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Digital Leadership And Organizational Performance In The Era Of Artificial Intelligence: An Sme Perspective In Africa

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Abstract: *Small and medium-sized enterprises now compete in a landscape reshaped by digital technologies and artificial intelligence. Whether they capture measurable value from this shift, though, depends heavily on the quality of the leadership steering it. This study examined the effect of digital leadership on sales growth among SMEs in Anambra State, Nigeria, focusing specifically on digital strategic vision, digital capability development, and AI-enabled decision-making. Dynamic Capabilities Theory provided the theoretical anchor. The research followed a quantitative survey design. Out of a population of 1,500 registered small-scale enterprises operating in Anambra State, Yamane's formula at a 5% level of precision yielded a sample of 316. A 20-item instrument, the Digital Leadership and Sales Growth Questionnaire (DLSGQ), structured the data collection, and descriptive statistics alongside simple linear regression handled the analysis. Digital strategic vision produced a positive and significant effect on sales growth ($R^2 = .086$, $F(1, 314) = 29.621$, $p < .001$). Digital capability development did too, and more strongly ($R^2 = .236$, $F(1, 314) = 96.876$, $p < .001$). AI-enabled decision-making followed the same pattern ($R^2 = .120$, $F(1, 314) = 42.634$, $p < .001$). Digital capability development carried the greatest explanatory weight of the three. Taken together, the findings suggest digital leadership is not reducible to buying technology; it also demands strategic direction, employee capability building, and the disciplined use of AI-supported information. The study recommends that SME owners and managers sharpen their digital strategic planning, invest more deliberately in employee digital competencies, and adopt AI-enabled decision-support tools suited to their operations.*

Keywords: Digital Leadership, Digital Strategic Vision, Digital Capability Development, Artificial Intelligence, AI-Enabled Decision-Making, Sales Growth.

INTRODUCTION

Digital technologies, data analytics, cloud computing, mobile platforms, and artificial intelligence (AI) have become embedded in organizational life, and the business environment has shifted accordingly. Firms now communicate with customers, market products, and manage information through digital channels; decisions once made on instinct increasingly rest on data. For small and medium-sized enterprises (SMEs), this shift open routes to wider markets, closer customer engagement, and operations that no longer stop at national borders.

Digital transformation is not simply a matter of buying new tools, it reshapes strategy, capability, process, and business model alike. Vial (2019) describes digital transformation as a process in which digital technologies trigger significant changes in organizational structures and value-creation processes. Verhoef et al. (2021) make a related point, noting that digital transformation touches organizational resources, capabilities, business models, and performance measurement. Technology, in other words, does not determine its own payoff. Leadership and organizational capability do much of that work.

This recognition has pushed digital leadership toward the center of scholarly attention. The term refers to a leader's capacity to set strategic direction, encourage innovation, build digital competencies, and help the organization adapt in technology-intensive settings. Lin (2024), in a systematic review of the digital leadership literature, identifies vision and motivation, digital empowerment, innovation and entrepreneurship, collaboration, and dynamic adaptation as recurring characteristics. Tigre et al. (2025) treat digital leadership similarly, as an emerging construct tied to the capabilities organizations need to navigate digital transformation.

Digital leadership matters especially for SMEs. Owners and managers in these firms tend to hold outsized influence over strategic decisions, technology adoption, and employee development, so their digital orientation can determine whether technology gets adopted strategically, whether employees build the necessary skills, and whether digital investment ever converts into business results.One dimension of digital leadership is digital strategic vision: a leader's ability to set and communicate a clear direction for using digital technology to reach organizational goals. A clear vision lets SMEs identify relevant opportunities, prioritize investment, and line up technological initiatives with broader business aims.A second dimension is digital capability development. Digital transformation needs employees who can actually use digital tools, not merely own them. This study treats digital capability development as a leadership practice, one built from employee training, continuous learning, experimentation, access to digital resources, and organizational routines that support technology use.AI has added a third dimension. AI-enabled systems can analyse customer behaviour, process large volumes of information, forecast demand, and flag market opportunities. AI-enabled decision-

making, as used here, refers to the use of AI-supported information and intelligent digital tools to sharpen the quality and timeliness of managerial decisions.

Evidence has shown that AI enabled capability positively influences organizational performance. Mikalef and Gupta (2021) found that AI capability was associated with organizational creativity and firm performance. Wang et al. (2024) found that digital leadership influenced employee digital performance among Chinese SMEs, working through high-involvement human resource management practices and employee dynamic capabilities. Prakasa and Jumani (2024) reported a significant relationship between digital capability and small business performance.

