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RECONFIGURATION CAPABILITY AND FIRM COMPETITIVENESS IN SMALL AND MEDIUM ENTERPRISE SECTOR IN PORT HARCOURT

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ABSTRACT
The research study investigated the associations between reconfiguration capability and firm competitiveness in small and medium-sized enterprises (SMEs) in Port Harcourt, Nigeria. Several studies have provided theoretical and empirical insights into the correlations between dynamic capabilities and business success. However, further research is required to comprehensively comprehend the systems behind dynamic capabilities and their impact on the competitiveness of small and medium-sized enterprises (SMEs). The objective of the research is to analyses the connections between reconfiguration capability and the competitiveness of small and medium-sized enterprises in Port Harcourt with measures of resourcefulness, responsiveness, and innovativeness. In order to accomplish the objectives of the study, a cross-sectional approach was selected, involving the utilization of questionnaires to gather primary data and the examination of hypotheses. The research population comprises all small and medium enterprises (SMEs) that are currently operating in Port Harcourt, Rivers State. The Small and Medium Enterprises (SMEs) included in the study are specifically listed in the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) Schedule for the year 2022. The study's effective sample size was 852. The researcher established the study's sample size of 267 using the proportionate stratified random sampling approach and the Krejcie and Morgan (1970) method for sample size estimation. The researcher depended on the supervisor's expert opinion and discernment to ensure the accuracy and soundness of the study. The reliability of the study was assessed using the Cronbach's alpha statistical method. The study's findings indicate a strong and meaningful correlation between the ability to reconfigure and firm competitiveness. Additionally, it has been proposed that managers of small and medium enterprises (SMEs) frequently allocate resources in a way that hampers their capacity to achieve objectives, particularly when these resources are short-term in nature. The consequence is a delay in delivering services, so it is crucial to establish functional innovation circles that have the ability to re-engineer work processes.

Keywords: Dynamic Capabilities, Firm Competitiveness, Reconfiguration Capabilities, Resourcefulness, Responsiveness, Innovativeness.

INTRODUCTION
In today's fast-paced, unpredictable business environment, survival is key for companies. Rising levels of competition and new technology put organizations in circumstances where the outcomes are difficult to predict. The ever-changing economic climate in Nigeria poses significant challenges for the country's business elite (Darlington & Adekemi, 2023).
Companies need to devise new strategies and plans to revamp their operations as part of their organizational adaptation process in order to keep up with the rapid changes in the competitive environment. Haseeb et al. (2019) lists a number of factors that contribute to competitive advantages. These include things like branding, customer service, intellectual property, distribution network, product quality, and cost structure.
Unpredictable external and environmental changes necessitate more frequent modifications from enterprises, as pointed out by Saebi et al. (2017). While it comes to being stable while things are always changing, the dynamic capability theory has some fresh ideas. Managers with dynamic

capabilities may adjust their internal and external competencies more effectively in a volatile market and an ever-changing environment (Eisenhardt & Martin, 2000).

Zollo and Winter (2014) assert that small businesses are essential to accelerating global economic expansion. Despite having many supporters, the majority of them continue to doubt small businesses' ability to consistently improve the economy. Adeyemi (2014) presents startling figures regarding the demise of small and medium-sized enterprises (SMEs) in Sub-Saharan Africa. As the author notes, up to 42% of SMEs experience illness while trying to advance the economy. The author claims that until Nigeria's SME sector is robust and innovative, it will continue to face significant obstacles in its pursuit of industrial development and product offers. Their enduring reliance on low-level energy sources and their incapacity to leverage operating expenses as a result of a lack of infrastructure facilities have prevented them from long-term survival and from making a positive impact on social and economic development.

Manon and Gjalt (2019) found that the mortality rate of SMEs in developing countries has been rather constant over the years. Consequently, developing countries frequently use band-aid solutions to major market issues instead of long-term strategies. Due to operational, human resource, and financial constraints, small and medium-sized businesses (SMEs) are encountering increasing difficulties in acquiring, utilizing, and sustaining vital resources for competitiveness in the market. To strategically turn the trend around and ensure competitive competency, it is important to assess SMEs' skills in light of the ever-changing environment.

