Harnessing Entrepreneurial Innovation as a Disruptive Force for Sustainable Economic Growth and Social Accountability among Smes in Bayelsa State

Jacob Chidinma Sandra & Doris C. Ngirika

Department of Entrepreneurship, Marketing, Procurement and Logistics,Faculty of Management Sciences, Federal University Otuoke
Corresspondence Email Address:jacobsc@fuotuoke.edu.ng

Abstract
The study investigated how entrepreneurial innovation relates with sustainable economic growth and social accountability of SMEs in Bayelsa State. The study was anchored on Schumpeter's theory of innovation. The population of the study consisted of 300 small and medium scale ent erprises in Bayelsa State. Using Krejcie and Morgan (1970) sample size determination table, a sample size of 169 was obtained. This sample was randomly chosen among the 300 SMEs. Hence, 169 copies of the questionnaire were distributed to the targeted respondents and 150 were retrieved. The study revealed that entrepreneurial innovation has a strong positive relationship with sustainable economic growth and social accountability of SMEs in Bayelsa State, which implies that entrepreneurial innovation is a disruptive force for sustainable economic growth and social accountability among SMEs in Bayelsa State. The study concluded that entrepreneurial innovation drives both economic advancement and long-term sustainable operations along with ethical business conduct. Among others, the study recommended that SMEs in Bayelsa State should be encouraged to engage in capacity-building programmes that emphasize innovative thinking, sustainable business practices, and modern technologies, thereby contributing to the economic development of Bayelsa State.

Keywords: Entrepreneurial Innovation, Economic Growth, Sustainable Economic Growth, Accountability, Social Accountability.

Introduction

Long-term prosperity and moral corporate conduct depend on social responsibility and sustainable economic growth, especially in areas like Bayelsa State. While social responsibility requires that companies conduct themselves in an open and moral manner, sustainable growth prioritizes economic advancement without depleting resources (United Nations, 2015). Entrepreneurial innovation provides a means to accomplish these objectives in Bayelsa, as SMEs dominate the local economy. Innovation allows SMEs to expand sustainably while upholding ethical standards by upending conventional business models and introducing more effective and responsible practices (Rothaermel, 2013). Because of this, entrepreneurial innovation is a vital instrument for promoting the region's social and economic growth.

Entrepreneurial innovation acts as a catalyst for transforming industries, making it essential for regions seeking to overcome economic challenges (Rangaswamy *et al.,* 2024). It enables SMEs to introduce

new products, services, and business models that promote efficiency and social responsibility (Ajor & Alikor, 2020). In Bayelsa, where SMEs are central to the economy, fostering innovation can drive inclusive growth while addressing the region's social and environmental issues. SMEs that innovate can improve market opportunities and operate more transparently, fostering both economic growth and social accountability (Schaper, 2010). This underscores the vital role of entrepreneurial innovation in shaping a more sustainable and responsible economic future for Bayelsa State.

While there are observable potentials for entrepreneurial innovation, a significant gap remains in comprehending its specific impact on sustainable growth and social accountability among SMEs in Bayelsa State. Existing research often focuses on other areas or generalizes findings, overlooking its specific impact on sustainable growth and social accountability among SMEs in Bayelsa State (Poi, 2023; Okeke-Ezeanyanwu, 2023; Onyenma, 2019; Ajor & Nwaiwu, 2020). This study aims to fill that gap by examining how innovation can serve as a disruptive force to enhance both economic growth and social responsibility in Bayelsa's SMEs. By addressing this knowledge gap, the study will provide insights crucial for crafting policies and strategies that support sustainable and accountable business practices in the region.

Aim and Objectives of the Study

The aim of the study was to investigate how entrepreneurial innovation relates with sustainable economic growth and social accountability of SMEs in Bayelsa State. The objectives include the following:

1. ascertain the relationship between entrepreneurial innovation and sustainable economic growth of SMEs in Bayelsa State.
2. determine the relationship between entrepreneurial innovation and social accountability of SMEs in Bayelsa State.

Research Hypotheses

From the above objectives, the research hypotheses below were composed:

H_{01}: There is no significant relationship between entrepreneurial innovation and sustainable economic growth of SMEs in Bayelsa State.

H_{02}: There is no significant relationship between entrepreneurial innovation and social accountability of SMEs in Bayelsa State.

