

## COGNITIVE FLEXIBILITY AND ENTREPRENEURIAL INTENTION AMONG SMES OWNERS IN KOGI STATE; THE MEDIATING ROLE OF CLIMATE CHANGE

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### ABSTRACT

*The study investigated the connection between cognitive flexibility and the entrepreneurial intention: mediating role of climate change among Small and Medium Enterprises (SMEs) owners in Kogi State, Nigeria. The specific objectives of the study were to; examine the impact of cognitive flexibility on perceived desirability among SMEs owners in Kogi State, determine the extent at which cognitive flexibility influence the perceived feasibility among SMEs owner in Kogi State. Data is gathered from a sample of SMEs owners in Kogi State using a quantitative research design that makes use of surveys. The population of the study consists of 938,740 Small and Medium Scale Enterprises in Kogi State. 389 people make up the sample size. The study employed primary data. Information from the respondents was gathered using a questionnaire, which served as the main source of data. Descriptive and multiple regression analysis were used in the study to examine the hypotheses. Finding from the study revealed that; cognitive flexibility factors (such as perceived desirability, perceived feasibility) and external environmental factors such as climate change have impact on entrepreneurial intention among Small and Medium Scale Enterprises in Kogi State. The study concluded that, cognitive flexibility is essential in influencing entrepreneurial intention among SMEs owners. Individuals with higher levels of cognitive flexibility demonstrate a better propensity to envision and pursue entrepreneurial opportunities, adapt to changing business environments, and overcome challenges inherent in entrepreneurship. The study recommended that, stakeholders should establish mechanisms for monitoring and evaluating the effectiveness of interventions targeting cognitive flexibility, entrepreneurial intention, and climate change resilience among SMEs owners in Kogi State. Regular assessments and feedback mechanisms will help identify gaps, refine strategies, and ensure that resources are allocated efficiently.*

**Keywords:** Cognitive Flexibility, Perceived Desirability, Perceived Flexibility, Entrepreneurial Intention, Small and Medium Scale Enterprises, mediating role, Climate Change.

## INTRODUCTION

Cognitive flexibility is the capacity of the mind to think about several ideas at once and the transition between distinct ideas, it plays a crucial role in how individuals approach problem-solving, decision-making and adaptation in dynamic environments. In the context of entrepreneurship, cognitive flexibility enables entrepreneurs to navigate uncertainties, adapt to changing market conditions, and exploit emerging opportunities (Akuwudike & Mac-Ozigbo, 2020). This flexibility is particularly important in the quickly changing corporate environment of today, which is marked by changes in consumer preferences and technology breakthroughs. Entrepreneurial intention, motivation and commitment to initiate new business ventures, is influenced by various factors, including individual traits, environmental conditions, and socio-economic contexts (Akinbami et al., 2019). However, climate change poses significant challenges and uncertainties that can influence entrepreneurial intentions and behaviors. Entrepreneurs who exhibit cognitive flexibility may be better equipped to respond to these challenges, adapting their strategies and business models to mitigate risks and leverage sustainable practices (Azu & Alakwe, 2023).

Perceived desirability pertains to how appealing the idea of starting a business or engaging in entrepreneurial activities appears to a person; this assessment is influenced by various personal and social elements including personal ideals, societal conventions, and cultural influences. Perceived desirability is a core component in several models of entrepreneurial intention, perceived feasibility (belief in one's ability to succeed) to shape entrepreneurial intentions. When an individual views entrepreneurship as desirable, they are more likely to pursue related goals, translating to higher entrepreneurial intent and subsequent actions (Amoda & Ishola, 2020). Entrepreneurial intention is a person's deliberate choice or desire to start a new business or engage in entrepreneurial activities. It is a key predictor of entrepreneurial behavior, often shaped by personal motivations, attitudes toward entrepreneurship, perceived feasibility, and external factors such as socio-economic conditions, support systems, and access to resources. Entrepreneurial intention is influenced by psychological traits like risk tolerance, self-efficacy, and innovation, as well as environmental factors such as education, experience, and cultural attitudes towards entrepreneurship; it serves as the foundation for entrepreneurial action, playing an essential part in the growth of new ventures (Salami, 2019).

