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Strategic Innovation and Managerial Competence of SMEs in Rivers State

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Abstract: *This study examined the relationship between strategic innovation and managerial competencies in selected SMEs in Rivers State. The population covered 1200 SMEs in Rivers Statea. Krejcie and Morgan 1970 table was used in determining the sample size 291. Simple random sampling technique was used. The data for the study were collected using copies of questionnaire which were personally administered to respondent. The instrument's validity was assessed using convergent and discriminant validity. The consistency was assessed using Cronbach's Alpha. Spearman's rank correlation coefficient was used for the analysis. The result of the analysis revealed that there is a significant and positive relationship between the dimensions of strategic innovation and managerial competence. This study concluded that strategic innovation correlates with managerial competence of SMEs in Rivers State. The study recommends enhancing strategic alignment, organisational readiness, industry foresight and consumers/customers insight for promoting managerial competence of the SMEs.*

Keywords: *Strategic Innovation, Strategic Alignment, Organisational Readiness, Industry Foresight. Consumers/Customers Insight, Managerial Competence*

Introduction

Managerial competencies play a critical role in the success and sustainability of small and medium-scale enterprises (SMEs). Strategic thinking, leadership, innovation, financial management, and problem-solving are among the competencies that enable managers to effectively navigate the unique challenges faced by SMEs (Mubarik et al., 2023. These competencies encompass a range of skills, knowledge, and abilities that enable managers to perform their roles efficiently and drive organizational performance. In SMEs, where the management structure is often less formalized and resources are more constrained, the competencies of managers are critical determinants of the enterprise's success.

One of the core competencies required by managers in SMEs is strategic thinking, which involves the ability to plan long-term, set clear goals, and make informed decisions. Strategic thinking enables managers to identify opportunities and threats in the external environment and align their organizational strategies accordingly (Kraus et al., 2007). Decision-making, another crucial competency, is essential for navigating the complexities and uncertainties that SMEs frequently face. Effective decision-making can lead to better resource allocation, risk management, and overall business performance (Hitt et al., 2016). Leadership is a fundamental competency that involves guiding and inspiring employees towards achieving organizational goals. Effective leaders in SMEs foster a positive organizational culture, motivate their teams, and enhance employee engagement and productivity (Northouse, 2018). Given the typically smaller size of SMEs, managers often have closer relationships with their employees, making strong leadership skills even more critical for maintaining morale and driving performance (Bass & Bass, 2008).

Sound financial management is another essential competency for SME managers. This includes budgeting, financial planning, and controlling costs. Effective financial management ensures that SMEs maintain liquidity, manage cash flows, and achieve financial stability (Brinckmann, Salomo, & Gemuenden, 2011). Managers with strong financial acumen can make better investment decisions, secure funding, and manage financial risks, which are crucial for the growth and survival of SMEs. Problem-solving and conflict resolution are key managerial competencies that help SMEs navigate operational challenges and interpersonal issues. Effective problem-solving involves identifying the root causes of problems and implementing practical solutions (Robbins & Judge, 2017). Conflict resolution skills are essential for maintaining a harmonious work environment and ensuring that disputes are resolved constructively. These competencies contribute to smoother operations and a more cohesive organizational culture).

In today's rapidly changing business environment, the ability to innovate and adapt is crucial for SMEs. Managers need to be adept at fostering a culture of innovation, encouraging creativity, and implementing new ideas and technologies (Tidd & Bessant, 2018). This competency allows SMEs to remain competitive, meet evolving customer needs, and capitalize on new market opportunities. Adaptability also involves being responsive to changes in the market and adjusting business strategies accordingly, ensuring long-term sustainability (Porter, 1985). The landscape of business is continually evolving, with innovation being a critical driver of growth and competitive advantage, SMEs play a pivotal role in economic development, job creation, and the overall improvement of living standards (Aremu & Adeyemi, 2011). However, to thrive in today's dynamic and often turbulent market environments, these enterprises must strategically innovate and effectively manage their resources and operations.