On the other hand, organizations are increasingly adopting the concept of dynamic capabilities as a strategy to gain a competitive advantage. Strong abilities that improve managerial and tactical efficacy are required to attain the appropriate market reaction and performance across the board. In order to meet client demand, businesses operating in changing contexts develop novel products. Cordes-Berszinn (2013), noted that dynamic capabilities framework has emerged as the new norm in strategic management due to its growing significance in characterizing strategic advantages. Many scholars have studied the fundamental topic of whether and how the dynamic capacities of enterprises contribute to their competitive advantage, such as Zhou et al. (2017), Mardani et al. (2018), Gyemang and Emeagwali (2020), and many more. Without dynamic skills, organizations would be unable to adapt to changing conditions and would eventually become outdated (Kaur & Mehta, 2017).

Furthermore, managers need to reorganize the firm's pool of talent in order to achieve a sustainable competitive advantage (Teece et al., 1997). Reconfiguration capability is therefore a crucial tool to consider when analyzing the effect of dynamic capabilities on company efficiency. People can create something new that is adaptable to a range of circumstances by combining reconfigurable capabilities with what has previously proven effective in solving certain challenges (Markorvich, Efran, & Raban, 2021). Reshaping one's skill set can help build and protect knowledge and other intangible assets that support high performance (Markorvich, Efran, & Raban, 2021). Workers can reorganize resources to improve customer service, alter customer behavior, and provide better solutions. Continuously providing top-notch services makes it easy to develop and maintain relationships with customers.

As a result, we look into reconfiguration capability as a strategic method for enhancing the competitiveness of Port Harcourt's SME sector.

Research Gap

In the modern business world, a fundamental problem for SMEs is a lack of competitiveness. Due to the rapidly evolving technical landscape and consumers' ever-changing needs, SMEs are finding it more and more challenging to remain ahead of the competition in the current unpredictable business environment. Hence, in order for businesses to remain competitive, they are always under pressure to come up with new and creative ways to improve the quality of their offerings.

In order to differentiate themselves from competitors and gain a competitive advantage, SMEs must possess certain qualities in resource development. Mohamed and Siti (2011) assert that a company's competitiveness in a highly volatile market stems from its capacity to rethink its core competencies in order to foster innovation and gain an edge. Kylaheiko and Sandstrom (2007) asserted that companies found it difficult to cater to the consumer with innovative zeal, given the heightened competition.

By drawing investments, small and medium-sized businesses (SMEs) contribute significantly to both local and international market growth and sustainably grow the trading, production, and service sectors. SMEs are the primary employers in society and contribute significantly to preserving a stable economic balance. Finding the elements that influence their competitiveness is therefore a crucial field and should be taken into serious consideration by SME Owners.

Different strategies are used by businesses to develop their competitive edge and competitiveness, regardless of whether they produce goods or offer services. To capitalize on these opportunities, businesses need to possess robust and adaptable dynamic capabilities

It is deplorable that the majority of Port Harcourt's SMEs only operate on a subsistence basis. The majority of them may do well during that brief initial phase, but they struggle to maintain their competitiveness or sustainability over the long term. The key implication is that, in order to remain solely functional and competitive over the long term, SMEs must improve and reconfigure both their internal and external capabilities.

More research is necessary to fully understand the mechanisms underpinning dynamic capabilities and their impact on the competitiveness of SMEs, even though numerous studies have offered theoretical and empirical perspectives on the relationship between dynamic abilities and firm success.

It was therefore necessary to conduct the proposed study, which focuses on investigating reconfiguration capability and firm competitiveness in SME's, Port Hacourt, Nigeria.

Conceptual Framework

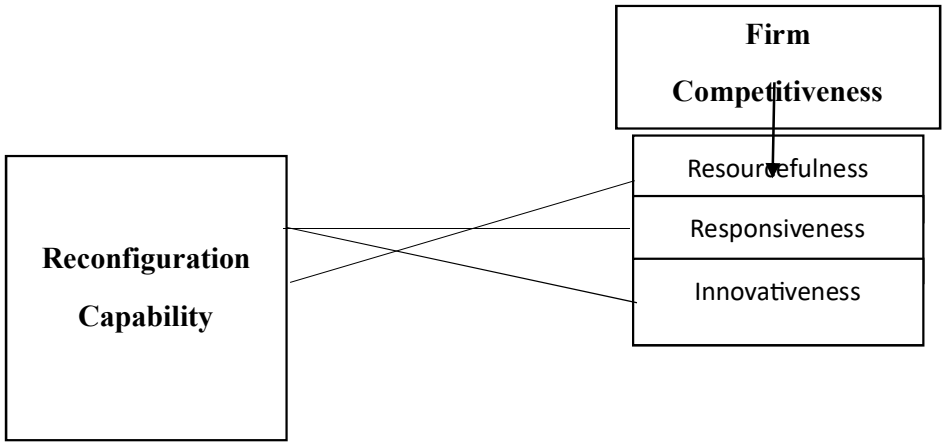

Figure 1.1: Conceptual Framework of Sensing Capability and Firm Competitiveness
Source: Researchers Conceptualization (2024)
Adopted from the works of Teece and Pissano (1990) and Libra (2004)