Kogi State is located in the central region of Nigeria and is often referred to as the "Confluence State" due to the meeting of the Niger and Benue rivers within its boundaries. Created in 1991, Kogi State is bordered by nine states, including Kwara, Nasarawa, and Edo. The state's capital is Lokoja, which holds historical significance as the first administrative capital of modern Nigeria during British colonial rule. Kogi is rich in natural resources such as limestone, coal, and iron ore, making it a key player in Nigeria's industrial sector, especially with the presence of industries like the Ajaokuta Steel Company. The state's economy is driven by agriculture, with crops like cassava, yams, and rice widely cultivated, alongside emerging industrial activities. Kogi is also home to a diverse population of ethnic groups, including the Igala, Ebira, and Okun, contributing to its rich cultural heritage (Dada et al., 2021).

As small and medium-sized enterprises (SMEs) increasingly face the pressures of a dynamic and unpredictable business environment, the ability of entrepreneurs to exhibit cognitive flexibility—defined as the ability to modify one's strategy and way of thinking in reaction to fresh information and evolving conditions—has become essential for success as an entrepreneur. Cognitive flexibility is believed to influence entrepreneurial intentions by enabling owners to adapt their business strategies effectively and seize emerging opportunities (Mishra & Singh, 2022). However, the role of climate change as a mediating variable between cognitive flexibility and entrepreneurial intention is relatively unstudied. Most studies consider climate change as a direct external threat or stressor but rarely as a factor that might influence the connection between entrepreneurship and cognitive flexibility. This study will reveal how climate-related risks impact entrepreneurs' intentions, based on their ability to adapt cognitively (Pulka et al., 2021).

The following research questions were addressed in the study:

- i. What is the effect of perceived desirability on entrepreneurial intention among SMEs owners in Kogi State?
- ii. What is the effect of perceived flexibility on entrepreneurial intention among SMEs owner in Kogi State?

The broad objective of the study is cognitive flexibility and the entrepreneurial intention, mediating role of climate change among Small and Medium Enterprises (SMEs) owners in Kogi State, Nigeria. The specific objectives are to:

- i. Examine the effect of perceived desirability on entrepreneurial intention among SMEs owners in Kogi State.
- ii. Examine the effect of perceived feasibility on entrepreneurial intention among SMEs owner in Kogi State.

The research aim to test the following hypotheses:

H0<sub>1</sub>: Perceived desirability has no effect on entrepreneurial intention among SMEs owners in Kogi State.

H0<sub>2</sub>: Perceived feasibility has no effect on entrepreneurial intention among SMEs owner in Kogi State.

## REVIEW OF RELATED LITERATURE

### The Concept of Cognitive Flexibility

Cognitive flexibility is an essential mental ability that enables people to modify their behavior and way of thinking in response to demands and circumstances that change. It's essentially the mind's ability to transition from thinking about one concept to another. It is the mental ability to shift between two distinct notions and to think about several concepts at once; it allows individuals to adjust their thoughts and behaviors according to the changing demands of a situation. This ability is essential for creativity, problem-solving, and environment adaptation (Filippetti & Krumm, 2020).

Cognitive flexibility enables individuals to adapt to changes in their environment or circumstances. This includes being able to adjust goals, strategies, or behaviors in response to unexpected challenges or opportunities. For example, an entrepreneur with high cognitive flexibility may quickly pivot their business model in response to market changes or emerging trends, it is closely linked to creativity (Buttelmann & Karbach, 2017). It allows individuals to generate and explore diverse ideas, perspectives, and solutions

to problems. Individuals with more cognitive flexibility are often more innovative and able to think outside the box, leading to the development of novel products, services, or strategies in entrepreneurial contexts. Cognitive flexibility plays a crucial role in problem-solving processes. It enables individuals to consider multiple solutions to a problem, evaluate their effectiveness, and adapt their approach if necessary. Entrepreneurs with strong cognitive flexibility are better equipped to navigate complex business challenges and find creative solutions to overcome obstacles (Aguirre & Guerra, 2021).

