 159. They found a small overall relationship between self-

efficacy and entrepreneurial success (ρ = .24), but a larger relationship between ESE and at least partially financial measures of success (ρ = .44 versus ρ = .31 in the earlier meta-analysis). Effect sizes varied by the type of success variable, and ESE was more strongly related to success than generalized self-efficacy, supporting the value of domain-specific measures.

In Nigeria, Ajuka et al. (2024) surveyed 170 management workers drawn from a population of 294 in 98 manufacturing enterprises in Rivers State. Achievement-oriented and resilient firms were more likely to have successful ventures, and idea generation was significantly related to venture success. The authors concluded that ESE is a major determinant of the success or failure of industrial businesses in the state. Nansoh and Mitaire (2025) examined ESE and SME performance in Warri South Local Government Area, Delta State, using a descriptive survey of 100 respondents. Developing new products, building an innovative environment, and defining the organization's core purpose were each associated with improved SME performance, and the risk dimension of ESE made a notable contribution. Omoyele (2024) similarly found positive effects of ESE on financial and non-financial performance in Lagos State, in line with Olugbola (2017), who reported a positive relationship between ESE and long-term business viability among Lagos SMEs.

Studies that focus on organizational health, rather than performance narrowly defined, are fewer. Roman (2022) undertook a phenomenological evaluation of organizational health and SME growth in Nigeria and distinguished between soft factors (perceived leadership and managerial capability) and hard factors (work processes, control techniques, accountability, and reporting structure). The study found that SMEs in Nigeria experience stagnation and high mortality despite the availability of financial support and that their success is closely tied to socio-psychological processes and not merely to financing. Together, these studies suggest that ESE and organizational health are meaningfully related, but none has examined dimension-specific relationships in the pharmaceutical industry, which is the gap the present study addresses.

Conceptual Framework and Hypotheses

The conceptual framework rests on the premise that entrepreneurial self-efficacy influences organizational health. The independent variables are the four ESE dimensions: openness, adaptability, results and rewards, and organization. The dependent variables are the four organizational health indicators: profitability, revenue growth, customer satisfaction, and innovation. On the basis of the literature reviewed, the following null hypotheses were formulated and tested at the .05 level of significance:

$H0_1$: Entrepreneurial openness has no significant effect on the profitability of small pharmaceutical businesses in Rivers State.

$H0_2$: Entrepreneurial adaptability has no significant effect on the innovation of small pharmaceutical businesses in Rivers State.

$H0_3$: The results and rewards system has no significant relationship with customer satisfaction in small pharmaceutical businesses in Rivers State.

$H0_4$: Organizational structure has no significant effect on the revenue growth of small pharmaceutical businesses in Rivers State.

Methodology

Research Design

The study adopted a descriptive survey research design. This design allows data to be collected from a representative sample in order to describe the characteristics, opinions, and behaviors of entrepreneurs regarding the health of their organizations, and it is suitable for testing hypotheses quantitatively. The approach is consistent with earlier work on ESE in Nigeria that used survey strategies (Ajuka et al., 2024; Nansoh & Mitaire, 2025).

Population, Sample Size, and Sampling Technique

The population comprised all registered small pharmaceutical businesses operating in Rivers State. Records of the Pharmaceutical Society of Nigeria, Rivers State branch, indicated approximately 150 such businesses. The target respondents were the entrepreneurs (owners) and senior managers of these firms, who possess the requisite knowledge of the firm's entrepreneurial dynamics and organizational health. Using the Yamane (1967) formula for finite populations, $n = N / (1 + N(e)^2)$, where $N = 150$ and $e = .05$, a sample of 109 was obtained ($n = 150 / 1.375 = 109$). A stratified random sampling technique was used to ensure adequate representation of different categories of firms, with strata defined by number of employees and capital base. Simple random sampling was then used to select respondents within each stratum.