Theoretical Framework

The study was anchored on Schumpeter's Theory of Innovation. Schumpeter's Theory of Innovation, propounded by Joseph Schumpeter in 1934, is centered on the idea that innovation is the primary driver of economic development through a process known as creative destruction. According to Schumpeter, entrepreneurial innovation disrupts existing market structures, displacing outdated products, services, and technologies with new, more efficient alternatives. This cycle of innovation leads to both the destruction of old industries and the creation of new opportunities, thereby fostering continuous economic progress (Schumpeter, 1934). The assumptions of the theory are as follows:

i. Entrepreneurial innovation is the primary catalyst for economic development.
ii. Innovation occurs in waves, with new industries replacing old ones through creative destruction.
iii. Economic growth is driven by radical, disruptive innovations rather than small, incremental changes.

The Implication/Justification of Schumpeter's Theory of Innovation on this Study

Schumpeter's Theory of Innovation is highly relevant to the study as it provides a framework for understanding how entrepreneurial innovation can disrupt existing market structures and drive sustainable economic growth in Bayelsa State's SMEs. The theory's concept of creative destruction suggests that by introducing innovative practices and technologies, SMEs can replace inefficient methods with more sustainable and socially accountable ones, leading to economic progress and improved social responsibility (Schumpeter, 1934). This disruption not only promotes economic development but also forces businesses to adopt transparent and ethical practices, aligning with the study's focus on social accountability. Schumpeter's emphasis on radical, transformative innovation justifies the study's exploration of how SMEs in Bayelsa can leverage innovation to foster both economic and social sustainability (Fagerberg, 2003).

Ands as said by the first assumption that entrepreneurial innovation is the primary catalyst for economic development, it will take entrepreneurial innovation of SMEs in Bayelsa State to cause disruptive innovation that will usher in new technologies in the market system of the State, thereby birthing sustainable economic growth and social accountability, among others. Most changes occur through disruptive thinking, which brings about innovation in entrepreneurship and other areas. The market system will continue will continue to be in its old system, with nothing new to better the lots of both producers and consumers, if entrepreneurial innovation is not set in motion to change the narrative. It, therefore, becomes pertinent that SMEs entrepreneurs in Bayelsa become innovative in their business, so as to cause sustainable economic growth and social accountability in the economy of the State. Here lies the justification and relevance of the theory to the study.

The Concept of Entrepreneurial Innovation

Entrepreneurial innovation is a critical driver of economic growth and competitiveness, particularly in the dynamic business environments of today. It refers to the process by which entrepreneurs create new products, services, or processes that disrupt markets, solve problems, and meet evolving consumer needs. According to Usman *et al.* (2024), entrepreneurial innovation is the engine of creative destruction, where new innovations replace outdated systems, leading to market evolution and economic progress. Rangaswamy *et al.* (2024) further defines entrepreneurial innovation as the purposeful and systematic practice of creating new solutions to exploit opportunities that arise from changes in technology, consumer preferences, or market dynamics. In the context of Small and Medium Enterprises (SMEs), entrepreneurial innovation is essential for survival and growth. SMEs, which often face resource constraints and intense competition, rely on innovative strategies to differentiate themselves and tap into niche markets. By introducing innovative products, optimizing processes, or adopting new business models, SMEs can enhance their operational efficiency and create value, even with limited resources (Baumol, 2004). In emerging markets, entrepreneurial innovation in SMEs not only improves profitability but also contributes significantly to job creation and regional development, making it a key factor in fostering economic resilience.

The Concept of Sustainable Economic Growth

Sustainable economic growth refers to the steady increase in a country's economic output while ensuring that the growth does not deplete natural resources or cause significant environmental harm. It involves balancing economic progress with environmental stewardship and social well-being to meet the needs of the present without compromising the ability of future generations to meet their own needs. The United Nations defines sustainable economic growth as development that is inclusive, fosters equitable opportunities, and limits environmental degradation (United Nations, 2015). Another definition by the World Bank (2012) emphasizes the importance of maintaining natural capital, suggesting that sustainable growth occurs when economic expansion is achieved without exhausting or degrading environmental resources. This concept recognizes the need for long-term economic stability, which integrates responsible resource management, social equity, and economic resilience.

For SMEs (Small and Medium Enterprises), sustainable economic growth is particularly vital, as these businesses often operate in competitive markets with limited resources. By adopting sustainable practices, such as energy efficiency, waste reduction, and social responsibility, SMEs can not only reduce operational costs but also improve their brand reputation and competitiveness (Perrini, 2006). Sustainable growth strategies for SMEs also involve innovation in eco-friendly products and services, which can open new market opportunities. Moreover, SMEs play a critical role in driving sustainable development by creating jobs, promoting local economies, and fostering inclusive growth, especially in developing regions. By aligning their operations with sustainability principles, SMEs contribute to

broader national and global efforts towards achieving long-term economic and environmental resilience (Schaper, 2010).