Cognitive flexibility is crucial for emotional regulation, it allows individuals to reframe negative situations, see things from others' perspectives, and find solutions to emotional challenges. People with high cognitive flexibility can adapt their thinking patterns, reducing stress and promoting emotional well-being (Nweze & Nwani, 2019). Cognitive flexibility is not a fixed trait; it can be enhanced through training and practice. Activities such as puzzles, games, mindfulness practices, and exposure to diverse experiences can stimulate cognitive flexibility. Cognitive behavioral therapy (CBT) often incorporates techniques to enhance cognitive flexibility, helping individuals develop healthier thinking patterns (Steffens & Galinsky, 2016).

### **Perceived Desirability**

Perceived desirability refers to an individual's subjective evaluation or judgment regarding the attractiveness, appeal, or worthiness of a particular object, situation, person, or outcome. (Highgate & Schenk, 2020). It involves the personal and subjective assessment of how desirable something is to an individual. It reflects their preferences, values, and emotional responses to a particular stimulus. In the context of product design or marketing, perceived desirability relates to the perceived attractiveness and appeal of a product or service, it encompasses aesthetic qualities, visual appeal, and overall attractiveness that make the object or service desirable. It incorporates judgments about the worthiness and value of an object or outcome. Individuals assess whether something is worth pursuing, having, or experiencing based on their perceptions of its desirability. There are social and cultural elements that can affect perceived desirability; cultural norms, societal expectations, and peer influences can shape an individual's perception of what is desirable or socially acceptable. Individuals' personal goals and motivations play a role in shaping their perceived desirability (Fastame et al., 2017).

### **Perceived Flexibility**

Perceived flexibility refers to the extent to which individuals or organizations believe they have the ability to adapt, adjust, and respond to changing conditions or demands in their environment. It is a subjective evaluation of how flexible an organization, work process, or system is in terms of modifying its operations, strategies, or work practices to meet new challenges or opportunities. It allows SMEs to quickly respond to fluctuations in market demand, consumer preferences, and competitive pressures; with the ability to change their product offerings or services based on customer feedback, SMEs can better meet local needs, particularly in sectors like agriculture, retail, and manufacturing, which are prominent in the state. This adaptability leads to improved customer satisfaction, loyalty, and ultimately, enhanced performance (Agu & Nwachukwu, 2020). SMEs that are flexible are more likely to foster an innovative culture, encouraging the development of new ideas and creative solutions to problems. In Kogi State, where industries like agro-processing and mining are significant, businesses that innovate to address resource

management, production efficiency, or marketing strategies can gain a competitive edge. Flexibility in business operations promotes continuous improvement, allowing SMEs to enhance productivity and profitability (Eyisi & Okonkwo, 2022).

### **Climate Change**

The term "climate change" describes notable and long-lasting modifications to Earth's climate patterns over a prolonged period of time. It entails changes in wind patterns, temperature, precipitation, and other atmospheric parameters. Climate change is often discussed in the context of long-term shifts that can result from both natural processes and human activities. It encompasses enduring shifts in the Earth's climate patterns, including changes in average temperature, precipitation levels, and atmospheric conditions over an extended period, typically decades to millions of years (Singh, 2017). Climate change is often associated with global warming, a phenomenon driven by an rise in the atmospheric quantities of greenhouse gases. These gases are released as a result of human activities like burning fossil fuels, which exacerbates the greenhouse effect and causes the earth to overheat (Raizada et al., 2022).

### **Entrepreneurship Intention**

Entrepreneurship intention refers to a person's propensity, desire, and motivation to begin and operate a new business venture. It is an important idea in the study of entrepreneurship since it affects how people really behave when they pursue entrepreneurial endeavors (Miranda et al., 2017). Entrepreneurship intention is often linked to certain personality traits such as risk-taking propensity, innovativeness, self-confidence, and proactiveness. Given their innate propensity to take on challenges and pursue new chances, people who exhibit these qualities are more likely to have a strong desire to start their own business (Hassan et al., 2021).