Nigerian evidence is only beginning to accumulate. Idowu and Babalola (2026) examined digital leadership capabilities among Nigerian SMEs and found that strategic, interpersonal, and personal-attribute capabilities significantly influenced AI adoption intention. Their study underscores how much leadership capability shapes SME engagement with AI, though it looked at adoption intention rather than sales growth.It is however, important to note that adopting digital technology does not guarantee better performance. SMEs still have to convert digital resources and capabilities into outcomes that matter commercially. The extent to which SMEs in Africa have deployed digital technologies, and how it has helped them in improving performance is yet to garner momentum and interest from researchers, hence, this study to examine the effect of digital leadership on sales growth among SMEs in Anambra State, Nigeria, as the broad objective. Specifically, the study seeks to:

1. examine the effect of digital strategic vision on sales growth among SMEs in Anambra State, Nigeria;
2. determine the effect of digital capability development on sales growth among SMEs in Anambra State, Nigeria; and
3. ascertain the effect of AI-enabled decision-making on sales growth among SMEs in Anambra State, Nigeria.

REVIEW OF RELATED LITERATURE

Digital Leadership

Digital leadership is the capacity to guide organizations through technological change while keeping people, resources, and strategy aligned with emerging digital opportunity. It asks for more than technical fluency, since leaders still have to work out how technology serves organizational goals.Lin (2024) identifies vision, digital empowerment, innovation, entrepreneurship, collaboration, and adaptability as core elements of digital leadership. Tigre et al. (2025) frame it similarly, as an emerging construct reflecting the leadership capabilities digitally transforming environments demand.

In SMEs, digital leadership may carry particular weight, since owner-managers often hold substantial control over strategic direction, technology investment, and human-resource development. Where decision rights sit with one or two people, the leader's awareness of digital opportunity, willingness to commit scarce resources, and ability to bring employees along tend to set the ceiling for what the firm can achieve with technology. Sacavém et al. (2025) describe digital leadership as a crucial factor in driving digital transformation and observe that leaders are encouraged to build their knowledge of data analysis, artificial intelligence, and cybersecurity. Tigre et al. (2025) go further by treating digital leadership as a set of distinct capabilities (strategic, delivery-related, interpersonal, and personal attributes) rather than a single trait. Nigerian evidence points the same way. Idowu and Babalola (2026) found that the strategic, interpersonal, and personal-attribute capabilities of SME owner-managers each significantly raised their intention to adopt AI, while delivery-related capabilities did not.

Digital leadership also asks for more than technical fluency. Lin (2024) identifies vision and motivation, digital empowerment, innovation and entrepreneurship, collaboration, and dynamic adaptation as recurring characteristics, which suggests that leaders influence digital outcomes mainly through direction, people, and organizational routines rather than through hands-on technical work. Three concerns map directly onto the dimensions adopted here. The first is direction: where technology should take the business, and why. The second is development: whether employees are trained, given resources, and allowed to experiment. The third is information: whether managers build the habit of using data and, increasingly, AI-supported analysis when they decide. This study therefore treats digital leadership as three dimensions: digital strategic vision, digital capability development, and AI-enabled decision-making.

Separating the dimensions, instead of collapsing them into one composite score, makes it possible to ask which part of digital leadership matters most for commercial results. That question carries practical weight for small firms, because an owner who knows which practice pays off first can sequence limited spending accordingly. It also helps to distinguish digital leadership from digital adoption. A firm can own accounting software, a website, and social media pages without showing any of the leadership practices

described here. What this study examines is whether leaders' direction, capability building, and use of AI-supported information are associated with sales growth, not simply whether the tools are in place.

Digital Strategic Vision

Digital strategic vision is a leader's ability to formulate, communicate, and implement a clear direction for using digital technologies to reach business objectives. It covers identifying digital opportunities, setting digital goals, communicating digital priorities to employees, and folding digital technology into long-term strategic plans. A clear digital strategic vision helps SMEs move past uncoordinated technology adoption toward transformation with a purpose behind it.

