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MODERATING EFFECT OF FUNDS AVAILABILITY ON THE RELATIONSHIP BETWEEN LEADERSHIP COMMITMENT AND ORGANISATIONAL READINESS FOR CHANGE; AN ANALYSIS ON LEAN READINESS ASSESSMENT

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Abstract

This study examined the moderating effect of funds availability on the relationship between leadership commitment and organisational readiness for change through an analysis of Lean readiness assessment among service-oriented SMEs in Bauchi State, Nigeria. The study adopted a cross-sectional survey research design, and primary data were collected through structured questionnaires administered to 368 managers of service SMEs in Bauchi State. A multi-stage probability sampling technique involving stratified and simple random sampling was adopted, while data analysis and hypothesis testing were conducted using SMART-PLS 4. The findings revealed that funds availability has a positive and significant effect on Lean readiness in SMEs within the service sector in Bauchi State (β = 0.189, t-value = 5.387, p-value = 0.000). Similarly, leadership commitment was found to have a positive and significant effect on Lean readiness (β = 0.714, t-value = 26.147, p-value = 0.000), indicating that leadership commitment exerts the strongest influence on organisational readiness for change. Furthermore, the moderation analysis showed that funds availability significantly moderates the relationship between leadership commitment and Lean readiness (ß = -0.831; t = 18.143; p = 0.001), implying that adequate financial resources strengthen the ability of committed leaders to successfully implement Lean initiatives within SMEs. The study concludes that both leadership commitment and funds availability are critical determinants of Lean readiness among service-based SMEs in Bauchi State. The study recommends that SME owners and managers ensure adequate allocation and effective management of financial resources to support Lean transformation initiatives. It also recommends that leadership within SMEs demonstrate stronger commitment through active participation, strategic direction, and continuous support for organisational change processes.

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Keywords: Lean readiness factors, Organisational Readiness for Change, Service SMEs, Leadership commitment

1. Introduction

Lean readiness has emerged as a critical issue for organisations seeking to successfully implement lean principles and sustain continuous operational improvement. In today's highly competitive and dynamic business environment, organisations face increasing pressure to improve efficiency, reduce waste, minimize operational costs, and deliver greater value to customers (Naidu, 2021). Consequently, many organisations have adopted lean management practices as a strategy for achieving operational excellence and maintaining competitiveness. However, evidence suggests that the success of lean implementation depends not only on the application of lean tools and techniques but also on the organisation's level of readiness for change. Lean readiness refers to the extent to which an organisation possesses the necessary leadership support, commitment, financial capability, and internal structures required to successfully adopt and sustain lean practices (Inuwa, Male, & Aminu, 2023; Inuwa, 2021). In the absence of adequate readiness, organisations often experience resistance to change, poor implementation outcomes, and failure to sustain improvement initiatives (Halim-Lim et al., 2021).

Lean management has gained global recognition as an effective approach for improving organisational performance and reducing operational inefficiencies. Although lean practices originated in manufacturing industries, they are increasingly being adopted in service organisations because of their ability to improve service quality, reduce delays, eliminate non-value-adding activities, and enhance customer satisfaction (Shah & Ward, 2007; Womack & Jones, 1997). Despite these benefits, many organisations, particularly small and medium-sized enterprises (SMEs), continue to experience difficulties in implementing lean practices successfully. Previous studies have identified inadequate organisational readiness as one of the major causes of unsuccessful lean transformation efforts among SMEs (Awang, Idris, & Zakaria, 2022). Among the factors influencing lean readiness, leadership commitment has consistently been identified as one of the most important determinants. Effective leadership provides strategic direction, motivation, coordination, and support necessary for successful organisational change and continuous improvement initiatives. However, in many service-based SMEs, managers and business owners are often overwhelmed with multiple operational responsibilities, which may limit their commitment to lean implementation and reduce organisational readiness for change.