### **Small and Medium Scale Enterprises**

Small and Medium Scale Enterprises (SMEs) are companies that fit into a specific size range, which is frequently determined by the total assets, annual income, or number of employees. The criteria for categorizing SMEs can vary from country to country, but they generally share some common characteristics. SMEs are an integral part of the business ecosystem and play a significant role in economic development worldwide. SMEs can vary depending on the industry, country, or regulatory authority. For example, the European Union defines SMEs based on employee count and annual turnover, categorizing micro businesses with 0–9 workers, small businesses with 10–49 workers, and medium-sized businesses with 50–249 workers). Different countries may use various criteria, such as revenue or asset thresholds, to define SMEs. SMEs are the backbone of most economies, contributing significantly to GDP growth and employment. They are vital for job creation, particularly in emerging economies, where they often provide employment opportunities to a large percentage of the workforce. In developed countries, SMEs are important forces behind competition and innovation, fueling economic diversification and driving technological advancements (Ilegbinosa & Jumbo, 2015).

### **The contributions of Small and Medium Scale Enterprise to Economic Development in Nigeria**

The significance of SMEs in Nigeria cannot be overstated as they account for about 84% of jobs, 96% of companies, and 48% of the national GDP, according to the Nigeria Bureau of Statistics. These

enterprises operate across diverse sectors including agriculture, manufacturing, trade, and services, providing a broad base for Nigeria's economy (Chidume & Nenbee, 2022) Small and Medium Scale Enterprises contributes significantly to the economic development of Nigeria through;

**Job Creation:** SMEs are major sources of employment worldwide. They create jobs at a much higher rate compared to large enterprises, especially in developing countries. As they grow, they hire more employees, reducing unemployment rates and increasing income levels in the community.

**Innovation and Entrepreneurship:** SMEs are often at the forefront of innovation. They tend to be more flexible and adaptive, fostering an entrepreneurial spirit. Many groundbreaking ideas and inventions originate from small businesses, leading to technological advancements and market disruptions.

**Economic Diversification:** SMEs contribute to economic diversification by venturing into various sectors. Their growth reduces dependency on specific industries, making the economy more resilient to market fluctuations.

**Local Development:** Small businesses are usually deeply rooted in local communities. Their growth leads to the overall development of the region, improving infrastructure, education, and healthcare facilities. This, in turn, attracts more businesses and investments, creating a positive cycle of development.

**Access to Finance:** Access to finance is crucial for SMEs to expand. Many initiatives, including microfinance and government-backed loan programs, have been implemented globally to provide funding to small businesses. Improved access to finance enables SMEs to invest in technology, training, and market expansion.

### **Challenges of Small and Medium Scale Enterprises (SMEs) in Nigeria**

Small and Medium-Sized Enterprises (SMEs) are crucial to Nigeria's economic growth, but they are confronted by many obstacles that limit their ability to expand and remain sustainable (Abdullahi et al., 2016). These challenges limit the potential of SMEs to contribute fully to job creation, poverty alleviation, and overall economic progress. Some of the key challenges include:

**Access to Finance:** Inadequate access to financing is one of the biggest challenges of SMEs in; due to high interest rates, strict collateral requirements, and bad credit records, many SMEs find it difficult to obtain loans from banking institutions. Additionally, financial institutions often perceive SMEs as high-risk investments, leading to limited funding options. This lack of access to capital hampers their ability to expand, invest in modern technology, and improve operational efficiency.

**Poor Infrastructure:** Nigeria's inadequate infrastructure, including unreliable electricity supply, poor road networks, and limited access to water and telecommunications, severely impacts SME operations. Frequent power outages increase the cost of running businesses as SMEs are forced to rely on alternative energy sources like generators, which are expensive to maintain. Poor transportation infrastructure also affects the distribution of goods, resulting in delays and higher logistics costs.

**Inconsistent Government Policies:** Frequent changes in government policies and regulatory frameworks create uncertainty and instability for SMEs. Shifting tax policies, import-export regulations, and inconsistent enforcement of laws make it difficult for SMEs to plan and operate effectively. Bureaucratic red tape and corruption further complicate the business environment, discouraging entrepreneurship and foreign investment in SMEs.