Instrument

Data were collected using a self-administered structured questionnaire titled the Entrepreneurial Self-Efficacy and Organizational Health Questionnaire (ESEOHQ). Section A gathered demographic data, including geographical background, gender, and age of business. Section B measured entrepreneurial self-efficacy through four subscales (openness, adaptability, results and rewards, and organization). Section C measured organizational health through four subscales (profitability, revenue growth, customer satisfaction, and innovation). Items in Sections B and C were rated on a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Validity and Reliability

Face and content validity were established by submitting the draft questionnaire to the project supervisor and two other experts in the Department of Management, whose suggestions were used to refine the final instrument. To assess reliability, a pilot study was conducted with 15 entrepreneurs in a neighboring local government area that was not part of the main study. Cronbach's alpha for the instrument was .84, above the conventional .70 threshold (Nunnally, 1978), indicating good internal consistency.

Method of Data Analysis

Descriptive statistics (frequencies, percentages, means, and standard deviations) were used to summarize respondent characteristics and the study variables. Regression analysis was used to test the four null hypotheses at the .05 level of significance. The general model was specified as $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$, where Y represents organizational health, and X_1 to X_4 represent openness, adaptability, results and rewards, and organization,

respectively. Each hypothesis was evaluated using the standardized coefficient (β) and its associated *t* statistic for the relevant predictor–outcome pair.

Results

Response Rate and Respondent Characteristics

However, of the 109 questionnaires distributed, 102 were properly completed and returned, yielding a valid response rate of 93.6%. Table 1 summarizes the characteristics of the respondents. A marked gender disparity was evident: 91 respondents (89.2%) were male, and only 11 (10.8%) were female. Among the respondents who reported their geographical background (n = 14), the largest share came from the East (43%), followed by the West (29%), the South (21%), and the North (7%). This pattern points to a strong presence of entrepreneurs from the Eastern region in the industry, with the specific socio-cultural approaches to business that this presence implies.

Table 1

Profile of Respondents

Characteristic	*f*	%
Questionnaires distributed	109	100.0
Valid questionnaires returned	102	93.6
Gender (N = 102)		
Male	91	89.2
Female	11	10.8
Geographical background (n = 14)		
East	6	43
West	4	29
South	3	21
North	1	7

Note. Percentages for geographical background are based on the 14 respondents who reported this item.

Descriptive Analysis of Entrepreneurial Self-Efficacy Dimensions

Table 2 presents the means and standard deviations for the four ESE dimensions. All four means were well above the scale midpoint of 3.00, indicating moderate to strong agreement

that the dimensions are present in the sampled firms. Openness recorded the highest mean (*M* = 4.05, *SD* = 0.71), suggesting that most entrepreneurs value transparency and the free flow of information. Adaptability followed (*M* = 3.92, *SD* = 0.76), suggesting that firms are making efforts to adapt to technological change even though challenges remain. Results and rewards (*M* = 3.85, *SD* = 0.82) indicated that reward systems are generally perceived as fair but capable of improvement, and organization recorded the lowest mean (*M* = 3.78, *SD* = 0.80).

Table 2

Means and Standard Deviations of Entrepreneurial Self-Efficacy Dimensions

Dimension	*M*	*SD*
Openness	4.05	0.71
Adaptability	3.92	0.76
Results and rewards	3.85	0.82
Organization	3.78	0.80

Note. N = 102. Responses were made on a 5-point scale (1 = *strongly disagree*, 5 = *strongly agree*).

Test of Hypotheses

The results of the regression analysis for the four hypotheses are summarized in Table 3.

Table 3

Summary of Regression Results for the Tested Hypotheses

Hypothesis	Predictor → Outcome	β	*t*	*p*	Decision
$H0_1$	Openness → Profitability	.398	4.05	< .05	Rejected
$H0_2$	Adaptability → Innovation	.487	5.21	< .05	Rejected
$H0_3$	Results and rewards → Customer satisfaction	.312	3.18	< .05	Rejected
$H0_4$	Organization → Revenue growth	.276	2.38	< .05	Rejected

Note. N = 102. β = standardized regression coefficient.