Strategic innovation refers to the ability of a business to develop new ideas, processes, or products that significantly enhance its competitive position (Tidd & Bessant, 2018). It encompasses not only technological advancements but also innovative approaches to business models, customer engagement, and operational efficiencies. For SMEs, which often operate with limited resources and face stiff competition from larger corporations, strategic innovation is not just a growth lever but a necessity for survival (Porter, 1985).

This study aims to explore the intersection of strategic innovation and managerial competencies in selected small and medium-scale enterprises in Rivers State. By examining how these enterprises leverage innovation and the managerial skills that drive their strategic initiatives, the research seeks to uncover best practices and key challenges faced by SMEs in this region. The findings are expected to provide valuable insights for business owners, policymakers, and other stakeholders interested in fostering a thriving SME sector in Rivers State. Understanding the role of strategic innovation and managerial competencies is essential for any SME aiming to achieve sustainable growth and competitive advantage. This research will contribute to the body of knowledge by highlighting specific strategies and competencies that have proven successful in the unique context of Rivers State, thereby offering a blueprint for other SMEs in similar environments.

Statement of the Problem

Small and medium-sized enterprises (SMEs) in Nigeria are essential to the country's economic growth and employment generation. However, they face numerous challenges related to managerial and entrepreneurial competencies that require strategic innovations to overcome. Addressing these competency problems through strategic innovations is essential for improving the performance, sustainability, and competitiveness of SMEs. One of the primary competency issues faced by Nigerian SMEs is inadequate strategic planning. Many SME managers lack the skills needed for effective long-term planning, market analysis, and resource allocation (Aremu & Adeyemi, 2011). They lack training programs that equip managers with advanced planning techniques, the use of strategic planning tools and frameworks, and the adoption of flexible planning approaches to better respond to market changes. This deficiency leads to poor resource management, inefficient operations, and an inability to anticipate and respond to market changes.

Leadership and management skills are critical for the success of any enterprise, yet many Nigerian SMEs suffer from a lack of effective leadership. This results in low employee morale, reduced productivity, and high turnover rates (Oyelaran-Oyeyinka, 2020). SME managers often lack the training needed to motivate and inspire their teams, which is essential for driving performance and fostering a positive organizational culture. Effective financial management is another area where Nigerian SMEs face significant challenges. Many SME managers lack the competencies needed to manage finances properly, including budgeting, financial planning, and cash flow management (Egbetokun, 2019). Poor financial management often lead to liquidity issues, excessive debt, and ultimately business failure. Most SMEs lack advanced financial software to implement robust financial planning and analysis practices, and are inadequate inproviding managers with training on financial literacy and risk management.

In the rapidly changing global economy, the ability to innovate and adapt to new technologies is crucial. However, many Nigerian SMEs lack the necessary skills to leverage technology for business improvement (Adegbite, Ilori, Irefin, Abereijo, & Aderemi, 2007). This deficiency limits their ability to streamline operations, enhance productivity, and compete in the global market. The reluctance to adopt new technologies due to a lack of understanding further impedes growth. SMEs often lack effective marketing strategies and skills for building strong customer relationships, resulting in poor market penetration and customer retention (Ogunlela & Ogunleye, 2011). Moreover, they often lack the knowledge required to comply with local and international regulations (Obokoh & Goldman, 2016). This lack of knowledge can lead to legal issues, fines, and operational disruptions. Additionally, effective networking and relationship-building are essential for accessing new markets, resources, and opportunities, but many Nigerian SME managers lack the competencies needed for this (Oyelaran-Oyeyinka, 2020). .Addressing the competency problems faced by Nigerian SMEs through strategic innovations is crucial for their success and sustainability.

Aim and Objectives of the Study

The aim of the study is to examine the association between strategic innovation and managerial competence of the SMEs in Rivers State. The specific objectives are to:

1. Determine the bond between strategic alignment and managerial competence
2. Examine the association between organisational readiness and managerial competence
3. Assess the relationship between industry foresight and managerial competence
4. Investigate the relationship between consumers/customers insight and managerial competence

Research Questions

1. How does strategic alignment relate with managerial competence?
2. What is the association between organisational readiness and managerial competence?
3. How does industry foresight relate with managerial competence?
4. What is the relationship between consumers/customers insight and managerial competence?