In addition to leadership commitment, the availability of financial resources may significantly influence the extent to which organisations are prepared for lean transformation. Organisations with inadequate financial resources may find it difficult to provide employee training, process improvement support, technological upgrades, and other requirements necessary for successful lean implementation. Inuwa, Male, and Aminu (2023) recommended that funds availability should be examined as a moderating variable in lean readiness studies because financial capability may strengthen or weaken the relationship between leadership commitment and organisational readiness for change. However, despite this recommendation, empirical studies examining the moderating role of funds availability remain limited, particularly among service-based SMEs in developing economies. In the Nigerian context, SMEs operate under challenging conditions characterized by inadequate infrastructure, limited access to finance, rising operational costs, and economic instability (Nwanya & Oko, 2020). Service-based SMEs in Bauchi State face additional challenges such as weak managerial capacity and inadequate funding, which may hinder their readiness for lean implementation. Furthermore, studies by

Umude-Igbru and Price (2015) and Ogah et al. (2020) emphasized the need for more empirical evidence on lean quality adoption among Nigerian SMEs, while Antony et al. (2020) and Maware et al. (2021) recommended greater focus on the pre-implementation stage of lean transformation to better understand readiness factors. Therefore, this study seeks to address this empirical gap by examining the moderating effect of funds availability on the relationship between leadership commitment and organisational readiness for change among service-based SMEs in Bauchi State, Nigeria.

2. Literature Review

2.1 Organisational Readiness for Change

The concept of readiness for change emerged as a response to resistance to organisational change. Coch and French conducted a series of experiments on organisational change in 1948 and found that factory workers were less likely to resist change when they participated in developing the change process. From this point, the concept of change readiness evolved and was later examined in fields such as medicine, education, and organisational development (Nilsson et al., 2019). Change has become a common phenomenon in organisational life, although many scholars argue that the pace of change has increased significantly in recent years (Rismansyah, 2021). This definition reflects the ordinary meaning of "readiness," which implies being psychologically and behaviourally prepared to take action.

The terms "change readiness" and "readiness for change" are often used interchangeably with organisational readiness for change (Inuwa, 2024). Understanding areas where organisations are fully ready, partially ready, or entirely unprepared for change is important for the proper and systematic assessment of organisational change readiness (Boston Consulting Group, 2020). In the literature, readiness for change is discussed at both the organisational level (Wang et al., 2020) and the individual level (Kara et al., 2022). At the organisational level, emphasis is placed on the collective readiness of managers and employees to embrace and implement change initiatives.

Change commitment is viewed as the shared determination of organisational members to implement change successfully, while change efficacy refers to their shared confidence in their collective ability to execute the change. Readiness, in a broader sense, is considered an important success factor in implementing organisational change (Øygarden & Mikkelsen, 2020). Organisations are often compelled to change in response to unforeseen situations, competitive pressure, technological advancement, and environmental uncertainty.

In addition, research on change management has traditionally focused on large-scale enterprises such as multinational and high-technology firms because researchers often find it easier to access data from these organisations (Inuwa, 2024). Recent evidence also highlights the growing importance of communication in developing readiness for change, particularly within small and medium-sized enterprises (SMEs). Cvjetković, Morić Milovanović, and Babić (2026) demonstrated that employees' readiness for change is significantly influenced by internal communication satisfaction and the quality of change communication. Their study of 454 employees in Croatian SMEs showed that organisations with transparent communication, timely information sharing, and supportive leadership generated higher levels of employee commitment and confidence toward organisational change. A comprehensive systematic review by Caci et al. (2025) found that although organisational readiness remains one of the strongest predictors of successful change implementation, there is still considerable inconsistency in how readiness is conceptualised and measured across studies. The review analysed 47 empirical studies and concluded that organisational readiness should be assessed repeatedly

during implementation rather than only before change begins. The authors further argued that future research should integrate individual, team, and organisational perspectives to provide a more comprehensive understanding of readiness.

2.2 Lean Readiness Factors

Readiness factors refer to organisational practices, conditions, and structural arrangements that facilitate transformation by reducing barriers to the successful implementation of continuous improvement initiatives (Vaishnavi & Suresh, 2020; Marolla, Rosa, & Giuliani, 2021; McDermott et al., 2022). Previous studies have emphasized that the presence and proper assessment of these factors are critical prerequisites for the successful implementation of continuous improvement projects in both SMEs and large organisations (Baht et al., 2019). McDermott, Antony, Sony, and Looby (2023) described readiness factors as essential organisational ingredients that improve the likelihood of success before substantial investments are made in improvement initiatives. Rodgers, Antony, and Cudney (2021) further argued that many organisations fail in continuous improvement efforts because they neglect readiness assessment prior to implementation. Alkhoraif (2024) conducted a systematic review of Lean implementation in SMEs and concluded that successful Lean adoption depends on organisational readiness reflected in leadership commitment, financial capability, employee competence, organisational learning, and continuous improvement practices. The review further noted that organisations possessing these capabilities are more likely to sustain Lean initiatives than those focusing only on Lean tools and techniques