Objectives of the Study

This research aims to explore the empirical linkage between Reconfiguration capabilities and firm competitiveness in the small and medium scale enterprises sector in Port Harcourt, Nigeria.

The specific objectives are to determine:

1. The correlation amongst reconfiguration capability and resourcefulness in the small and medium scale enterprises sector.

2. The link between reconfiguration capability and responsiveness in the small and medium scale enterprises sector.
3. The relationship between reconfiguration capability and innovativeness in the small and medium scale enterprises sector.

Research Questions

Based on the study's objectives, the following research questions have been developed:
1. Is there a relationship between reconfiguration capability and resourcefulness in the small and medium scale enterprises sector?
2. Is there a relationship between reconfiguration capability and responsiveness in the small and medium scale enterprises sector?
3. Is there a relationship between reconfiguration capability and innovativeness in the small and medium scale enterprises sector?

Research Hypotheses

Based on the objectives mentioned above and research questions, the following research questions were formulated:
Ho_1: No significant relationship exists between reconfiguration capability and resourcefulness in the small and medium scale enterprises sector.
Ho_2: No significant relationship exists between reconfiguration capability and responsiveness in the small and medium scale enterprises sector.
Ho_3: No significant relationship exists between reconfiguration capability and innovativeness in the small and medium scale enterprises sector.

REVIEW OF RELATED LITERATURE

Reconfiguration Capability

Reorganizing one's organization and using creative methods and strategies to prominently showcase one's things are essential for success in today's commodity markets (Wang & Ahmed, 2004). Models and skill set that organizations utilize to design and execute a creative process comprise the stages by which Dodgson, Gann, and Salter (2008) define reconfiguration capability. A creative process, which entails the addition of novel concepts, the enhancement of preexisting ones, and the modification of available assets for reconfiguration, is developed and executed by businesses utilizing models and skill sets.
Bell (2009) describes reconfiguration capabilities as being capable of efficiently carry out changes and enhance current procedures in addition to being able to think of, create, and execute new ideas for items and services. Companies that have reconfiguration capability—a combination of administrative and organizational qualities, technological know-how, and technological proficiency—can move from practical application to innovation (Pekka & Thomas, 2006). The asset base, organizational system, administrative structure, and business standards of an organization determine its ability to reconfigure; these components form the basis of any creative or innovative structure. Novelty requirements necessitate additional steps.
Pekka and Thomas (2006) define reconfiguration capability as a company's capacity to increase consumer value by introducing and expanding new products while also lowering costs through high-quality conceptualization techniques. The capacity to rearrange one's surroundings directly affects one's professional self-confidence and one's capacity to launch and foster novel products, services, and methods.
As per the definitions given by Wagner, Wenzel, Wagner, and Koch (2017) and Teece (2011), reconfiguration is defined as the "ability to reorganize and reunite resources and organizational structures" to suit the inner workings of a business or organization that has capitalized on possibilities. Organizations that add, redeploy, recombine, or divest resources are engaging in the

reconfiguration process (Karim & Capron, 2016). One benefit of reconfiguring is that it makes it easier for businesses to continue developing, acquire additional resources, and capitalize on innovation. Combining and reconfiguring organizational resources and structures to face the market and adapt to technological advancements is the key to achieving and reconfiguring competitive advantages.

Teece (2011) argues that the necessity for developing new talents becomes apparent when there is a need to handle new opportunities, as well as regularly addressing inflexibilities that build over time due to the accumulation of assets, standard operating procedures (SOPs), and the inappropriate use of rent streams by insiders. Teece emphasized the importance of maintaining a harmonious allocation of an organization's resources to ensure optimal strategic alignment within its internal ecosystem. Teece (2018) asserts that reconfiguring capabilities necessitates the responsibility of upholding the alignment between the components of the organization and its strategy.