The Concept of Social Accountability

Social accountability refers to the ways in which individuals, communities, and organizations hold institutions, particularly public and private entities, accountable for their actions and decisions (Malena *et al.,* 2004). It emphasizes the role of citizens and stakeholders in ensuring transparency, responsiveness, and adherence to ethical standards by organizations. Similarly, Fox (2015) defines it as the extent to which civil society and stakeholders can influence the quality of governance through collective action, making it a critical tool for enhancing institutional responsiveness and reducing corruption. In the corporate context, social accountability is not only a public sector concern but also applies to businesses, which are increasingly being asked to demonstrate ethical behavior, environmental responsibility, and social impact as part of their operations.

For Small and Medium Enterprises (SMEs), social accountability is becoming an essential factor for success and sustainability. SMEs, particularly those operating in tight-knit communities, are often closely scrutinized by their stakeholders, including employees, customers, and local communities. SMEs that engage in socially accountable practices, such as fair labor conditions, transparent business practices, and corporate social responsibility (CSR) initiatives, often enjoy stronger community support and customer loyalty (Jamali *et al.,* 2017). On the flip side, SMEs that fail to uphold social accountability may face reputational damage, regulatory challenges, and loss of market share. Thus, for SMEs, fostering social accountability not only strengthens their ethical standing but also contributes to their competitive advantage by aligning with stakeholder expectations in increasingly transparent market environments.

Harnessing Entrepreneurial Innovation as a Disruptive Force for Sustainable Economic Growth

Sustainable growth of the economy demands entrepreneurs to use disruptive innovation as their key tool within the modern evolving global economy. Revolutionary changes need entrepreneurial innovation through the creation of fresh goods and services along with procedures which challenge conventional business approaches and industrial systems (Usman *et al*., 2024). Through market disruption entrepreneurs establish economic momentum and productivity growth and employment opportunities by stimulating innovative thinking and spray action. The concept of entrepreneurship depends on innovation because it transforms resources into financial gain according to Onyenma (2019). The economic growth benefits from disruptive innovations because they enhance production levels and establish fresh market opportunities and reduce operational costs. For sustainable growth to materialize

innovation needs to focus on diversity as well as handle social and environmental challenges together with economic targets.

Business innovation, through entrepreneurship, needs to support social objectives and environmental objectives to achieve enduring economic development. Markets face disruption through entrepreneurial development of sustainable supply chains combined with green technologies or renewable energy sources (Hall *et al*., 2010). Sustainability combines with economic development since strategic investments produce growth through environmental solutions. SMEs are essential in this process because they combine sustainable practices with job creation that stimulates regional economic growth (Baumol, 2004). To achieve sustainable economic growth through entrepreneurial innovation businesses need available capital alongside strong regulatory systems and research financing which will ensure positive environmental protection as well as economic development.

Harnessing Entrepreneurial Innovation as a Disruptive Force for Social Accountability

The concepts of entrepreneurial innovation combine original business models with modern technology together with new strategies to create social accountability by disrupting traditional institutions in public and private sectors. Entrepreneurial innovation delivers tools for enhancing public information access and engagement along with institutional accountability responsibility to disrupt established power structures. Enhancements in digital platforms including blockchain technology and open data initiatives allow the ordinary public to monitor government transactions and business operations while improving record-transparency (Fox, 2015). Entirely new ways invented by entrepreneurs enable citizens to track institutions and compel them to take responsibility through public engagement which promotes social accountability (Malena *et al*., 2004). Entrepreneurs who establish digital tools for reporting and feedback networks are capable of changing existing systems to make transparency easier which lets communities monitor governmental and commercial accountability.

Social accountability becomes achievable through Small and Medium Enterprises (SMEs) because they can implement ethical and transparent organizational practices to lead operational changes. Socially innovative SMEs establish leadership through technology applications which support ethical sourcing as well as establish fair labor standards and make their supply chains transparent (Jamali *et al*., 2017). SMEs who build accountability into their fundamental business designs can reshape markets which hold secretive methods and create broader business settings with transparent ethical practices. The development of social accountability solutions by SMEs leads to cultural evolution toward transparency because these companies create tools for corporate disclosure alongside citizen reporting platforms. Social accountability improvements will be fueled through entrepreneurial innovation which establishes

itself as a vital power to enhance governance and promote better corporate conduct at all levels of society (Heeks, 2013).