Research Hypotheses

The following hypotheses were tested in the study;

Ho_1: There is no significant relationship between strategic alignment and managerial competence

Ho_2: There is no significant relationship between organisational readiness and managerial competence

Ho_3: There is no significant relationship between industry foresight and managerial competence

Ho_4: There is no significant relationship between consumers/customers insight and managerial competence

Literature Review

This study take its precept frm dynamic capability theory. The Dynamic Capabilities Theory, propounded by David, Teece, Gary Pisano, and Amy Shuen in 1997, posits that a firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments is crucial for sustained competitive advantage. This theory is highly relevant to the strategic innovativeness and managerial competence of SMEs, as it emphasizes the need for adaptability, flexibility, and proactive opportunity sensing and seizing. Effective managerial competence is essential for fostering a clear vision, reconfiguring resources, and promoting a culture of continuous learning and knowledge management. By leveraging dynamic capabilities, SMEs can enhance their strategic innovativeness, enabling them to develop and implement new products, services, and business models in response to market changes, thereby improving their ability to navigate and thrive in dynamic market environments (Teece, Pisano, & Shuen, 1997).

Strategic Innovation

Strategic innovation involves creating and implementing new strategies that fundamentally alter how a business operates and competes in the market. Unlike incremental innovation, which focuses on small, gradual improvements, strategic innovation entails significant transformations in business models, processes, products, or services. This type of innovation aims to deliver substantial value and gain a competitive edge by rethinking and redesigning the way a business creates and captures value. For instance, companies might redefine their business models to enter new markets or offer unique value propositions that set them apart from competitors (Osterwalder & Pigneur, 2010).

A key aspect of strategic innovation is the integration of disruptive technologies that can revolutionize business operations and open up new opportunities. Technologies such as artificial intelligence, blockchain, and advanced data analytics are examples of tools that can drive significant change (Christensen, 2013). Additionally, strategic innovation often focuses on enhancing customer experience by leveraging insights from customer data to develop products and services that better meet market demands (Kotler & Keller, 2016). This approach might also involve organizational changes, such as fostering a culture of innovation, promoting collaboration, and encouraging experimentation (Tidd & Bessant, 2020). Furthermore, forming strategic partnerships and alliances can facilitate innovation by providing access to new technologies, markets, and expertise, thus driving growth and competitiveness (Hagedoorn, 2002). In essence, strategic innovation is about making bold, transformative changes that enhance a company's ability to thrive in a dynamic market.

Strategic Alignment

Strategic alignment refers to the process by which an organization ensures that its strategies and goals are consistently aligned with its business processes, resources, and organizational structure (Gangnes, 2022). This alignment is essential for maximizing efficiency, effectiveness, and achieving long-term objectives. By integrating business and IT strategies, organizations can enhance performance and competitiveness (Ekrot et al., 2018; Pesce & Neirotti, 2023). The concept underscores the importance of coherence between the strategic direction of the company and its day-to-day operations, ensuring that all efforts are directed towards common goals. Achieving strategic alignment requires a deep understanding of both the internal and external environments of the organization (Coltman et al., 2015). Internally, this involves aligning capabilities and resources, including human resources, technology, and processes, with strategic goals. Externally, it entails aligning with market demands, customer needs, and competitive pressures, thus ensuring that organizational efforts are synchronized to enhance overall performance and competitive advantage.

Moreover, strategic alignment extends to the alignment of organizational culture and leadership with strategic objectives. Leadership plays a crucial role in fostering an environment that supports alignment through clear communication, shared vision, and collaborative practices (Wagner, Beimborn, & Weitzel, 2014). Organizational culture, encompassing the values, beliefs, and behaviors within an organization, must support the strategic goals to ensure successful implementation and sustainability of strategic initiatives. Therefore, strategic alignment is not a one-time event but an ongoing process that requires continuous assessment and adjustment to adapt to changing internal and external conditions and maintaining strategic alignment, will make organizations to effectively navigate the complexities of the business environment and achieve sustainable growth and success.