**Inadequate Managerial and Technical Skills:** Many SME owners and managers in Nigeria lack the necessary managerial and technical skills to run their businesses efficiently. This skills gap affects decision-making, financial management, marketing, and strategic planning, making it difficult for SMEs to compete in a dynamic market. Moreover, limited access to training and capacity-building programs restricts the ability of SME owners to acquire the knowledge and skills required to manage their enterprises effectively.

**Limited Market Access:** SMEs in Nigeria often face challenges in accessing larger markets due to competition from well-established firms, multinational companies, and imported goods. Without the financial capacity to engage in large-scale marketing and advertising, SMEs struggle to reach new customers and expand their market share. Additionally, the lack of e-commerce infrastructure and digital literacy in rural areas makes it harder for SMEs to leverage online platforms for marketing and sales.

## **Theoretical Framework**

### **Entrepreneurship Innovation Theory**

Joseph Schumpeter propounded the theory of Entrepreneurship Innovation in 1949. According to Schumpeter, inventive, creative, and progressive community members who support the expansion of an economy are known as entrepreneurs. Schumpeter asserts that innovation occurs when a businessperson finds a new source of raw materials, develops a new product or production method, opens a new market, or forms a new organization within the industry. The innovation theory defines entrepreneurship as the process of combining resources in a novel way, such as by introducing new products, developing new manufacturing techniques, locating new sources of raw materials and inputs, or setting new industry or market standards that upset the economic system's equilibrium. Entrepreneurship is the combination of resources in new ways that disrupt the market equilibrium in economic systems (e.g., introducing new, higher-quality products, new production techniques, breaking into new markets, reorganizing a new sector, and conquering new raw material sources). Even though the subject has been very popular since its inception, it is difficult to describe entrepreneurship because many definitions have been used by many different authors. Although previous scholars have given entrepreneurship many different definitions, this researcher agrees that entrepreneurship is essentially about making money.

### **Empirical Review**

Phan et al. (2021) investigated how perceived attractiveness affected the propensity to engage in social entrepreneurship. Personality qualities like a penchant for taking risks, a drive for success, initiative, and inventiveness were the main emphasis of the study. A survey research design was used in this study. There were 1794 SMEs registered in Ogun State, Nigeria. The sample size was determined to be 412 using Cochran's sample size estimation method. Out of the 412 surveys distributed, 386 were filled out and sent back. Finding from the study reveal that the association between these personality qualities and social entrepreneurial intention is mediated by perceived attractiveness. Put another way, the perceived value of social entrepreneurship activities helps to explain how personality qualities affect the inclination to engage in such activities. In conclusion, people who possess particular personality traits—such as a penchant for taking risks, a drive for success, proactiveness, and inventiveness—are more inclined to

think of social entrepreneurship as a feasible choice. Crucially, their perception of the desirability of social entrepreneurship influences their propensity to participate in it. The study recommended that, in light of the influence of perceived desirability and personality factors on entrepreneurial inclinations, governments should think about creating an atmosphere that promotes and supports social entrepreneurship.

Nwakoby and Ezejiofor (2018) investigated entrepreneurial success and perceived feasibility using data from a few Anambra State manufacturing companies. The study evaluated the degree to which manufacturing companies do feasibility assessments before establishing their operations. In particular, the study examines whether manufacturing companies in Anambra State have enough funding, take into account their current rivals, and do market research before starting. In accordance with the study's goals, three hypotheses were developed. A survey research design was chosen. With the use of the SPSS statistical package version 20.0, the three hypotheses were examined using the t-test statistical tool after data from surveys were assessed using a five-point Likert scale. According to the study's analysis, manufacturing companies make sure they have enough money, think about their competition, and research the market before starting. In light of the results, the researcher suggested, among other things, that the government help business owners record accurate market data and make sure money is easily accessible, as this may inspire them to pursue feasibility studies.