Similarly, Chen (2026) synthesized evidence from 123 empirical studies on Lean implementation in manufacturing SMEs in developing countries and found that leadership, workforce training, organisational readiness, resource availability, communication, and the ability to manage organisational change are among the most frequently reported factors influencing Lean implementation success. The study proposed the SME Lean Capability Pathway, which emphasizes building organisational readiness before progressing toward advanced Lean practices and Lean 4.0 integration

2.3 Hypothesis Development

2.3.1 Leadership Commitment and Readiness for Change

Alkhoraif (2024) conducted a systematic review of Lean implementation in SMEs and concluded that successful Lean adoption depends on organisational readiness reflected in leadership commitment, financial capability, employee competence, organisational learning, and continuous improvement practices. Leadership commitment plays a pivotal role in preparing an organization to embrace such change. A committed leadership team communicates a clear vision, allocates resources, and offers consistent support to employees, thereby fostering organizational readiness for change (Herold et al., 2021). Research indicates that organizational readiness for change is highly dependent on leadership's ability to articulate the reasons for change and model the behaviors required for successful transformation. The increasing pace of digital transformation has also reshaped organisational readiness. Research by Li et al. (2026) on Chinese construction SMEs found that organisational readiness for digital transformation depends largely on the dynamic managerial capabilities of organisational leaders. The study proposed a four-layer organisational readiness framework comprising leadership capability, organisational resources, employee competencies, and implementation mechanisms. The findings indicate that SMEs require not only technological infrastructure but also adaptive leadership and organisational learning capabilities to achieve successful transformation.

H1.Leadership commitment has a significant effect on lean readiness in SMEs within the service sector in Bauchi state.

2.3.2 Funds Availability and Readiness for Change

The availability of funds provides long-term investment opportunities for growing businesses and supports experimentation, innovation, and technological advancement that enhance readiness for change and continuous improvement (Atah & Abba, 2020). According to Pu et al. (2021), financial resources include organisational monetary assets such as equity, debt capital, retained earnings, and borrowing capacity. Capital availability therefore plays a significant role in supporting SME growth and operational sustainability. Similarly**,** Inuwa (2024) reported that Nigerian manufacturing SMEs with stronger organisational resources and management support demonstrate higher readiness for Lean implementation. Although the study examined several readiness factors, it emphasized that organisations require sufficient financial capacity to support planning, employee development, process management, and the implementation of sustainable Lean initiatives. Also, Qureshi and Mewada (2025) identified financial capability as one of the most important critical success factors for Lean 4.0 implementation in SMEs. Their findings showed that organisations possessing adequate financial resources are better positioned to acquire digital technologies, provide employee training, and successfully integrate Lean principles with Industry 4.0 technologies, thereby improving operational efficiency and organisational adaptability

Antony et al. (2021) identified financial constraints as one of the major barriers to implementing technological and operational changes within SMEs. Researchers such as Adomako and Ahsan (2022) and Inuwa, Male, and Aminu (2023) further highlighted the importance of financial resources in supporting continuous improvement initiatives and organisational performance.

H2. Fund availability has a significant effect on lean readiness in SMEs within the service sector in Bauchi state.

2.4 Moderating Effect of Funds Availability on the Relationship between Leadership Commitment and Readiness for Change

Due to the significant financial commitment required for Lean implementation, organisations must strategically plan and allocate resources effectively to avoid waste and implementation failure (Costa et al., 2020). In the Nigerian context, the growth and development of SMEs have been negatively affected by limited access to finance. Finance is widely regarded as one of the major obstacles facing SMEs in Nigeria (Okoh, 2020). Consequently, funds availability becomes an important factor that may strengthen or weaken the relationship between leadership commitment and organisational readiness for change. The relationship between leadership commitment and organizational readiness for change has been widely studied, with a growing body of literature emphasizing the moderating effects of financial resources. Adomako and Ahsan (2022) highlight the critical role of financial resources in shaping the performance of SMEs. They argue that while leadership commitment to innovation is crucial, financial resource constraints often hamper the ability of SMEs to experiment and develop new processes. Innovation in SMEs typically requires the allocation of funds for research, development, and operational experimentation, which are often beyond the reach of smaller firms facing financial limitations. Adomako and Ahsan's study suggests that without sufficient financial resources, even highly committed leaders may struggle to translate their vision for change into actual innovations, undermining the readiness for change within their organizations. Furthermore, research on SME transformation shows that leadership capability is most effective when supported by adequate financial resources. Al Maalouf (2025)

found that transformational leadership significantly improves innovation and organisational performance in SMEs; however, the study emphasises that innovation activities require continuous investment in organisational resources, employee development, and operational capabilities. Without adequate financial support, leadership efforts are less likely to produce sustained organisational transformation. This highlights the essential moderating role that capital availability plays in the relationship between leadership commitment and organizational readiness for change.