Methodology

The population of the study consisted of 300 small and medium scale enterprises in Bayelsa State that are registered with the Small and Medium Development Agency of Nigeria (SMEDAN), adopted from Poi (2023). From Krejcie & Morgan (1970) sample size determination table, a sample size of 169 was obtained. Simple random sampling using lottery method was employed to choose 169 SMEs among the 300 SMEs. Each owner of the businesses constituted the respondent, since the organizations are small in nature.

The instrument (questionnaire) for primary data was titled Entrepreneurial Innovation, Sustainable Economic Growth, and Social Accountability Questionnaire (EISEGSAQ). The instrument was constructed using a 4-point rating scale with the following response options: Strongly Agree (SA) = 4; Agree (A) = 3; Disagree (D) = 2; and Strongly Disagree (SD) = 1. The face and content validation of the instrument was done by the researcher's supervisors and two research experts in the Marketing/Entrepreneurship and Procurement Department of Federal University Otuoke, Bayelsa State. The reliability of the instrument was carried out by Cronbach's alpha via SPSS (Statistical Package for the Social Sciences). Based on Nunnaly (1978) criterion of 0.70, reliability coefficient above 0.70 was considered as indicating good or reliable instruments. The Cronbach's alpha result table is given below:

Table 1 Cronbach Alpha Reliability Test Results

Variables	Dimensions/Measures	Items	Alpha
Entrepreneurial Innovation	Entrepreneurial Innovation	4	0.83
Sustainable Economic Growth	Sustainable Economic Growth	4	0.87
Social Accountability	Social Accountability	4	0.85

Source: SPSS Output, 2025.

From the above table, the least Cronbach's alpha level obtained was 0.83, which indicated a highly reliable coefficient.

A total of one hundred and sixty-nine (169) copies of the questionnaire were distributed to the targeted respondents. In the end, the researcher was able to retrieve 150 copies of the questionnaire correctly filled (i.e 89% retrieval). The test of hypotheses was done using Spearman's Rank Order Correlation Coefficient via the Statistical Package for Social Sciences (SPSS) version 20.0. This statistical tool is suitable for assessing whether increases in entrepreneurial innovation correspond to increases in sustainable economic growth and social accountability among SMEs. It quantifies the strength and

direction of the relationship. The Spearman's (rho) correlation was used to analyze the relationship between independent and dependent variables at $P < 0.05$ (two-tailed test).

Results

Demographic Analysis

The demographic data considered for analysis in this study are gender and years of experience.

Gender Distribution

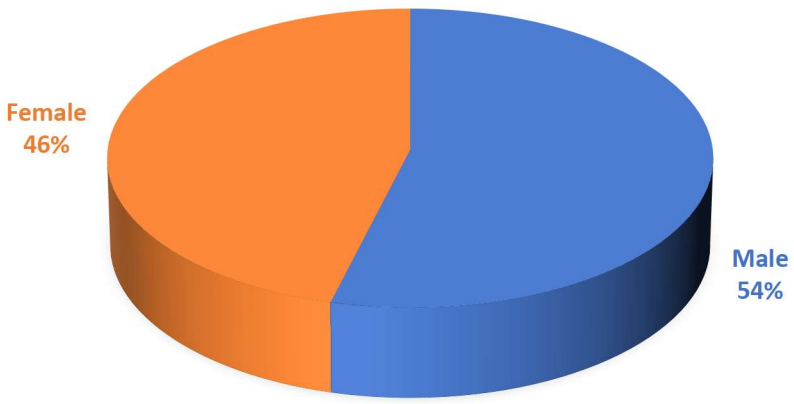

Fig 1: Pie Chart of Gender Distribution

Source: SPSS Output, 2025.

The pie chart above represents the gender distribution among the 150 SME owners in Bayelsa State. It shows that 54% of the respondents are male, while 46% are female. This diagram is represented in the SPSS table overleaf:

Table 2: Gender Distributions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	81	54.0	54.0	54.0
	Female	69	46.0	46.0	100.0
	Total	150	100.0	100.0	

Source: SPSS Output

The gender distribution presented above shows that the male entrepreneurs have the highest population. Obviously, there is a significant difference between the two sets of populations. The reason is that there are more male than female who are interested in entrepreneurship in Bayelsa State.