Organizational Readiness

Organizational readiness refers to the extent to which an organization is prepared to implement and sustain change initiatives effectively. It encompasses the collective readiness of the organization's members, including their beliefs, attitudes, and intentions towards the change. Organizational readiness is a critical determinant of the success of change initiatives, as it influences the organization's ability to adapt to new processes, technologies, or strategies (Weiner, 2009). It involves ensuring that the necessary resources, skills, and structures are in place to support the change process and that there is a shared understanding and commitment among employees towards achieving the desired outcomes (Holt, Armenakis, Feild, & Harris, 2007).

Several factors contribute to organizational readiness, including leadership support, clear communication, adequate training, and the availability of resources. Leaders play a crucial role in fostering an environment that is conducive to change by articulating a clear vision, providing direction, and motivating employees. Effective communication is essential to ensure that all members of the organization understand the reasons for the change, the benefits it will bring, and their roles in the process (Armenakis & Harris, 2009). Training and development programs help to equip employees with the necessary skills and knowledge to implement and sustain the change. Additionally, having sufficient resources, such as time, money, and technology, is vital to support the change initiatives and address any challenges that may arise. According to Holt et al., (2007), assessing and enhancing organizational readiness improve firms ability to successfully navigate change and achieve their strategic goals .

Industry Foresight

Industry foresight refers to the ability to anticipate and prepare for future trends, challenges, and opportunities within a particular industry. This process involves systematic exploration and analysis of potential future scenarios to inform strategic planning and decision-making. Trend analysis is a fundamental component, involving the identification and interpretation of trends in technology, market dynamics, consumer behavior, and regulatory environments (Slaughter, 2020). By understanding these trends, organizations can better predict changes that may impact their industry. Scenario planning is another critical aspect of industry foresight. This involves creating and evaluating different future scenarios to understand potential impacts on the industry. By considering various possibilities, companies can develop flexible strategies that allow them to adapt to different future outcomes (Wade, 2019). This proactive approach helps organizations to be better prepared for uncertainties and disruptions.

Competitive intelligence is also essential in industry foresight. Monitoring and analyzing the activities and strategies of competitors enables organizations to anticipate shifts in the competitive landscape. This information can be crucial for strategic planning and staying ahead of the competition (Gilad, 2016). By understanding what competitors are doing, companies can make informed decisions about their own strategies and actions. Innovation management plays a significant role in industry foresight. Fostering a culture of innovation and investing in research and development are key to staying ahead of industry changes. Organizations that prioritize innovation are better positioned to leverage emerging opportunities and maintain a competitive edge (Christensen et al., 2018). This involves not only developing new products and services but also continuously improving processes and business models.

Strategic planning is the culmination of industry foresight activities. Insights gained from trend analysis, scenario planning, competitive intelligence, and innovation management are used to develop long-term strategies that position the organization for future success. This comprehensive approach ensures that organizations are not just reacting to changes but are actively shaping their future (Rohrbeck & Kum, 2018). Industry foresight helps organizations to be proactive rather than reactive, enabling them to navigate uncertainty and leverage emerging opportunities effectively and anticipating future trends and challenges will enhance strategic decisions that drive long-term success.

Consumer /Customer Insight

Consumer or customer insight refers to the deep understanding of consumer behaviors, preferences, and motivations that drive their purchasing decisions. This insight is crucial for businesses as it helps them tailor their products, services, and marketing strategies to better meet the needs and desires of their target audience. By analyzing data from various sources, including market research, customer feedback, and behavioral analytics, companies can gain valuable insights into consumer attitudes and trends (Smith & Zook, 2020). Understanding consumer behavior involves examining both qualitative and quantitative data. Qualitative data, such as focus groups and in-depth interviews, provides rich, detailed insights into consumer attitudes and perceptions. Quantitative data, on the other hand, includes metrics from surveys, sales data, and web analytics, offering a broader view of consumer behavior patterns and trends (Kotler & Keller, 2016). Combining these data types allows businesses to develop a more comprehensive understanding of their customers.