Similarly, Achmad and Wiratmadja (2024) found that sustainable leadership improves SME performance through the development of frugal innovation and dynamic capabilities. However, the study emphasised that SMEs with limited financial resources experience greater difficulty translating leadership initiatives into sustainable organisational outcomes because resource scarcity constrains innovation and capability development. Furthermore**,** Ur Rehman et al. (2024) reported that sustainable leadership significantly promotes innovation within SMEs, but the effectiveness of leadership depends on the availability of organisational knowledge and supportive resources that enable firms to implement innovative practices successfully. Their findings suggest that financial and organisational resources create favourable conditions under which leadership commitment can influence organisational change and innovation outcomes

2.5 Theoretical Underpinning: Resource-Based View (RBV) Theory

This study is anchored on the Resource-Based View (RBV) theory developed by Wernerfelt (1984) and further expanded by Barney (1991). The RBV theory emphasises the importance of internal organisational resources in achieving sustainable competitive advantage. According to Barney (1991), organisations achieve superior performance when they possess resources that are valuable, rare, inimitable, and non-substitutable (VRIN).

Within the context of this study, leadership commitment represents a critical organisational resource that influences Lean readiness and organisational readiness for change. Leaders who are committed to organisational transformation play an important role in mobilising resources, influencing organisational culture, and guiding Lean implementation successfully. Barney (1991) argued that such leadership qualities contribute to sustainable competitive advantage because they are difficult for competitors to imitate.

The availability of funds acts as a moderating factor within this relationship. Although RBV primarily focuses on internal organisational resources, financial resources remain necessary for effectively utilising leadership commitment. Adequate funding enables organisations to invest in Lean initiatives, employee training, process improvement, and technological development, thereby enhancing organisational readiness for change. Therefore, RBV theory provides a suitable explanation for how leadership commitment influences organisational readiness for change and how funds availability moderates this relationship within the context of Lean readiness assessment.

2.6 Research Framework

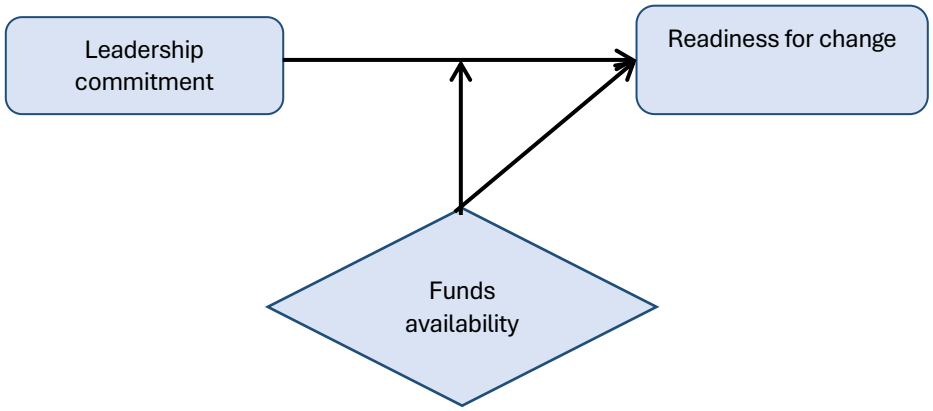


Figure 1: Research Framework

3. Methodology

This study adopted a cross-sectional survey research design to examine service-oriented Small and Medium Enterprises (SMEs) in Bauchi State, Nigeria. The cross-sectional approach was considered appropriate because it enabled the collection of data from respondents at a single point in time, thereby providing a snapshot of the variables under investigation within a limited study period (Sekaran & Bougie, 2016; Wang & Cheng, 2020). The survey method facilitated the collection of primary data through structured questionnaires, allowing for descriptive and inferential analysis of respondents' perceptions and behaviours (Saunders, Lewis, & Thornhill, 2009; Creswell & Creswell, 2018). The population of the study comprised 2,601 registered service SMEs in Bauchi State as reported by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2021). Using G*Power 3.1 and Dillman's (2007) formula, a sample size of 335 was determined and increased by 10% to accommodate non-response bias, resulting in a final sample size of 368 respondents (Groves, 2006; Israel, 2013). A multi-stage probability sampling technique involving stratified and simple random sampling was employed to ensure adequate representation of micro, small, and medium enterprises. Data collected from managers of service SMEs were analyzed using SMART-PLS 4 for hypothesis testing and empirical analysis.