Rashidirad and Salimian (2020) define reconfiguration capability as the set of operations that organizations perform when they add, recombine, and redeploy. Reconfiguration capacity, then, permits ongoing evolution and gives businesses access to new resources that aid in their ability to reap the rewards of innovation (Zhou et al., 2019).

Firm Competitiveness

Strategic managers frequently utilize the concept of firm-level competitiveness, but they rarely employ it in analyzing the effectiveness of functional operations. The objective of this work is to address a portion of that lack. It serves as a means of measuring the influence of functional activities on the overall competitiveness and performance of the company, providing a framework for evaluating the perceived competitiveness of the company at a firm-wide level (Attila, Erzebet, Bence, & David, 2022).

The term "competitiveness" does not have a universally accepted definition in literature, as pointed out by M. Piatkowski (2012). The fact that theories of competition are ever-evolving means that there is no agreed-upon, universal description of the problem. Businesses can be considered competitive if they can reliably and profitably manufacture goods that satisfy the demands of a free market in relation to price, quality, and so on. In order to stay in business, any company must adhere to these standards, and a company's capacity to increase its market share is directly proportional to how competitive it is in comparison to its competitors. In contrast, businesses that aren't competitive will see a decrease in their market share, and eventually, without "artificial" backing or protection, any business that isn't competitive will go out of business.

Although the firm is the unit of analysis, economics, business, and management studies examine firm competitiveness (FC) in its macro-level contexts (Chikan, 2008). Our adopted definition elaborates on these interconnections: A company's competitiveness can be defined as its capacity to meet client demand while still turning a profit. To achieve this competence, a company must be able to adapt to changing social and economic norms and situations, and its goods and services must be more valuable to customers than those of its competitors. The technique to knowing a company's competitiveness is to look at how profitable and long-term it can grow to create value. The entire environment is shaped by economic, political, social, and technological factors, all of which have an impact on the long-term viability of market-leading companies. A comprehensive analysis of the business system has collected and analyzed the linkages between external influences and sustainable development. Because being competitive isn't just about snatching up external influencing elements; it's also an ongoing internal process that businesses engage in by structuring their operations (Bodgan, Elena, & Sandra, 2017).

Resourcefulness

Behavioural psychologists have studied resourcefulness as a means by which individuals manage both the external and internal challenges, they face in challenging life circumstances. People vary

along a spectrum of self-control behaviours that they have learned to employ throughout their learning history, according to Rosenbaum (1980).
Rosenbaum in 1988 characterized "learned resourcefulness" in terms of "assimilated patterns and abilities by which an individual synchronizes inner reactions such as cognitive processes, pins, and emotions) in order to obstruct the smooth performance of expected action." A key capability, in his view, is resourcefulness. An innovative justification for overcoming obstacles by integrating first-rate knowledge, an experimental approach, and creative thinking is an example of this strategic competence in action. Being well-versed in the operational setting is a prerequisite for superior expertise. Companies that are good at gauging a wider variety of consumer preferences tend to do better in the long run because they are better able to adapt to their clients' ever-shifting needs (Luo, 2001).

Responsiveness
Garrett, Covin, and Slevin (2009) sees responsiveness as the most well-known quality of a corporation that allows it to act quickly in response to environmental events. An ever-changing marketing and strategy idea, responsiveness adapts to the myriad factors at play in management actions and in the face of difficult external conditions. According to Hult, Ketchen, and Slater (2005), this framework helps businesses seize opportunities, maintain positive brand dynamics, innovate, adapt, and move quickly to obtain an advantage over competitors. A company's responsiveness can be defined as its capacity to quickly adapt to changes in the competitive market, according to Kohli, Jarworski, and Kumar (1993).
In the current economic climate, firms recognize that the capacity to promptly address prospective markets is an essential determinant of success (Bhatt and Grover 2010). Difficult, if not impossible, tasks are being added to the list due to the rapidity with which globalization, consumer expectations, competitiveness, and technological advancements are occurring. Companies need to be responsive if they want to strengthen their competitiveness against competing enterprises. This means being able to quickly respond to changes in the business environment so that you can seize future possibilities (Bernandes & Hanna, 2009).
Because it shows how well and efficiently businesses detect, understand, and respond to market signals, responsiveness has been considered a competitive advantage. Another thing that the researchers found is that responsiveness seems to be being able to take in a lot of information quickly in a chaotic, unpredictable setting. Researchers have come to realize that businesses need partners who have a lot of expertise adapting to market changes (Zhao, Qian Hefu, & Liang, 2016). However, this realization is not always easy to come by. Adaptable businesses are better able to anticipate shifts in the market, adjust their operations to suit new needs, share data across international borders, get the most out of their information management systems, and launch innovative products and procedures before their rivals. As a result, it is critical to understand the operational factors that either hinder or help businesses adapt quickly to changing environments (Hoyt & Kreizer, 2007).