Hypothesis 1. Openness had a positive and significant effect on profitability (β = .398, t = 4.05, p< .05). $H0_1$ was therefore rejected. Firms that encourage transparency and collaborative knowledge sharing were significantly more profitable.

Hypothesis 2. Adaptability had a strong positive effect on innovation (β = .487, t = 5.21, p< .05), the largest coefficient in the analysis. $H0_2$ was rejected: firms that adapt quickly to new cultural and technological environments were more innovative.

Hypothesis 3. The results and rewards system had a significant positive relationship with customer satisfaction (β = .312, t = 3.18, p< .05). $H0_3$ was rejected, indicating that fair and equitable reward systems are associated with higher levels of customer satisfaction.

Hypothesis 4. Organizational structure had a positive and significant, though comparatively modest, effect on revenue growth (β = .276, t = 2.38, p< .05). $H0_4$ was rejected.

Socio-Cultural Factors

In addition to the hypothesis tests, the study examined socio-cultural influences on organizational performance. Respondents identified early skill inculcation, hard work, and belief in God as factors contributing positively to organizational performance. At the same time, the very low representation of women (10.8%) pointed to cultural barriers that relegate women to non-technical roles in the industry.

Discussion

The findings provide empirical support for the proposition that entrepreneurial self-efficacy is a significant determinant of the health of small businesses in the pharmaceutical industry in Rivers State. All four dimension-specific hypotheses were supported, and the pattern of coefficients offers a more differentiated picture than studies that treat ESE and performance as single constructs.

The positive effect of openness on profitability (β = .398) is consistent with the Austrian view of the entrepreneur as one who discovers and exploits information asymmetries (Hayek, 1945; Kirzner, 1973). In the pharmaceutical context, an open culture allows the entrepreneur to gather market intelligence, identify unmet needs, and act on price and supply differentials. The result also accords with the broader evidence that ESE is associated with financial success (Glosenberg et al., 2022; Miao et al., 2017) and with the conclusion of Ajuka et al. (2024) that ESE is a major factor in the success of businesses in Rivers State. It further supports the argument that collaborative, open-innovation practices convert knowledge into commercial advantage (Chesbrough, 2003).

The strongest relationship in the study was between adaptability and innovation (β = .487). This is in keeping with Schumpeter's (1934) account of the entrepreneur as an agent of new combinations. The pharmaceutical industry in Rivers State is undergoing technological change, and entrepreneurs with the cultural flexibility to adopt new technologies appear best placed to drive innovation. The finding resonates with Nansoh and Mitaire (2025), who reported that an innovative environment improves SME performance, and it is consistent with the view of adaptability as the capacity to change in response to changing circumstances.

The significant link between results and rewards and customer satisfaction (β = .312) underscores the human element of organizational health. Employees are the interface between

the organization and the customer. Where reward systems are perceived as fair and equitable, employees are more motivated, and this motivation is likely to be reflected in better service and greater customer loyalty. This interpretation is consistent with Omoyele (2024), who found that ESE improves non-financial performance, and with Roman (2022), who concluded that SME success is closely tied to socio-psychological processes and not merely to financing. Because customer satisfaction is a leading indicator of repeat purchase and loyalty, the result has direct commercial relevance.

Organizational structure had a significant but comparatively modest effect on revenue growth ($\beta = .276$). Flexible and well-defined structures clarify roles, speed decision-making, and reduce coordination costs, which may enable firms to respond more quickly to market opportunities. The smaller coefficient suggests that structure alone is less powerful than the behavioral dimensions of ESE, which is in line with Roman's (2022) distinction between hard factors, such as processes and reporting structures, and soft factors, such as leadership and capability. It is also consistent with research on SMEs in Port Harcourt showing that market growth, profitability, and branch expansion are positively affected by self-efficacy, risk-taking, and innovativeness.