3.1 Measurement of variables

3.1.2 Readiness for change

The current study adopted 7 items of readiness for change scale to be validated by 2 professionals and experts as contained in table 1 below. Most studies on readiness for change have reported a cronbach's alpha of 0.77 and above.

Table 1: Measure of readiness for change

No	Items adopted	Source
1	We feel confident that our employees can keep the momentum going in changing to LM	
2	We can confidently manage the politics of changing to LM	
3	We feel confident that the organization can support people as they adjust to Lean implementation	
4	We feel confident that the organization can get people interested to change to LM .	
5	We feel confident that tasks can be coordinated so that changing goes smoothly.	
6	We feel confident that the organization can keep track of progress during changing to Lean.	
7	We are committed to implement LM	

Source: Inuwa, Suzani and Abubakar (2023)

3.1.3 Leadership commitment

The current study adopted 7 items of leadership commitment previous study reported a cronbach alfa of 0.82 Antony et al, (2020).

Table 2: Items measuring leadership commitment

No	Items
1.	Leaders in my organization are committed to new initiative
2.	Leaders are supportive of our efforts to improve Quality initiatives
3.	Leaders communicates the importance of new initiatives at all levels across the organization
4.	Leaders encourage teamwork and cross-functional problem solving to achieve specific goals set within to implement continuous improvement initiative.
5.	Leaders allocates right resources in terms of people, time and costs for new initiatives.
6.	Leaders promote big data driven decision making culture
7.	leaders manage the pace of change due to new initiative

Source: Sony et al, (2021).

3.1.4. Funds Availability

Previous studies on funds availability have reported a cronch back alpha of 0.70 (Atah & Abba).

Table 3: Items for measuring funds availability

No	Items adopted
1	Funds availability bring about adaptation to change by reducing resistance and improving acceptance.
2	Our rganization make informed decision about investment, expansion for long term success
3	Provide readiness of cash available to my for a planned expenditure or investment
4	Our rganization enhance resilience and adaptability in the face of economic fluctuations and market challenges

Source: Atah and Abba (2020)

4. Results and Discussion

4.1 Descriptive Statistics of Respondents

This section focuses on the **Qualification, Gender, Age, Marital Status, Position in Business, Years in Operation**, Number of Employees, **Business Size** and **Service Type (Sector)**

Table 4: Descriptive statistics of respondents

Variables	Category	Frequency	Percentage %
Qualification	SSCE	65	22
	OND/NCE	71	24
	BSc/HND	123	39
	MSc/MBA PhD	57	18
	Total	**316**	100
Gender	Male	217	69
	Female	99	31
	Total	**316**	100
Age	Below 25	91	29
	25–30	58	18
	31–35	71	22
	35–40	55	17
	41 and above	41	13
	Total	**316**	100
Marital Status	Single	248	79
	Married	68	21
	Total	**316**	100

Variables	Category	Frequency	Percentage %
Position in Business	Owner/Founder	36	11
	Manager	61	19
	Supervisor	81	26
	Staff/Employee Other	138	44
	Total	**316**	100
Years in Operation	Less than 1 year	49	16
	1–3 years	77	24
	4–6 years	92	29
	7–10 years	85	27
	Over 10 years	51	16
	Total	**316**	100
Number of Employees	1–5	136	43
	6–10	91	29
	11–20	54	17
	21–50	33	10
	51–100	2	1
	Total	**316**	100
Business Size	Micro (1–9 employees)	282	89
	Small (10–49)	32	10
	Medium (50–199)	2	1
	Total	**316**	100
Service Type (Sector)	Hospitality	33	10
	Transport/Logistics	88	28
	Education	106	34
	Health	29	9
	ICT	70	22
	Finance	28	9
	Total	**316**	100

Source: Field Survey, 2026

4.2 Measurement Model

The measurement model is part of the SEM model, which describes the relationships among the latent variables and their indicators (Becker et al. 2012). The measurement model shows that all the study constructs had Average Variance Extracted (AVE) of more than the threshold of 0.5 and Composite Reliability (CR) of more than 0.7 (Hair et al., 2019). This indicates that the convergent validity of the construct is adequate as all constructs have their AVE from 0.546 to 0.656 as shown in Table 5. Additionally, the internal consistency of

the constructs was measured using composite reliability measure (Hair et al, 2019). As can be seen, all the composite reliability of the constructs are above 0.70.