Innovativeness
Researchers have linked the concept of innovativeness to various factors such as product or service qualities, market segmentation, and marketing strategies (Smith, 1956; Sharp & Dawes, 2001). Researchers have pointed out the absence of a standard definition for the phrase. In most cases, people can keep it in a small department or company with different updated definitions (Sharp & Dawes, 2001).
Sharp and Dawes (2001) compiled a plethora of explanations and interpretations offered by different academics regarding the link between innovativeness and profitability. The most important definition of innovativeness that we covered is when one company's product or service is preferred over another's in specific buying situations (or by particular clients all the time). The actual competing

markets are characterized by their innovativeness, which is both universal and practically inevitable. Embracing innovation in a competitive market benefit both clients and corporate organizations.
Through the organization's rival sales mark, customers may see the shortcomings of each firm and apply for better services. This provides them with greater details when purchasing services. In the eyes of the organization, a company might step up its game by studying its competitors' successes, imitating their strengths, or coming up with new ideas (Li & Calantone, 1998).
The process of implementing innovativeness is not simple. In order to pass muster, the company must supply something that is different from what competitors are offering. Sufficient facts and understanding are necessary to advance and implement an innovative plan. Such knowledge and data may be readily available elsewhere, but the company needs them for reasons that are unique to it, including customer feedback or market research (Svendsen et al., 2009).

Reconfiguration Capability and Firm Competitiveness

Reconfiguration is an essential capability that provides an industry-wide and healthcare-specific edge over others. Reconfiguration, in its most basic form, refers to the manner of industrialization wherein a plan of action is transformed into a tangible product or service, an enhanced production or marketing method, or an entirely revolutionary social function. As a result, the expectation of a modern or superior product (goods or services), new positioning strategies, or a dynamic managerial approach in internal applications, work organizations, or external relations is known as reconfiguration (Passemard & Calantone 2017). For reconfiguration to occur, product, process, methods of marketing, and other adopted methods for the firm must be considerably improved or absolutely new for the company.
Businesses use reconfiguration processes in their functional and operational domains, as well as with their commodities and processes (Cunliffe, 2011). Because of this, organizational reconfiguration is preferred for enhancing competitive advantage. As a result, reconfiguration capability reflected on the standard skill of developing first-hand capabilities as well as the ability to integrate recently established or attained capabilities and self-reliant precise conditions (Wogwu & Hamilton 2018).
In the words of Wogwu and Hamilton (2018), a competitive advantage helps with this problem by making cheaper products and labor more widely used. When implemented effectively, these strategies can propel a company to surpass its competitors and reach new heights (Passemard & Calantone 2017). In order to gain a competitive edge, an industry's strategy involves utilizing its many assets, over which it has considerable control (Rijamampianina 2015).

Empirical Review

The process of developing dynamic capabilities was studied by Cyfert, Chwikowska-Kubala, Szumowski, and Mikiewicz (2021); conceptual and empirical results were reported. The research aims to develop a model for producing dynamic capabilities to increase a company's economic effectiveness and determine how the model's activities are related. The research focused empirically on the model for producing dynamic capabilities, consisting of five activities: opportunity identification, configuration and reconfiguration, coordination, learning, organizational adaptability, and knowledge management. The study also examines how the various elements of the dynamic capabilities building process affect a company's performance. This study employed a survey approach, using data collected from top executives. The finding was reached using structural equation modelling, which was based on data from 471 Polish businesses. Additionally, it was discovered that the various tasks required to carry out dynamic capabilities are interconnected, and that these interactions and connections have a favorable effect on an enterprise's financial success.
Hisham (2010) studied "the factors of reconfiguration capability: a dynamic capabilities perspective." The purpose of this research is to analyze several elements of reconfiguration capability, such as inter-firm collaboration, intra-firm collaboration, individual, group, and organizational learning. The report is based on 83 British software businesses' survey data. The item-total correlation and the reliability analyses were used to determine the internal consistency of the variables. This was

accomplished through the use of multiple regression analysis and principal component analysis. The findings highlighted that inter-firm collaboration is associated with effective reconfiguration. Furthermore, data shows that collective learning improves a company's ability to recombine information streams. Finally, the study highlights the significance of organizational learning in enabling the reconfiguration capability to function.