The strategic dimension has drawn consistent support in recent work. In their framework of digital leadership capabilities, Tigre et al. (2025) place vision, change management, innovation, agility, and calculated risk-taking under strategic capabilities, which indicates that vision is the visible part of a wider planning competence. Hossain et al. (2025), writing from a dynamic managerial capability perspective, argued that leaders who align technology initiatives with overall strategic objectives are better placed to drive AI adoption. Yu et al. (2025) reported that executives' digital background supports AI utilization in enterprises, which suggests that a leader's own digital understanding shapes how far the firm goes. Sacavém et al. (2025) likewise note that digital leaders need strategic vision and foresight alongside technical competence to cope with the complexity of the digital environment. In the Nigerian SME setting, Idowu and Babalola (2026) found strategic capabilities to be the strongest predictor of AI adoption intention among owner-managers.

For small enterprises, digital strategic vision works as a filter. It helps owner-managers decide which technologies deserve investment, tells employees why new tools are being introduced, and keeps scattered initiatives, such as a social media page here and a payment application there, pointed at a commercial target like customer acquisition or revenue growth. Without that direction, technology spending can remain fragmented and its contribution to sales hard to detect.

Digital Capability Development

Digital capability development refers to leadership efforts aimed at building the human and organizational capacity needed to use digital technology effectively. The construct spans digital-skills development, employee training, access to digital resources, experimentation with emerging tools, and continuous improvement. Here, digital capability development is treated as a leadership practice. It captures what SME leaders actually do to build capacity, not merely whether the enterprise happens to own digital technology.

Studies of small firms support treating capability as the link between owning technology and benefiting from it. Prakasa and Jumani (2024), studying 330 small businesses in East Java, Indonesia, reported that digital capability significantly affected both digital business transformation and business performance. Raharjo et al. (2024) examined 293 small businesses in the same province and found that digital literacy significantly and positively affected digital business transformation, while locus of control, need for achievement, and social capital shaped how much digital literacy owners acquired. Pham et al. (2024) found, among 213 Vietnamese SMEs, a positive and statistically significant relationship between digital capabilities and firm performance, mediated by digital innovation, and reported that digital leadership helped firms develop those capabilities. Fang et al. (2024) showed that digital capability positively affected every component of digital business model innovation among Malaysian SMEs, and that most of those components in turn raised competitiveness. Wang et al. (2024) add a people-management angle: in Chinese SMEs, digital leadership influenced high-involvement human resource management practices, which supported employee digital performance, with employee dynamic capability completing the chain.

Taken together, these studies indicate that capability is built through deliberate leadership choices such as training, learning time, access to resources, and freedom to experiment. Those choices are the practices captured by the digital capability development items in this study. The implication for SMEs is practical: a firm that buys tools without investing in the people who will use them is likely to see little commercial return.

AI-Enabled Decision-Making

AI-enabled decision-making refers to the use of artificial intelligence and intelligent digital systems to inform managerial decisions. Applications include customer analysis, sales forecasting, demand prediction, market intelligence, and opportunity identification. AI does not replace managerial judgment so much as feed it. It can give managers information that supports faster, potentially better-informed decisions.

The organizational case for AI-enabled decision-making rests on how AI-derived information is used, not simply on owning the tools. Mikalef and Gupta (2021) conceptualized AI capability as a combination of tangible resources, human skills, and intangible organizational resources, and reported that AI capability raised organizational creativity and performance, which implies that data, technology, and skilled people have to work together before decisions improve. Cimino et al. (2025) examined AI adoption for sustainable growth in SMEs through an extended dynamic capability framework, and Drydakis (2022) analysed, through a dynamic capabilities lens, how AI relates to lower business risks for SMEs during the COVID-19 pandemic. Both fit the sensing-and-seizing logic that underpins this study, since AI-supported information helps owners notice market changes and act on them.

Evidence also cautions against treating AI output as self-executing. Fahse and Schmitt (2023) analysed more than 1.4 million forecasting decisions over 69 months at a bakery that introduced an AI sales forecasting system. Decision-makers quickly came to rely on the AI forecasts, which lowered forecast errors, and manual overrides made accuracy worse. Yet because the system was aimed at reducing overproduction, forecast quantities and sales declined over time. The case indicates that AI-supported decisions improve commercial outcomes when managers are clear about what the system should optimize. Badghish and Soomro (2024), studying Saudi Arabian SMEs, identified firm size as a moderator of the relationship between AI adoption and performance, with stronger gains among medium-sized enterprises, a reminder that small firms need leaders who match AI use to their scale and resources. In this study, AI-enabled decision-making is therefore treated as a managerial practice whose value depends on leadership, a premise the sales-growth results can test.