Years of Experience Distribution

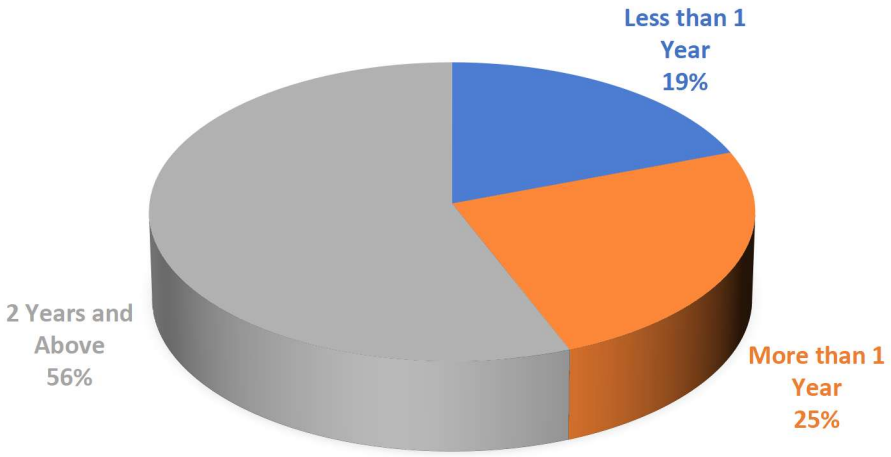

Fig. 2: Pie Chart of Years of Experience Distribution
Source: SPSS Output, 2025.

The pie chart above represents the years of experience distribution of SME owners (entrepreneurs) in Bayelsa State. It shows that 19% of the respondents are entrepreneurs with less than one-year experience; 25% of the respondents are entrepreneurs with more than one-year experience, and; 56% of the respondents are entrepreneurs with two years and above experience. This diagram is represented in the SPSS table below:

Table 3: Years of Experience Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 Year	29	19.0	19.0	19.0
	More than 1 Year	37	25.0	25.0	44.0
	2 Years and Above	84	56.0	56.0	100.0

Total	**150**	**100.0**	**100.0**

Source: SPSS Output

From the above table, the significant margin in the distribution of respondents who have two years and above experience to the rest, shows that few SME owners in Bayelsa State started their businesses lately. This is as a result of the fact that most SME owners have interest in businesses many years ago.

Descriptive Statistics

Table 4: Items and Scores on Entrepreneurial Innovation

S/N	Entrepreneurial Innovation	SA 4	A 3	D 2	SD 1	TOTAL
1.	My business regularly introduces new and improved products or services to stay competitive.	82	56	12	0	150
2.	We adopt modern technology and digital tools to enhance business operations and customer experience.	91	50	9	0	150
3.	Our business explores creative marketing strategies to attract and retain customers.	77	71	2	0	150
4.	We encourage employees to contribute innovative ideas for business growth and development.	89	61	0	0	150

Source: Fieldwork, 2025.

Table 4.4 above shows the number of responses recorded in each of the response options. The table shows that majority of the respondents strongly agreed that, as SME owners, they engage in diverse entrepreneurial innovations for business enhancement. For example, on measurement item 2, respondents were required to indicate their level of agreement or disagreement as to whether they adopt modern technology and digital tools to enhance business operations and customer experience. Majority (91) of the respondents strongly agreed, 50 respondents agreed, 9 disagreed, and none strongly disagreed. The responses are summarized in the SPSS table shows below:

Table 5 Descriptive Statistics of Entrepreneurial Innovation

	N	Minimum	Maximum	Mean	Std Deviation

EI1	150	1.00	4.00	3.4667	1.5758
EI2	150	1.00	4.00	3.5467	1.6121
EI3	150	1.00	4.00	3.5	1.5909
EI4	150	1.00	4.00	3.5933	1.7111
Valid N (Listwise)	150				

Source: SPSS Output. Mean Set= 3.5267

Table 5 reveals a mean set score of 3.5267. This indicates that the respondents agreed that: their businesses regularly introduce new and improved products or services to stay competitive; they adopt modern technology and digital tools to enhance business operations and customer experience; they businesses explore creative marketing strategies to attract and retain customers, and; they encourage employees to contribute innovative ideas for business growth and development. The closeness of the standard deviations imply that the respondents were homogenous in their view.

Table 6: Items and Scores on Sustainable Economic Growth

S/N	Sustainable Economic Growth	SA 4	A 3	D 2	SD 1	TOTAL
1.	My business contributes to job creation and employment growth in the local economy.	72	78	0	0	150
2.	We implement environmentally friendly practices to ensure long-term business sustainability.	80	63	7	0	150
3.	Access to financial support and government incentives enhances the growth of my business.	70	38	42	0	150
4.	Our business consistently reinvests profits to expand operations and improve productivity.	92	58	0	0	150

Source: Fieldwork, 2025.