Researching the influence of environmental turbulence, Gudregan and Wilden (2015) examined the relationship between dynamic capabilities and technological and operational marketing capabilities. A model illustrating the relationships between frequent deployment of dynamic capabilities, marketing, and technological capabilities, together with the impact of technological, competitive, and market headwinds, is shown. A study conducted on 228 organizations using the dynamic capabilities perspective and records showed that frequent sensing and reconfiguration have a more notable positive influence in competitive conditions. Periodic sensing, however, might negatively impact marketing and technological capacities in temperate climes. Furthermore, technological capabilities have a significant impact on corporate success when compared to companies operating in fiercely competitive marketplaces.

Nyachanchu, Chepkwony, and Bonuke (2017) studied the Role of Dynamic Capabilities in Manufacturing Firm Performance in Kenya. The study's purpose was to examine how dynamic capabilities and its dimensions of seizing, reconfiguring, and sensing capabilities) affects firms' growth. The Resource-Based View (RBRV) provided guidance to the study. Data were obtained from the 271 manufacturing Enterprises in Nairobi County that were referred to through a standardized questionnaire instrument. The company's CEOs filled out the questionnaire. It was revealed that reconfiguring capabilities (β =0.182, P< 0.001), seizing capabilities (β =0.194, P<0.01), and Sensing capabilities (β =0.215, P <0.01) were assessed using regression analysis results. These three variables together explained 25.9% of the variance in company performance (R2=0.259). The implementation of dynamic capabilities, according to the findings, has a significant influence on firm performance.

Helfat and Peterat (2013) examined and introduced the concept of capability lifecycles through the lens of dynamic resources. They contend that the capability development process provides a foundation for a holistic examination of dynamic resource-based theory. In order to elucidate the origins of diversity in structural capabilities, the research integrates the development, maturation, and expansion of dynamic capabilities. An essential element of the study reveals that comprehending the evolution of resources and capabilities is contingent upon adopting a dynamic resource-based perspective.

METHODOLOGY

The impact of reconfiguration capabilities on the competitiveness of small and medium-sized enterprises (SMEs) in Port Harcourt is the subject of this study. Due to its emphasis on key facts, beliefs, views, demographics, information, attitudes, motivations, and behaviours as revealed by the research instrument, the descriptive and cross-sectional survey research design was employed in the work (Valerie et al. 2019). The population of this study consists of businesses in Port Harcourt, Rivers State, that are members of the Port Harcourt Chamber of Commerce and are included in the 2018 Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) Schedule. Additionally, taking into account the several subcategories that comprise the SME sector, the SMEDAN Schedule (2018) included fourteenth-two SMEs. Once again, we intentionally selected six senior executives from each medium and small business for this study, as it takes these individuals into account in its macro-level analysis. Executives in the following departments are part of the sample: marketing, research and development, human resources, finance, and logistics and distribution. This resulted in a total of 852 participants for the study. For the initial round of data collection, we selected 267 participants using the sample size determinant proposed by Krejcie and Morgan (1970). Next, we employed a proportionate stratified random sampling technique to select a representative sample for each sector of small and medium-sized enterprises (SMEs). When doing

inferential analysis, the Spearman rank correlation coefficient was utilised. The tool's ability to display the strength of the link between the two variables was a deciding factor.

Measurements of Study Variables

In this study, the measuring instruments for the variables were obtained from literature and scales developed by scholars. The measurement scale for the dimensions of dynamic capabilities was adapted from Teece (2009), which has been validated in Zollo and Winter (2014). The measures adopted for competitiveness were also adapted from the works of Hills and Jones (2012). These were created using a 5-point Likert scale that ranges from Strongly Agree to Strongly Disagree and is scored from 5-1. For our research, we conducted both contents and construct validity tests. The content validity of a research instrument describes the level to which the items in the instrument reflect the context universe to which the instrument can be used (Straub, Boudreau & Gefen, 2004). On the other hand, construct validity assesses whether a measurement instrument accurately reflects what we are trying to measure. It is about ensuring that the measurement method matches the construct to be measured (Hamed, 2016). This study was tested for reliability by means of the Cronbach alpha reliability coefficient to ascertain the internal consistency. In order to show the reliability, the Numally (1978) alpha threshold of 0.7 was relied upon.