Recent advancements in technology have significantly enhanced the ability to gather and analyze consumer insights. Big data analytics, artificial intelligence (AI), and machine learning tools enable companies to process vast amounts of information quickly and accurately. These technologies help identify patterns and trends that might not be apparent through traditional analysis methods (Chaffey & Ellis-Chadwick, 2019). For example, AI-powered tools can analyze social media interactions to gauge public sentiment and predict future consumer behavior. Consumer insights are not static; they must be continuously updated to reflect changing market conditions and consumer preferences. Companies that effectively use consumer insights are better positioned to innovate and stay ahead of competitors(Baker & Hart, 2021). By leveraging these insights, businesses can create more personalized marketing strategies, improve customer experiences, and ultimately drive growth. This ongoing process of gathering and applying consumer insights helps organizations remain relevant and responsive to their target audience.

Managerial Competencies

Managerial competencies are essential attributes that enable managers to effectively lead their teams and achieve organizational goals. These competencies encompass a range of skills, knowledge, and abilities crucial for effective management and leadership. Among the core competencies are leadership skills, which involve inspiring and guiding teams towards organizational objectives. Effective leadership requires the ability to set a clear vision, motivate team members, and manage team dynamics to foster collaboration and high performance (Northouse, 2018).

Strategic thinking is another critical competency, involving the capacity to make long-term decisions that align with the organization's goals. This includes analyzing market trends, understanding competitive landscapes, and developing strategic plans to capitalize on opportunities and mitigate risks (Porter, 1980). Decision-making abilities are also fundamental, as managers must evaluate options, consider potential outcomes, and make informed choices based on problem-solving and critical thinking. Additionally, strong communication skills are vital for conveying information, expectations, and feedback effectively, which involves both verbal and written communication, active listening, and adapting communication styles to different audiences (Robinson & Judge, 2019).

Emotional intelligence, which includes managing one's own emotions and understanding others' emotions, plays a significant role in building relationships, handling conflicts, and maintaining a positive work environment (Kiishi, 2024). Project management skills are crucial for planning, executing, and overseeing projects, ensuring they are completed on time and within budget by setting goals, allocating resources, managing risks, and monitoring progress (PMI, 2017). Financial acumen is another essential competency, involving the understanding of financial principles and metrics to make informed decisions about budgeting, resource allocation, and financial performance (Brigham & Ehrhardt, 2016).

Managing and leading through organizational change requires competencies in change management, which include understanding change processes, addressing resistance, and ensuring smooth transitions (Jango, 2024). Interpersonal skills are also important for building relationships, negotiating, and working collaboratively with others, including conflict resolution and team-building (Ferris et al., 2005). Effective time management involves prioritizing tasks, managing workloads, and meeting deadlines, which helps managers balance competing demands and achieve organizational objectives (Odoh, 2024). Developing these competencies enables managers to enhance their effectiveness and contribute significantly to their organizations' success.

Empirical Review

Lopes and Gomes (2022). examines the impact of sustainable strategic management on Portuguese small and medium-sized enterprises (SMEs). Using a qualitative methodology, the research is based on multiple case studies collected through interviews with various SMEs. The findings reveal that the SMEs interviewed tend to adopt incremental and defensive innovation strategies alongside accommodative sustainable strategies.

Abdelwahed and Alshaikhmubarak, 2023) investigate the direct and indirect relationships between managerial competence (MC) and innovation performance (IP) in Saudi Arabian SMEs, with a focus on the mediating roles of willingness to change (WTC), entrepreneurial orientation (EO), and entrepreneurial culture (EC). Data were collected from 368 managers of Saudi Arabian SMEs and analyzed using structural equation modeling (SEM). The results confirm that MC significantly and positively influences WTC, IP, EO, and EC. Additionally, WTC, EO, and EC were found to have positive and significant effects on IP.

Malinao and Ebi, (2022). investigated the management competencies of managers and their impact on the survival of small and medium enterprises (SMEs) during COVID-19, alongside business continuity strategies. Using a mixed-methods approach, twelve SME managers in Santiago City, Philippines, were evaluated through responses from five direct employees per manager. Data were collected via the drop-and-collect method and analyzed using SPSS with weighted means and Pearson correlation. Financial records from SMEs were used for triangulation. The study identified that recovery planning, resilience, innovativeness, creativity, integrated decision-making, problem-solving, and analytical thinking are critical for managerial success and business survival. Managers have effectively designed continuity strategies to sustain operations and profitability despite the pandemic's challenges.