The descriptive results reinforce these interpretations. Openness had the highest mean and organization the lowest, suggesting that transparency is already relatively well established among the sampled entrepreneurs, whereas structural formalization lags behind. This ordering also points to where managerial attention may yield the greatest marginal return.

The socio-cultural findings warrant separate comment. Early skill inculcation, hard work, and belief in God were reported as positive influences on performance. Such factors can act as a moral compass that encourages integrity, diligence, and resilience, and they are consistent with the observation that religious beliefs and cultural values shape entrepreneurial behavior (Fishbein & Ajzen, 1975; Parrinder, 1974). At the same time, the low participation of women (10.8%) suggests that cultural norms confining women to peripheral, non-technical roles limit the talent pool and, by extension, the organizational health of the industry. Entrepreneurship also requires calculated risk-taking, and traditional norms that are overly conservative may need to be balanced with modern management principles. Viewed through the resource-based lens (Barney, 1991), excluding women from the industry represents a failure to deploy a valuable human resource.

Summary and Conclusion

This study investigated the relationship between entrepreneurial self-efficacy and the organizational health of small pharmaceutical businesses in Rivers State, Nigeria. Using data from 102 valid respondents, it found that openness, adaptability, results and rewards, and organization were each significantly and positively related to their respective organizational health outcomes. The study also documented a substantial underrepresentation of women in the industry that is linked to socio-cultural barriers. On the basis of these findings, the study concludes that: (a) openness and transparency in business operations are linked to higher profitability; (b) the entrepreneur's ability to adapt to changing cultural and technological environments drives organizational innovation; (c) a fair and equitable reward system is not merely a human resource function but a strategic driver of customer satisfaction; and (d) socio-cultural factors, while providing a foundation of hard work and resilience, can also operate as barriers, such as gender discrimination, that hinder industry growth.

Recommendations

Based on these conclusions, the following recommendations are made.

First, entrepreneurs should remain open to developments in their environment. They should continuously scan for new market trends and technological advances and consider adopting open-innovation practices as a mechanism through which ESE is translated into stronger performance.

Second, good network relationships should be established and encouraged within and beyond the organization, since collaborative networks allow resource pooling, risk sharing, and collective advocacy.

Third, entrepreneurs should be willing to change with technology, investing in continuous learning and innovation to keep pace with shifts in consumer tastes and preferences.

Fourth, firms should design transparent and equitable reward structures that link employee performance to profitability and customer satisfaction.

Fifth, industry associations, regulators, and firms should work to break the socio-cultural barriers to women's participation through mentorship programs, accessible financing, and skills training. Sixth, human resource managers should identify the specific self-efficacy needs of managers according to their functional roles and build a culture of continuous capacity development through routine training, collaborative mentoring, and problem-solving skills development.

Theoretical and Practical Implications

Theoretically, the study extends the ESE literature in two ways. It shows that ESE is not a single undifferentiated resource but is expressed through distinct dimensions that relate to distinct organizational health outcomes, and it locates this relationship in a sector, pharmaceutical retail and distribution, that has received little attention in the Nigerian entrepreneurship literature. By treating organizational health as a multidimensional construct that includes customer-related and innovation-related outcomes alongside profitability and revenue growth, the study also responds to the argument that financial indicators alone cannot explain the growth and survival of Nigerian SMEs (Roman, 2022).

Practically, the results suggest that owners and managers can improve organizational health by deliberately strengthening specific entrepreneurial capabilities. Transparency and information sharing can be built into routine management practice; adaptability can be cultivated through structured learning and technology adoption; reward policies can be made explicit and consistently applied; and organizational structures can be clarified so that roles and decision rights are well understood. For industry associations and regulators, the findings on female participation indicate that enabling measures, such as mentorship, access to finance, and skills training, may expand the talent pool on which the industry draws.

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