Data Analysis

A total of two hundred and sixty-seven (267) questionnaires were distributed to respondents, of which two hundred and thirty-seven (237) were recovered. According to Bryman and Bell (2003), the decision rule that applies to all bivariate test outcomes is as follows:

Table 1: Shows the description of the range of correlation (Rho) values, as well as the correlative level of association

Range of Rho (+ and – sign value)	Association strength
± 0.80 – 0.99	Very strong
± 0.60 – 0.79	Strong
± 0.40 – 0.59	Moderate
± 0.20 – 0.39	Weak
± 0.00 – 0.19	Very weak

Source: **Bryman and Bell (2003)**

As shown in Table 1, the '+' sign of Rho indicates a direct and positive relationship, while the '-' sign indicates an indirect or inverse relationship. Thus, the orientation of the relationship between the predictor and criterion variables is indicated by the Rho symbol.

As a result, this section presented our study's findings and tested the previously postulated hypotheses.

Table 2: Correlations For Reconfiguration Capability and Resourcefulness Correlations

			Reconfiguration Capability	Resourcefulness
Spearman's rho	Reconfiguration capability	Correlation Coefficient	1.000	.421**
		Sig. (2-tailed)	.	.056

		N	232	232
	Resourcefulness	Correlation Coefficient	.421**	1.000
		Sig. (2-tailed)	.056	.
		N	232	232

Ho$_1$: No significant relationship exists between reconfiguration capability and resourcefulness of the Small and Medium-scale sector in Port Harcourt

The correlation coefficient (rho) in the table above indicates a relationship between reconfiguration capability and resourcefulness. The correlation coefficient of 0.421 confirms the degree and frequency of this relationship, indicating that the variables have a moderate correlation. At p0.056 >0.01, the correlation is insignificant. As a result of the findings, the null hypothesis is accepted, and the alternative hypothesis is rejected. As a result, there is no statistically significant relationship between reconfiguration capability and resourcefulness in Port Harcourt's Small and Medium-scale sector.

Table 3: Correlations For Reconfiguration Capability and Responsiveness

Correlations

			Reconfiguration Capability	Responsiveness
Spearman's rho	Reconfiguration capability	Correlation Coefficient	1.000	.720**
		Sig. (2-tailed)	.	.000
		N	232	232
	Responsiveness	Correlation Coefficient	.720**	1.000
		Sig. (2-tailed)	.000	.
		N	232	232

Ho$_2$: No significant relationship exists between reconfiguration capability and responsiveness of the Small and Medium-Scale Enterprises Sector.

The correlation coefficient (rho) in the table above indicates a relationship between reconfiguration capability and responsiveness. The correlation coefficient of 0.720 confirms the degree and intensity of this relationship, indicating that the variables are highly correlated. At p 0.000 <0.01, the correlation is significant. As a result of the findings, the null hypothesis is rejected, and the alternative is accepted. Thus, there is a statistically significant correlation between reconfiguration capability and the Small and Medium-scale sector responsiveness in Port Harcourt.

Table 4: Correlations For Reconfiguration Capability and Innovativeness

Correlations

			Reconfiguration Capability	Innovativeness
Spearman's rho	Reconfiguration capability	Correlation Coefficient	1.000	.827**
		Sig. (2-tailed)	.	.000
		N	232	232
	Innovativeness	Correlation Coefficient	.827**	1.000
		Sig. (2-tailed)	.000	.
		N	232	232

Ho_3: No significant relationship exists between reconfiguration capability and innovativeness in Port Harcourt's Small and Medium-Scale sector.
The correlation coefficient (rho) in the table above indicates a relationship between reconfiguration capability and innovativeness. The correlation coefficient of 0.827 confirms the degree and strength of this relationship, indicating that the variables are highly correlated. At p 0.000 < 0.01, the correlation is significant. As a result of the findings, the null hypothesis is rejected, and the alternative is accepted. Thus, there is a significant correlation between reconfiguration capability and innovativeness of the small and medium-scale Enterprises sector in Port Harcourt.