Table 6 above shows the number of responses recorded in each of the response options. The table shows that majority of the respondents strongly agreed that, as SME owners, they practice sustainable economic growth so as to enhance their businesses. For instance, on measurement item 4, respondents were required to indicate their view as to whether their business consistently reinvests profits to expand operations and improve productivity. Majority (92) of the respondent strongly agreed, 58 respondents agreed, no respondent disagreed, and no respondent strongly disagreed that they practice sustainable economic growth so as to enhance their businesses. The responses are summarized in the SPSS table shows overleaf:

Table 7 Descriptive Statistics of Sustainable Economic Growth

	N	Minimum	Maximum	Mean	Std Deviation
SEG1	150	1.00	4.00	3.48	1.5818
SEG2	150	1.00	4.00	3.4867	1.5848
SEG3	150	1.00	4.00	3.1867	1.4485
SEG4	150	1.00	4.00	3.6133	1.7206
Valid N (Listwise)	150				

Source: SPSS Output. Mean Set = 3.4417

Table 7 above reveals mean scores of 3 points and above across all the response items with a mean set of 3.4417, which implies that the respondents agreed that: their businesses contribute to job creation and employment growth in the local economy; they implement environmentally friendly practices to ensure long-term business sustainability; access to financial support and government incentives enhances the growth of my business, etc. The closeness among the standard deviation scores indicates that the respondents homogenously agreed to these points.

Table 4.8: Items and Scores on Social Accountability

S/N	**Social Accountability**	SA	A	D	SD	TOTAL
		4	3	2	1	
1.	My business operates transparently and complies with ethical business practices.	103	47	0	0	150
2.	We prioritize fair wages and good working conditions for our employees.	85	60	5	0	150
3.	Our business actively supports	92	58	0	0	150

	community development initiatives.					
4.	Customer feedback and complaints are taken seriously to improve our business practices.	108	42	0	0	150

Source: Fieldwork, 2025.

Table 8 above shows the number of responses recorded in each of the response options. For example, on measurement item 3, respondents were required to indicate their view whether their businesses actively support community development initiatives. Majority (92) of the respondent strongly agreed, 58 respondents agreed, no respondent disagreed, and no respondent strongly disagreed that their businesses actively support community development initiatives. The responses are summarized in the SPSS table shows below:

Table 4.9 Descriptive Statistics of Social Accountability

	N	Minimum	Maximum	Mean	Std Deviation
SA1	150	1.00	4.00	3.6867	1.6758
SA2	150	1.00	4.00	3.5333	1.6061
SA3	150	1.00	4.00	3.6133	1.6424
SA4	150	1.00	4.00	3.72	1.7714
Valid N (Listwise)	150				

Source: SPSS Output. Mean Set = 3.6383

Table 9 above reveals mean scores of 3 points with a mean set of 3.6383, which is an indication that the respondents were of the view that: their businesses operate transparently and comply with ethical business practices; they prioritize fair wages and good working conditions for their employees; their businesses actively support community development initiatives, and; customer feedback and complaints are taken seriously to improve their business practices. The closeness of the standard deviations indicates that the respondents were homogeneous in their view.

Entrepreneurial Innovation, Sustainable Economic Growth, and Social Accountability

$H_{01:}$ There is no significant relationship between entrepreneurial innovation and sustainable economic growth of SMEs in Bayelsa State.

H_{02}: There is no significant relationship between entrepreneurial innovation and social accountability of SMEs in Bayelsa State.

Table 1: Correlations between Entrepreneurial Innovation, Sustainable Economic Growth, and Social Accountability

			Entrepreneurial Innovation	Sustainable Economic Growth	Social Accountability
Spearman's rho	Entrepreneurial Innovation	Correlation Coefficient	1.000	0.743**	0.651*
		Sig. (2-tailed)	.	.000	.000
		N	150	150	150
	Sustainable Economic Growth	Correlation Coefficient	0.743**	1.000	0. 768**
		Sig. (2-tailed)	.000	.	.000
		N	150	150	150
	Social Accountability	Correlation Coefficient	0.651**	. 0.768**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	150	150	150

Source: SPSS Output

Column two of table 1 above shows r value of 0.743 at a significant level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating entrepreneurial innovation and sustainable economic growth. Since the significant level is less than the alpha level of 0.05, the null hypothesis (Ho_1) which states that there is no significant relationship between entrepreneurial innovation and sustainable economic growth of SMEs in Bayelsa State, was rejected. This implies that there is a strong positive relationship between entrepreneurial innovation and sustainable economic growth of SMEs in, Bayelsa State. This implies that entrepreneurial innovation is capable of becoming a disruptive force for sustainable economic growth of SMEs in Bayelsa State.