Khanam and Sakib (2020) conducted a study to empirically examine the impact of entrepreneurial competencies on the performance of SMEs in Bangladesh. By utilizing a questionnaire, they gathered data from 115 business owners. To analyze the connection between exogenous and endogenous factors, the researchers employed partial least square structural equation modeling (PLS-SEM). The results indicated that entrepreneurial competencies in areas such as organization and leadership, learning, relationship building, and commitment significantly influence the success of SMEs. Conversely, skills related to strategy and opportunity did not appear to impact SME success.

Methodology

This study employed a cross-sectional survey design, focusing on SMEs in Rivers State, Nigeria. The population comprises 1200 SMEs. Using krejcie and Morgan 1970 table, a sample size of 291 was determined. Data collection was carried out through a structured questionnaire that included both close-ended and multiple-choice questions. The predictor variable (strategic innovation) was measured with strategic alignment, organisational readiness, industry foresight and consumer/customers insight. Sstrategic alignment was measured with 5items (e.g. The company's strategic goals are clearly defined and aligned with its mission and vision, ensuring that all departments and teams are working towards the same objectives), organisational readiness is measured with 5 items (e.g. The organization possesses the necessary resources, capabilities, and culture to effectively implement and support new strategic initiatives) Industry foresight was measured with 5items(e.g. The company systematically analyzes emerging trends and potential future scenarios to anticipate industry changes and adjust its strategies accordingly) and consumer/ customer Insight was measured with 5items (e.g. The company utilizes comprehensive data and analysis to deeply understand consumer behaviors, preferences, and motivations, which informs its product development and marketing strategies). They were all related to managerial competence directly. 5 items were used in measuring managerial competence (e.g. The manager consistently demonstrates the ability to make informed decisions, effectively lead teams, and adapt strategies to achieve organizational goals). And the response to the research items was measured on a 4-point Likert scale which ranges from 1 – 4. Where 1 = Strongly disagree, 2 = Disagree 3 = Agree and 4 = Strongly agree. The validity of the instrument in this study was ascertained using the convergent and discriminant validity and the Cronbach's Alpha was used to ascertain the reliability. The study adopted the threshold of 0.7 for the Cronbach's Alpha reliability. Spearman's rank correlation coefficient was used for the analysis with the aid of SPSS 25.0

Results

291 questionnaires were distributed, but 270(92.8%) copies were returned and constitute the valid questionnaire. The hypotheses test is undertaken at a 95% confidence interval and the decision rule is stated below.

Where $P < 0.05$ = Reject the null hypotheses and Where $P > 0.05$ = Accept the null hypotheses

Table 1: Correlations Between Strategic Alignment and Managerial Competence

Correlations

			Strategic Alignment	Managerial Competence
Spearman's rho	Strategic Alignment	Correlation Coefficient	1.000	.704**
		Sig. (2-tailed)	.	.000
		N	270	270
	Managerial Competence	Correlation Coefficient	.704**	1.000
		Sig. (2-tailed)	.000	.
		N	270	270

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output, 2024.

The results in column five of Table 1 reveal a significant positive relationship between strategic alignment and managerial competence . The rho value of 0.704**, observed at a significance level of 0.000, is well below the alpha level of 0.05. As a result, the null hypothesis (Ho_1) is rejected, and the alternate hypothesis (Ha_1) is accepted. This indicates a strong positive association between strategic alignment and managerial competence .

Table 2: Correlations Between Organisational Readiness and Managerial Competence.

Correlations

			Organisational Readiness	Managerial Competence
Spearman's rho	Organisational Readiness	Correlation Coefficient	1.000	.659**
		Sig. (2-tailed)	.	.000
		N	270	270
	Managerial Competence	Correlation Coefficient	.659**	1.000
		Sig. (2-tailed)	.000	.
		N	270	270

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output, 2024.