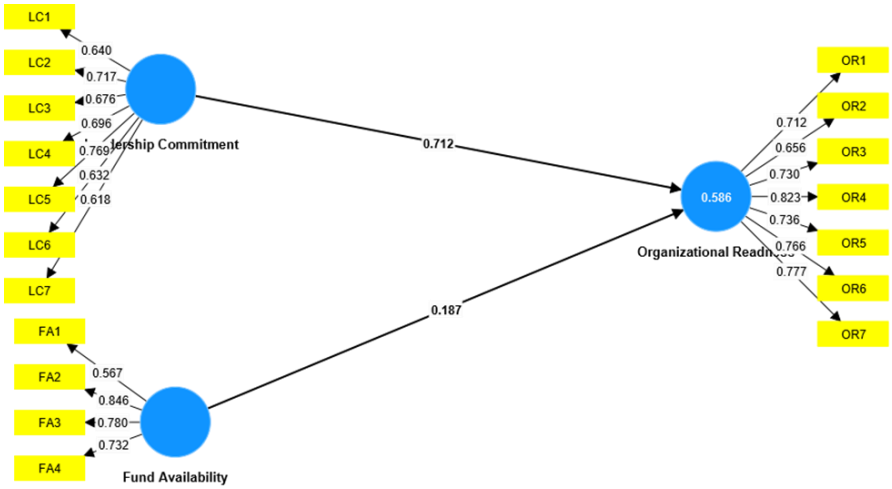


Figure 2: *Measurement Model*

Table 5: Measurement Model

Variable	Code	Loadings	AVE	Composite Reliability
Lean Readiness	OR1	0.712	0.554	0.866
	OR2	0.656		
	OR3	0.731		
	OR4	0.823		
	OR5	0.737		
	OR6	0.766		
	OR7	0.777		
Leadership Commitment	AC1	0.641	0.656	0.805
	AC2	0.717		
	AC3	0.676		
	AC4	0.696		
	AC5	0.769		
	AC6	0.632		
	AC7	0.618		
Fund Availability	FA1	0.567	0.546	0825
	FA2	0.846		
	FA3	0.780		
	FA4	0.732		

Table 6: Discriminants Validity Fornell and Lacker Criterion

	FA	LC	OR
FA	**0.769**		
LC	0.681	**0.751**	
OR	0.713	0.724	**0.744**

Table 6 show the discriminants validity using Fornell and Lacker criterion for the variable of the study. It indicates that, the diagonal and bold figure show the square of the AVE and they are above all the correlation of their respective loadings. Thus, the study satisfies this discriminants validity criterion and hence we shall check the next criterion. However, extant studies in the literature suggests that the Fornell and Larcker criterion is ineffective in detecting lack of discriminant validity (Henseler, Ringle & Sarstedt, 2015). In addition, Henseler et al (2015) for instance, indicated that the Fornell and Larcker criterion is ineffective especially when the indicator loadings are between 0.65 and 0.85. Henseler et al. (2015) recommended using the correlations, Heterotrait-Monotrait ratio (HTMT) as a substitute.

Table 7: Discriminant Validity (HTMT)

	FA	LC	OR
Fund Availability			
Leadership Commitment	0.244		
Lean Readiness	0.351	0.828	

To measure the discriminant validity, Heterotrait-Monotrait ratio (HTMT) was used. HTMT is the mean of all correlations of indicators across constructs measuring different constructs relative to the mean of the average correlations of indicators measuring the same construct. To achieve discriminant validity, the threshold of HTMT value should be less than 0.85 or 0.90 (Hair et al, 2017). Table 7 shows the assessment of discriminant validity using HTMT. As indicated in the table, all the reflective constructs have satisfactorily meet the HTMT criterion because the HTMT value is <0.85 thereby indicating the achievement of discriminant validity.