Oluwafemi and Adeagbo (2017) investigated the relationship between successful entrepreneurial development in Oyo State and perceived feasibility skills. Three research questions and three null hypotheses served as the study's compass, and it used a survey design. 120 entrepreneurs were chosen for the study from the population of Oyo State entrepreneurs. A standardized questionnaire with four possible answers served as the data collection tool. Data pertaining to the research issues were analyzed using mean and standard deviation, and the hypotheses were tested using t-test statistics. The findings indicated that for successful entrepreneurial development, environmental feasibility study abilities, marketing research skills, and technical feasibility study skills were all critically needed. As a result, the study suggested, among other things, that trainees be taught how to perform a thorough feasibility study of a chosen business in order to provide them with sufficient exposure to the business world; additionally, the learners should be taught technical feasibility study skills in order to stay up to date with the current system of globalization.

### **Gap in Literature**

While there might be studies examining cognitive flexibility or entrepreneurial intention individually within SME contexts, There seems to be a lack of research that systematically examines how cognitive flexibility influences entrepreneurial intention among SME owners in Kogi State. Understanding how cognitive flexibility—the ability to innovate and adapt to changing circumstances—influences entrepreneurial intention—the desire to start a new company venture—may be helpful to researchers and practitioners.

**METHODOLOGY**

The study used a survey research design using primary data. Nonetheless, 938,740 SMEs in Kogi State make up the study's population (SMEDAN 2023). Given the infinite population, the minimum sample size for this study is determined using Fischer's method for populations not less than 10,000. The researcher employed the multiple regression analysis to test the hypothesis.

$$n = \frac{z^2pq}{d^2}$$

n= minimum sample size when population >10,000

z=Standard normal deviate corresponding to 95% Confidence Interval given as 1.96

p= 70% proportion of those who own the family businesses.

q = 1 – p (proportion of those who manage the family businesses).

d= degree of accuracy.

$$n = \frac{(1.96)^2 \times 0.70 \times 0.362}{(0.05)^2} = 389$$

$$n = \frac{(1.96)^2 \times 0.70 \times 0.362}{(0.05)^2} = 389$$

For sub – sample =  $\frac{n}{4} = \frac{389}{4} = 97.25$

Based on the calculation, the sample for Lokoja (97), Okene (97), Anyigba (97), and Kabba (97) has a grand total of 389. Thus, the sample size will be distributed among cities using Fischer' s formula for portion determination. Multiple regression analysis was used to test the hypotheses at 5% level of significant.

**DATA ANALYSIS AND DISCUSSION OF FINDINGS**

A total of Three Hundred and Eighty-nine (389) copies of the questionnaires were sent to the respondents; Three Hundred and Sixty-seven (367) of them were properly completed and returned, while 22 were not. As a result, the analysis will be based on the total number of completed questionnaires.

**Testing of Hypotheses**

H0<sub>1</sub>: Perceived desirability has no impact on entrepreneurial intention among SMEs owners in Kogi State.

H0<sub>2</sub>: Perceived flexibility has no impact on entrepreneurial intention among SMEs owner in Kogi State.

The researcher at this point tests the hypotheses formed earlier in other to accept or reject them and as well as determining their reliability. In other to achieve this, the researcher used multiple regression analysis method.

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889 <sup>a</sup>	.791	.790	.39957

a. Predictors: (Constant), Perceived desirability, Perceived flexibility

According to table 1's model summary, the R square is 0.791, meaning that the constant variables (perceived flexibility and desirability) accounted for 79.1% of the variation in the dependent variable (the

entrepreneurial intention of SMEs' owners), with other variables not included in the model accounting for the remaining 20.9%. Given that the R<sup>2</sup> value is near to 1, this indicates that the regression is helpful in generating predictions.

**Table 2: Analysis of Variance (ANOVA<sup>a</sup>)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	219.554	2	109.777	687.583	.000 <sup>b</sup>
	Residual	58.115	364	.160		
	Total	277.669	366			

a. Dependent Variable: Entrepreneurial Intention of SMEs owners

b. Predictors: (Constant), Perceived desirability, Perceived flexibility

Table 2 shows the estimated F-value (689.583) with a significance value of .000, which is less than the P-value 0.05 (p<0.05). This indicates that the explanatory variable element can affect the change in the dependent variable (SMEs owners' entrepreneurial intention). The test's conclusion was that, because there are multiple variables, certain explanatory variables are significant in influencing the independent variable.