Findings
This research aim was to assess the relationship between reconfiguration capabilities and firm competitiveness in Rivers State small and medium-scale Enterprise. It was generally discovered by our findings that a strong positive correlation exists between reconfiguration capabilities and firm competitiveness in the small and medium scale Enterprise sector.
The study examined the association between reconfiguration capability and firm competitiveness of the small and medium-scale Enterprise of River State Our research discovery showed that there is a substantial correlation between reconfiguration capability and firm competitiveness. This study confirms the earlier assertion in initial research by Cyfert, Chwikowska-Kubala, Szumowski, and Mikiewicz (2021) that industry rivalry is growing on a regular basis. This is due to numerous environmental and organizational factors such as growth, new machinery, expanding global and local competition, and free trade. Newness should be recognized in a complex atmosphere as a key achievement in progressive competitiveness. The act of modernization will lead to a steady, smooth market distribution for an industry or create a totally new free market that will allow the industry to achieve considerable profits. The slow response of rivals to such a new strategic plan will be a competitive advantage for the industry.
Building current capabilities or adapting and improving existing capabilities supports the capability structures of the industry (Helfat & Peteraf, 2003). The development of functionality and industry strength, therefore, needs to be closely related. The reconfiguration capability involves re-employment, re-integration, and reconsolidation of resources such as machinery and predominant systems and a unification of a new understanding of market-expected training and modernization of goods and labour. Rodenbach and Brettel (2012) maintain that the effective enforcement of this reconfiguration depends on the perception of business climate, management experience, and intellectual managers and crews of chief executives. Reconfiguration Capabilities within or outside the origin can be generated. Capabilities are essentially linked to the revolution in technical capabilities, that is, the complete renewal of the current capability within the industry in pattern, mode, type, design, or display (Teece, 2007).
Hisham (2010) posits that the execution of efficient reconfiguration is positively correlated with inter-firm collaboration. The significance of organizational-level learning in establishing the strategic and structural environment in which reconfiguration capability can function is emphasized in his study. Innovation may be acknowledged as an essential completed element in an ever more competitive and complex environment. Modernization can facilitate a sector in attaining a consistent and seamless market distribution, or it can establish a totally novel market freedom that empowers the industry to produce exceptional profits (Rono, Korir, & Komen, 2021).
Our research findings are in line with the assertions of Gudregan and Wilden (2015), who proposed a model for the relationship between frequent dynamic capabilities utilization, as computed by its associated sensing and reconfiguration processes, and marketing technological capabilities. Their results showed that reconfiguring have more positive effects in conditions with strong competition turbulence. Furthermore, whereas marketing capabilities are significantly correlated with business success in highly competitive circumstances, technology capabilities boost performance in stable market pressures.

Our research findings align with Abiodun's (2015) study, indicating that entrepreneurial orientation, reconfiguration capabilities, and environmental volatility significantly influence export performance. Additionally, they proposed that environmental turbulence moderates entrepreneurial orientation, reconfiguration capability, and export performance. In order to achieve first-order growth and export success, their findings also indicate that SMBs could benefit from asset reconfiguration and renewal and be better able to respond to opportunities and challenges.
Additionally, the works of Nyachanchu, Chepkwony, and Bonuke (2017) backs up our research findings. They noted that the deployment of dynamic capabilities has a considerable impact on business performance.

CONCLUSION

Based on the results obtained, we can infer that implementing reconfiguration capabilities enables firms to enhance their competitiveness through dynamic capabilities. The competitiveness of a firm is positively impacted by reconfiguration capabilities; therefore, a business that does not adopt such capabilities may perish in a dynamic market environment where unique resources alone are no longer adequate to achieve entrepreneurial growth. This suggests that small enterprises can retain customers, thereby increasing customer acquisition and retention, and ultimately market share, profits, and sales, when they possess distinctive capabilities in terms of expertise and knowledge, efficient management systems, pricing and advertising programs, quality cost control, and supplier and customer relationship management. Hence, in order to promote business performance, it is imperative that small business proprietors augment the competencies of their personnel through educational opportunities and development. Both firm capability and access to finance have a combined impact on firm performance, influencing small businesses.
As a result of the study's findings and conclusions, the following recommendations were made:

1. As firms make efforts towards goal achievements, there is the need for a competent workforce to initiate and modify work processes for prompt and quality service delivery. This involves configuring skills that are targeted at appropriate resource utilization.
2. Managers of small and medium-scale Enterprises should develop strategies that consistently aid in reconfiguring available resources to effectively address the changes in the dynamic markets.
3. Managers of SMEs are often inclined to deploy resources that diminish their ability to attain goals, especially when they are of short-term nature. The implication is delayed service delivery; therefore, creating functional innovation circles with the capability is to re-engineer work processes is imperative.

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