Structural Model

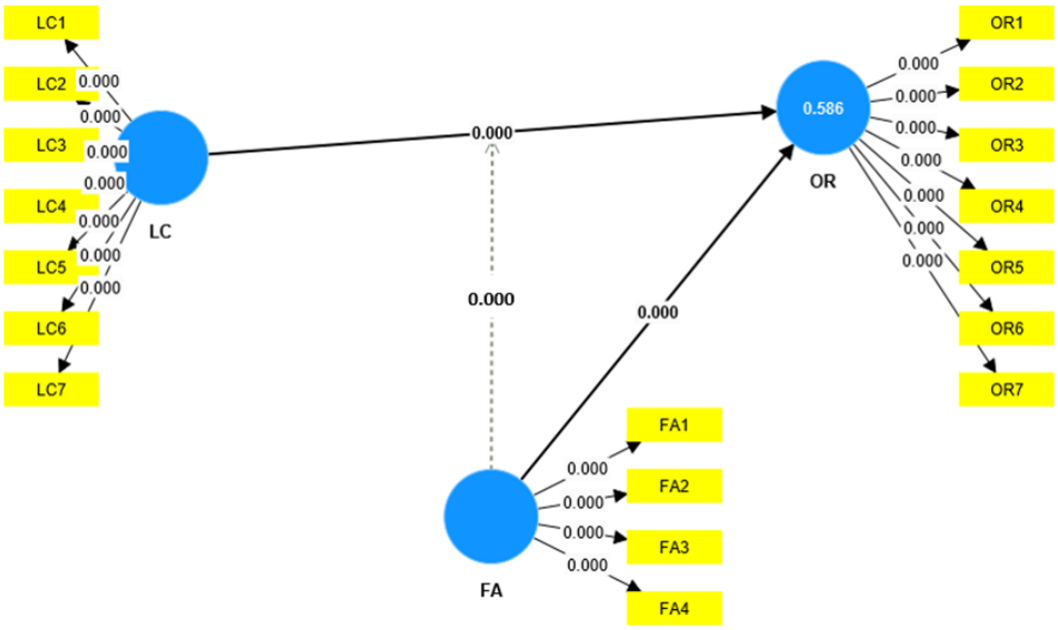


Figure 3: *PLS Algorithm for Direct and Indirect Relationship*

Table 8: Test of Hypotheses

Relationship	Beta Value	Stnd Dvtn	T statistics	P values	Decision
FA -> OR	0.189	0.035	5.387	0.000	Failed to reject
LC -> OR	0.714	0.027	26.147	0.000	Failed to reject
FA x LC -> OR	0.831	0.033	18.143	0.001	Failed to reject

From Table 8, it can be seen that fund availability has a positive and significant effect on lean readiness in SMEs within the service sector in Bauchi State (β = 0.189, t-value = 5.387, p-value = 0.000). This means that a unit increase in fund availability will lead to an 18.9% increase in lean readiness in SMEs within the service sector in Bauchi State. Thus, the first hypothesis (H1), which states that fund availability has a significant effect on lean readiness in SMEs within the service sector in Bauchi State, failed to be rejected. Also, leadership commitment has a positive and significant effect on lean readiness in SMEs within the service sector in Bauchi State (β = 0.714, t-value = 26.147, p-value = 0.000). This means that a unit increase in leadership commitment will lead to a 71.4% increase in lean readiness in SMEs within the service sector in Bauchi State. Thus, the second hypothesis (H2), which states that leadership commitment has a positive and significant effect on lean readiness in SMEs within the service sector in Bauchi State, failed to be rejected.

At the moderation level, the result shows that fund availability has a significant moderating effect on the relationship between leadership commitment and lean readiness in SMEs within the service sector in Bauchi State (ß = -0.831; t = 18.143; p = 0.001). This implies that the interaction between fund availability and leadership commitment will lead to an 83.1% increase in lean readiness in SMEs within the service sector in

Bauchi State. Thus, the third hypothesis, which states that fund availability has a significant moderating effect on lean readiness in SMEs within the service sector in Bauchi State, failed to be rejected.