In Column 5 of Table 2, the rho value is 0.659** with a significance level of 0.000, which is below the alpha level of 0.05. Consequently, the null hypothesis (Ho_2) is rejected, and the alternate hypothesis (Ha_2) is accepted. This shows a strong positive association between organisational readiness and managerial competence

Table 3: Correlations Between Industry Foresight and Managerial Competence.

Correlations

			Industry Foresight	Managerial Competence
Spearman's rho	Industry Foresight	Correlation Coefficient	1.000	.573**
		Sig. (2-tailed)	.	.000
		N	270	270
	Managerial Competence	Correlation Coefficient	.573**	1.000
		Sig. (2-tailed)	.000	.
		N	270	270

**. Correlation is significant at the 0.01 level (2-tailed).

The rho value in Table 3, representing the relationship between industry foresight and managerial competence, is 0.573** with a significance level of 0.000, which is below the alpha level of 0.05 established for this analysis. Therefore, the null hypothesis (Ho_3), which posits a no significant relationship between strategic alignment and managerial competence, is rejected. Conversely, the alternate hypothesis is accepted, indicating a strong positive relationship between strategic alignment and managerial competence.

Table 4: Correlations Between Consumers/Customers Insight and Managerial Competence

Correlations

			Consumers /Customers Insight	Managerial Competence
Spearman's rho	Consumers /Customers Insight	Correlation Coefficient	1.000	.520**
		Sig. (2-tailed)	.	.000
		N	270	270
	Managerial Competence	Correlation Coefficient	.520**	1.000
		Sig. (2-tailed)	.000	.
		N	270	270

**. Correlation is significant at the 0.01 level (2-tailed).

In Table 4, the rho value is 0.520* with a significance level of 0.000 is below the alpha level of 0.05. Therefore, the null hypothesis (Ho_4), which asserts no significant association between consumers/customers insight and managerial competence, is rejected, and the alternate hypothesis is accepted.

Discussion of Findings

According to the statistics above, strategic innovation in terms of strategic alignment, organisational readiness, industry foresight and consumer/customer insight has a significant relationship with managerial competence. Each hypothesis is discussed in detail below.

Strategic Alignment and Managerial Competence

The results of the data analysis in Table 1 has revealed a highly significant positive correlation between strategic alignment and managerial competence. The P-value of 0.000 indicates that the relationship is statistically significant, meaning there is a very low probability that this relationship is due to chance. The rho value of 0.704 suggests a strong positive correlation, indicating that as strategic alignment improves, managerial competence also tends to improve, and vice versa. This finding emphasize the importance of aligning strategic initiatives with managerial capabilities to achieve organizational success. The results support that of Ekrot et al., 2018 and Pesce & Neirotti, (2023that strategic direction and alignment ensured that all efforts are directed towards common goals and maintaining strategic alignment, will make organizations to effectively navigate the complexities of the business environment and achieve sustainable growth and success.

Organisational Readiness and Managerial Competence

The analysis in Table 2 indicates a significant relationship between organizational readiness and managerial competence. The P-value of 0.000 signifies that the relationship is statistically significant, meaning it is highly unlikely that the observed relationship occurred by chance. The rho value of 0.659 demonstrates a strong positive correlation, suggesting that higher levels of organizational readiness are associated with higher levels of managerial competence. This implies that enhancing organizational readiness can positively impact the competence of managers, contributing to improved organizational performance. The findings agree with Holt et al., (2007), assessing and enhancing organizational readiness improve firm's ability to successfully navigate change and achieve their strategic goals .