Column three of table 1 above shows r value of 0.651 at a significant level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating entrepreneurial innovation and social accountability. Since the significant level is less than the alpha level of 0.05, the null hypothesis (Ho_2) which states that there is no significant relationship between entrepreneurial innovation and social accountability of SMEs in Bayelsa State, was rejected. This implies that there is a strong positive relationship between entrepreneurial innovation and social accountability of SMEs in Bayelsa State.

Hence, entrepreneurial innovation is capable of constituting a disruptive force for social accountability of SMEs in Bayelsa State.

Discussion of Findings

The first hypothesis of the study revealed that there is a strong positive relationship between entrepreneurial innovation and sustainable economic growth of SMEs in Bayelsa State. Entrepreneurial innovation establishes a robust positive connection with sustainable economic growth rates of SMEs in Bayelsa State ($r = 0.743$ with $p = 0.00$) which demonstrates that innovative businesses tend to experience increased economic sustainability. Findings from Wobo et al. (2025) supported the significance of innovation intensity towards improving Port Harcourt SME sustainability so businesses should consistently invest in modern business strategies and technologies. Digitalization and innovative business practices help develop long-term sustainability in developing economies according to Piot-Lepetit (2025) because traditionally struggling business models lack competitive capacity. The study endorses innovation yet Gibson (2018) argues that sustainable SME expansion depends heavily on outside elements including financing structures and policy structures along with adequate infrastructure. The benefits from entrepreneurial innovation remain inaccessible to regions which experience less funding availability alongside poor institutional backing. SME growth in Bayelsa State benefits significantly from innovation though additional government incentives together with digital infrastructure development as well as capacity-building programs should be implemented to amplify its benefits.

The second hypothesis of the study showed that there is a strong positive relationship between entrepreneurial innovation and social accountability of SMEs in Bayelsa State ($r = 0.651$, $p = 0.00$). A relationship exists between innovative business practices and ethical operations as well as transparent and socially responsible business practices. Das *et al*. (2019) established that small and medium enterprises which integrate innovation into their business strategies begin implementing sustainable social responsibility programs to enhance stakeholder trust while achieving long-term performance benefits. Abdi and Utami (2024) argued that corporate social responsibility along with green innovation creates essential components for upgrading social accountability of SMEs because innovative firms tend to follow sustainable ethical approaches that align with stakeholder requirements. Mondal, Singh, and Gupta (2025) point out that although entrepreneurial innovation boosts social accountability several barriers created by financial restrictions together with regulatory hurdles and inadequate stakeholder understanding can impair full implementation of socially responsible practices by certain SMEs. Success of socially responsible small and medium enterprises in Bayelsa State depends on external elements including state policies as well as market conditions and available funding opportunities in addition to entrepreneurial innovation.

Conclusion

The paper supports the fundamental role of entrepreneurial innovation as it drives sustainable economic expansion along with social responsibility development among small and medium enterprises. Therefore, the study concludes that entrepreneurial innovation drives both economic advancement and long-term sustainable operations along with ethical business conduct. Innovative approaches enable SMEs to develop economic resilience and create value as they contribute positively to regional development and simultaneously embrace ethical standards of corporate governance. The positive relationship between innovative entrepreneurship and sustainable development plus social responsibility establishes a definitive requirement for sustained investment and policy backing of SME innovation to achieve financial progress with responsible business practices.

Recommendations

1. The government and financial institutions in Bayelsa State should provide targeted financial incentives to support SMEs in Bayelsa State, as this will enable SMEs to scale their innovative efforts, leading to long-term economic growth while promoting sustainability.
2. The government and private sector stakeholders should establish tax incentives, grants, and recognition programmes that reward SMEs for adopting ethical, transparent, and socially responsible business practices, thereby promoting long-term sustainable development.
3. SMEs in Bayelsa State should be encouraged to engage in capacity-building programmes that emphasize innovative thinking, sustainable business practices, and modern technologies, thereby contributing to the economic development of Bayelsa State.

REFERENCES

Abdi, I. N., & Utami, N. M. M. A. (2024). Corporate social responsibility, green innovation, and firm performance: Evidence in small and medium-sized enterprises (SMEs) in Bali Province. *Proceedings of the International Conference on Sustainable Green Tourism Applied Science - Social Applied Science 2024 (ICoSTAS-SAS 2024).*

Acs, Z. J. (2006). How is entrepreneurship good for economic growth? *Innovations: Technology, Governance, Globalization, 1*(1), 97-107.

Ajor, L., & Alikor, L. O. (2020). Innovative mindset and organizational sustainability of small and medium enterprises in Rivers State, Nigeria. *British Journal of Management and Marketing Studies, 3*(1), 20-36.