**Table 3: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	.252	.060		4.164	.000
1	Perceived desirability	.494	.034	.550	14.332	.000
	Perceived flexibility	.360	.035	.391	10.202	.000

a. Dependent Variable: Entrepreneurial Intention of SMEs owners

Table 3 displays the entrepreneurial intention of SMEs as the dependent variable. This served as a gauge for SMEs' owners in Kogi State's cognitive flexibility and entrepreneurial intent. Perceived flexibility and perceived desirability are the predictors. Table 3 shows that the independent variables and the dependent variable (entrepreneurial intention) are directly related. Perceived desirability and perceived flexibility factor t-test coefficients are 14.332 and 10.202, respectively, based on the results in the preceding table. P<0.05, or less than 0.05, is indicated by the P-value of 0.000. This indicates that, at the 5% significance level, these variables are statistically significant. The null hypotheses are thus rejected.

**Discussion of Finding**

Regression analysis was used to assess research hypothesis one, and the null hypothesis was rejected at the 5% level of significance. According to the research, perceived desirability has a direct impact on consumer demand; if consumers think a SME's goods or services are excellent, they are more inclined to buy them, which boosts sales. Customers who think a product or service is very desirable may be

prepared to choose it over rivals' offerings, even if they are slightly more expensive. This can have a favorable effect on the performance of SMEs and provide them a competitive edge in the market. This might assist SMEs in gaining market share and solidifying their position within their sector. This result supports the findings of Culotta and Cutler (2016), who found that high brand reputations are a result of favorable desirability perceptions. Brand loyalty is increased when consumers continuously find a SME's products appealing. It can affect price elasticity, allowing SMEs to potentially command higher prices for their goods or services. Customers may be willing to pay more for items they believe to be desirable, increasing profit margins and overall performance. Satisfied customers are also more likely to become repeat customers and recommend the SME to others, further boosting sales and performance.

The test result for study hypothesis two shows that perceived flexibility has a significant beneficial impact on SMEs' performance. Companies that see themselves as adaptable typically exhibit better levels of market share, productivity, and profitability, among other performance indicators. This implies that SMEs are better positioned to take advantage of new opportunities and reduce possible risks if they can swiftly adjust to changes in the market or industrial environment. Surya et al. (2021) Perceived that flexibility enables SMEs to innovate and adapt their product offerings, better satisfying customer needs. They are also more responsive to market variables, such as shifts in consumer preferences and competition pressures. Improving client satisfaction and loyalty, which are essential for long-term business success, can result from having the flexibility to quickly adjust in response to market input.

## CONCLUSION AND RECOMMENDATIONS

The study on cognitive flexibility and entrepreneurial intention among SMEs owners in Kogi State, with the mediating role of climate change, provides important insights. Entrepreneurial intention is favorably influenced by cognitive flexibility, suggesting that people who are able to modify their thinking in response to shifting conditions are more likely to engage in entrepreneurial activities. Additionally, this link is mediated by climate change, indicating that perceptions and reactions to climate change issues play a role in the influence of cognitive flexibility on entrepreneurial ambition. These results highlight how crucial both personal cognitive capacities and outside contextual influences are in influencing entrepreneurial behavior in the SME sector. Policymakers and practitioners should consider strategies that foster cognitive adaptability and address climate change concerns to support SME growth and innovation in Kogi State.

The study recommends that, stakeholder should;

- i. Implement entrepreneurship education programs that emphasize the importance of cognitive flexibility in recognizing and capitalizing on opportunities. These programs should focus on enhancing creativity, adaptability, and open-mindedness among SME owners; facilitate networking events, workshops, and mentorship programs that expose SME owners to diverse perspectives and innovative ideas. Interacting with peers and mentors can broaden their cognitive repertoire and stimulate entrepreneurial aspirations.
- ii. Enhance access to financial, technical, and informational resources necessary for implementing entrepreneurial ideas. SME support agencies and government initiatives should offer targeted assistance to SMEs, particularly those facing feasibility challenges due to limited resources or

market constraints; foster collaborative relationships between SMEs, research institutions, and industry stakeholders to leverage collective expertise and resources. Collaborative ventures can enhance the feasibility of entrepreneurial endeavors by sharing costs, risks, and knowledge.

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