Industry Foresight and Managerial Competence

The analysis in Table 3 confirms a positive and significant correlation between industry foresight and managerial competence. The P-value of 0.000 indicates that the relationship is statistically significant, reinforcing the reliability of the results. The rho value of 0.573 suggests a strong positive connection, indicating that as industry foresight improves, managerial competence tends to improve as well. This implies that managers who possess a strong understanding of industry trends and future developments are likely to exhibit higher levels of competence, contributing to better strategic decision-making and organizational success. The findings conform Christensen et al., (2018) that organizations that prioritize innovation are better positioned to leverage emerging opportunities and maintain a competitive edge.it also agrees with Rohrbeck & Kum (2018). That industry foresight helps organizations to be proactive rather than reactive, enabling them to navigate uncertainty and leverage emerging opportunities effectively,

Consumers/Customers Insight and Managerial Competence

The analysis in Table 4 indicates a significant relationship between consumers/customers insight and managerial competence. The P-value of 0.000, being less than 0.05, confirms that the relationship is statistically significant, meaning it is unlikely to have occurred by chance. The rho value of 0.520 demonstrates a high positive correlation, suggesting that greater insight into consumers/customers is associated with higher levels of managerial competence. This implies that managers who have a deep understanding of customer needs and behaviours are likely to be more competent, leading to better decision-making and enhanced organizational performance. This finding agrees Baker & Hart (2021) that companies that effectively use consumer insights are better positioned to innovate and stay ahead of competitors.

Conclusion and Recommendations

This study explored the relationship between various aspects of strategic innovation and managerial competence within Small and Medium-sized Enterprises (SMEs) in Rivers State. The analysis revealed a highly significant positive relationship between strategic alignment and managerial competence, with a P-value of 0.000 and a rho value of 0.704. This underscores the critical role of aligning strategic initiatives with managerial capabilities in enhancing organizational success. The study also found that organizational readiness significantly correlates with managerial competence, as evidenced by a P-value of 0.000 and a rho value of 0.659. This suggests that higher levels of organizational readiness contribute to increased managerial competence, thereby improving overall organizational performance. Prepared organizations tend to have more competent managers who can lead effectively during transitions and maintain operational stability.

Additionally, the findings showed a significant positive correlation between industry foresight and managerial competence, with a P-value of 0.000 and a rho value of 0.573. Managers with a keen understanding of industry trends and future developments tend to exhibit higher competence, facilitating better strategic decision-making and long-term success. Well-informed managers can anticipate market changes, innovate proactively, and guide their organizations toward sustained growth. The analysis also indicated a significant relationship between consumers/customers insight and managerial competence, with a P-value of 0.000 and a rho value of 0.520. Managers who possess deep insights into customer needs and behaviours are more likely to be competent, leading to improved decision-making and enhanced organizational performance. Understanding customers' preferences and expectations allows managers to tailor strategies to meet market demands, fostering customer satisfaction and loyalty. The study highlights the importance of strategic alignment, organizational readiness, industry foresight, and consumers/customers insight in enhancing managerial competence within SMEs in Rivers State. These factors collectively contribute to the overall strategic innovation and success of these enterprises. Therefore, SMEs should focus on developing and integrating these elements to foster managerial competence and achieve sustainable growth, building resilient and adaptable organizations capable of navigating the complexities of the business environment. Based on the findings of the study, the following recommendations are provided for each specific objective to enhance strategic innovation and managerial competence of SMEs in Rivers State:

1. SMEs should prioritize aligning their strategic initiatives with the competencies of their managers. This can be achieved by conducting regular strategic planning sessions that involve managers at all levels to ensure their skills and capabilities are leveraged effectively, providing continuous training and development programs that focus on strategic management and alignment and establishing clear communication channels to ensure that strategic goals and managerial actions are consistently aligned.
2. Th**e** SMEs should invest in capacity-building initiatives that prepare the organization for future challenges and opportunities, foster a culture of adaptability and resilience by encouraging continuous improvement and learning and implement robust change management practices to ensure that managers are well-prepared to lead during periods of organizational transition.
3. The SMEs should facilitate access to industry reports, market research, and trend analysis to keep managers informed about industry developments, encourage participation in industry conferences, workshops, and networking events to broaden managers' perspectives and promote strategic thinking and scenario planning exercises to help managers anticipate and prepare for future industry shifts.
4. The SMEs should implement customer feedback systems to gather and analyse customer opinions and experiences regularly, train managers in customer relationship management (CRM) and data analytics to enhance their ability to interpret customer data and derive actionable insights and foster a customer-centric culture where managers are encouraged to prioritize customer needs and integrate customer insights into strategic decision-making processes.

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