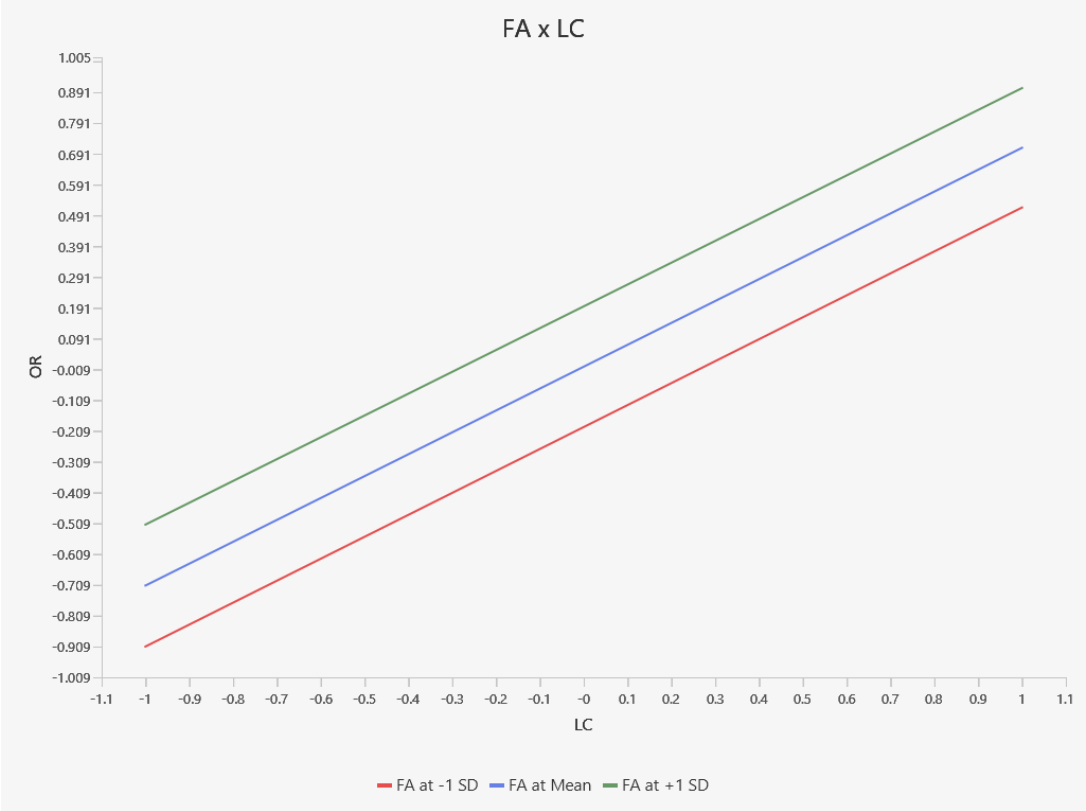


Figure 4: *Interaction effect of fund availability on the relationship between leadership commitment and Organizational readiness for change*

The figure 4 above, simple-slope moderation graph illustrates how Fund Availability significantly moderates the relationship between Leadership Commitment and Organizational Readiness for Change (ORC) at low (−1 SD), mean, and high (+1 SD) levels of Fund Availability. The three lines slope upward, indicating that Leadership Commitment has a positive relationship with Organizational Readiness for Change across all levels of Fund Availability. Furthermore, the line representing high Fund Availability consistently records higher predicted levels of Organizational Readiness for Change than the mean and low Fund Availability lines, indicating that greater Fund Availability strengthens the positive relationship between Leadership Commitment and Organizational Readiness for Change. This moderating effect is statistically significant ($t = 18.143$, $p = 0.001$), since the p-value is less than the 0.05 significance level. Therefore, Fund Availability significantly enhances the positive effect of Leadership Commitment on Organizational Readiness for Change, such that the relationship is stronger when Fund Availability is high than when it is low.

5.0 Conclusion and Recommendations

The study concludes that fund availability and leadership commitment play significant roles in enhancing lean readiness in SMEs within the service sector in Bauchi State. The findings revealed that both variables have positive and significant effects on lean readiness, with leadership commitment exerting the strongest influence. In addition, fund availability was found to significantly moderate the relationship between leadership

commitment and lean readiness, indicating that adequate financial resources strengthen the ability of committed leaders to successfully implement Lean initiatives within SMEs. Based on the findings;

SME owners and managers should establish a dedicated Lean implementation budget that covers employee training, process improvement activities, technology acquisition, and continuous improvement projects. This recommendation is consistent with recent studies showing that adequate financial resources are essential for sustaining Lean implementation and organisational change.

Top management should demonstrate visible and continuous leadership commitment throughout Lean implementation by actively participating in Lean planning meetings, monitoring implementation progress, communicating Lean objectives, and providing timely decisions on improvement initiatives. Research consistently identifies leadership commitment as the strongest predictor of Lean implementation success.

Financial institutions should design affordable financing schemes specifically for SMEs implementing operational improvement programmes, including Lean manufacturing and Lean service initiatives. Such funding should offer flexible repayment terms and low-interest rates to reduce financial barriers to organisational transformation.

5.1 Suggestions for Further Studies

Future studies should examine other factors that may influence lean readiness in SMEs within the service sector, such as organisational culture, employee involvement, technological capability, and communication effectiveness. Researchers may also extend the study to other sectors and geographical locations in Nigeria to improve the generalisability of the findings. In addition, future research could adopt longitudinal research designs to examine how lean readiness evolves over time.

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