Ajor, L., & Nwaiwu, J. C. (2020). Risk-taking mindset and organizational sustainability of Small and Medium Enterprises in Bayelsa State, Nigeria. *Global Scientific Journals, 8*(1), 1171-1184.

Baumol, W. J. (2004). *The free-market innovation machine: Analyzing the growth miracle of capitalism.* Princeton University Press.

Das, M., Krish, R., & Dutta, G. (2019). Corporate sustainability in small and medium-sized enterprises: a literature analysis and road ahead. *Journal of Indian Business Research, 4*(3), 18-29. DOI: 10.1108/JIBR-09-2017-0166

Fagerberg, J. (2003). Schumpeter and the revival of evolutionary economics: An appraisal of the literature. *Journal of Evolutionary Economics, 13*(2), 125-159.

Fox, J. A. (2015). Social accountability: What does the evidence really say? *World Development, 72*, 346-361.

Gibson, C. (2018). The Most Effective Digital Marketing Strategies & Approaches: A Review of Literature. *International Journal of Scientific and Research Publications, 8*(2), 10-20.

Hall, J. K., Daneke, G. A., & Lenox, M. J. (2010). Sustainable development and entrepreneurship: Past contributions and future directions. *Journal of Business Venturing, 25*(5), 439-448.

Heeks, R. (2013). *Reinventing government in the information age: International practice in IT-enabled public sector reform*. Routledge.

Jamali, D., Lund-Thomsen, P., & Jeppesen, S. (2015). SMEs and CSR in developing countries. *Business & Society, 56*(1), 11-22.

Malena, C., Forster, R., & Singh, J. (2004). *Social accountability: An introduction to the concept and emerging practice.* The World Bank.

Mondal, S., Singh, S., & Gupta, H. (2025). Exploring barriers to innovative marketing in MSMEs: An analysis using a BWM-ISM multi-criteria decision-making framework. *Journal of Multi-Criteria Decision Analysis, 32*(1), 72-91.

Okeke-Ezeanyanwu, J. A. (2023). Utilization of technical skills by managers of Small-Scale Enterprises (SSEs) for successful business operation in Bayelsa State, Nigeria. *Multidisciplinary Journal of Vocational Education & Research, 5*(1), 297-305.

Onyenma, U. O. (2019). Innovativeness and performance of small and medium enterprises in Rivers and Bayelsa States of Nigeria. *International Journal of Business & Law Research, 7*(4), 107-113.

Perrini, F. (2006). SMEs and CSR theory: Evidence and implications from an Italian perspective. *Journal of Business Ethics, 67*(3), 305-316.

Poi, G. (2023). Entrepreneurial self-efficacy and competitive advantage of SMEs in Bayelsa State, Nigeria. *International Journal of Entrepreneurship, 6*(2), 30-46. DOI:10.47672/ije.1519

Piot-Lepetit, I. (2025). Strategies of digitalization and sustainability in agrifood value chains. *Frontiers in Sustainable Food Systems, 9*, 12-24. DOI: 10.3389/fsufs.2025.1565662

Rangaswamy, E., Nawaz, N., Mohamed, S. B. S., & Velleringatt, G. J. (2024). A study on entrepreneurial innovation among entities in Singapore. *Journal of Innovation and Entrepreneurship, 13*(10). DOI: https://doi.org/10.1186/s13731-024-00362-y

Rothaermel, F. T. (2013). *Strategic management: Concepts and cases*. McGraw-Hill.

Schaper, M. (2010). *Making small business sustainable: Green issues for SMEs*. The Small Enterprise Association of Australia and New Zealand.

Schumpeter, J. A. (1934). *The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle*. Harvard University Press.

United Nations (2015). *Transforming our world: The 2030 Agenda for Sustainable Development*. United Nations.

Usman, F. O., Kess-Momoh, A. J., Ibeh, C. V., Elufioye, A. E., Ilojianya, V. I., & Oyeyemi, O. P. (2024). Entrepreneurial innovations and trends: A global review: Examining emerging trends, challenges, and opportunities in the field of entrepreneurship, with a focus on how technology and globalization are shaping new business ventures. *International Journal of Science and Research Archive, 11*(01), 552–569. DOI: https://doi.org/10.30574/ijsra.2024.11.1.0079

Wobo, O. H., Odoemelam, N., & Ojukwu, O. C. (2025). Innovation intensity and sustainability growth of MSMEs in Port Harcourt: Moderating role of accounting practices. *African Journal of Business and Economic Development, 5*(1), 14-36.

World Bank. (2012). *Inclusive green growth: The pathway to sustainable development*. World Bank Publications.