Sales Growth

Sales growth is an increase in an enterprise's sales performance over time, visible through higher sales revenue, greater sales volume, a larger customer base, improved sales performance, or expansion into new markets and customer channels. This study focuses on sales growth, rather than the broader construct of organizational performance, to keep the dependent variable specific and measurable across the three research objectives.

Sales growth is a sensible outcome for SME research because owners can observe and report it without detailed accounting records, and it tends to respond quickly to changes in marketing and customer engagement. Studies in comparable settings report positive links between digital practices and SME commercial outcomes. Githui and Njuru (2024) examined e-commerce as a business tactic among SMEs in Nairobi and reported a positive association between e-commerce adoption and sales growth. Solaja et al. (2025), drawing on 655 SMEs across five Sub-Saharan African countries, found digital innovation to be significantly associated with improved SME performance. Pham et al. (2024) reported a positive relationship between digital capabilities and the performance of Vietnamese SMEs, and Prakasa and Jumani (2024) found that digital capability significantly affected the financial, flexibility, and quality performance of small businesses in Indonesia. In South-West Nigeria, Ebhota et al. (2024) reported that digital transformation significantly boosted customer experience, big data analytics, and budgetary controls, the last of which the study linked to financial performance.

These results justify sales growth as the dependent variable, and they also expose a gap. Most of the work measures technology adoption or digital capability. Far fewer studies ask whether the leadership practices behind those investments, namely direction, capability building, and AI-supported decision-making, explain differences in sales growth, which is the question this study addresses.

Theoretical Framework

The study anchors on Dynamic Capabilities Theory, which explains how organizations build the capacity to integrate, assemble, and reconfigure resources and competencies as their environment shifts.Teece (2018) stresses the importance of dynamic capabilities in helping firms adapt resources and business models to changing market conditions. Warner and Wäger (2019) applied the dynamic capabilities lens to digital transformation specifically, emphasizing the processes of sensing, seizing, and transforming.The theory fits this study because digital leadership asks SMEs to identify emerging technological opportunities, work out how to exploit them, and keep developing organizational capability along the way.

Digital strategic vision maps onto the capacity to sense and seize digital opportunity. Digital capability development maps onto the capacity to transform employee and organizational resources. AI-enabled decision-making strengthens the ability to sense market and customer information and seize opportunity through better-informed decisions.The theory, taken together, offers an explanation for how these digital leadership practices might feed into sales growth.

Empirical Review

Idowu and Babalola (2026) examined how the digital leadership capabilities of SME owner-managers shape their intention to adopt AI in Nigeria, with organizational innovation climate as a mediator and firm size as a moderator, anchored on the Diffusion of Innovation Theory and the Tigre, Henriques, and Curado model of digital leadership. The study used a cross-sectional survey of owner-managers of registered SMEs in six South-West states (Lagos, Ogun, Oyo, Osun, Ekiti, and Ondo), drawn from a population of 23,290 firms in the SMEDAN database. A sample of 390 was derived with the Taro Yamane formula and allocated proportionately, with stratified random sampling across micro, small, and medium firms, and 306 valid responses were retained (78.5%). Data were collected with a structured five-point Likert questionnaire adapted from established scales and piloted on 40 SME managers. Reliability was confirmed, with Cronbach's alpha between 0.69 and 0.84, composite reliability between 0.83 and 0.88, and average variance extracted between 0.56 and 0.67. Partial least squares structural equation modelling (WarpPLS 8.0) was used for the analysis. Strategic ($\beta = 0.298$), interpersonal ($\beta = 0.245$), and personal-attribute ($\beta = 0.129$) capabilities significantly raised AI adoption intention, while delivery-related capabilities ($\beta = 0.090$, $p = 0.057$) did not. Organizational innovation climate partially mediated the effects of strategic and interpersonal capabilities, and firm size strengthened the interpersonal pathway in medium-sized firms.

Solaja et al. (2025) investigated the relationship between digital innovation, SME performance, and job creation in Sub-Saharan Africa, and tested whether SME performance mediates the link between digital innovation and job creation. The study used a survey design with business owners from Nigeria, Ghana, Benin Republic, Togo, and Niger Republic who had attended a month-long virtual training on digital skill acquisition and adoption. Of 689 invited participants, 12 declined and 22 of the 677 responses received were incomplete or unsuitable, leaving a final sample of 655 SMEs. A structured five-point Likert questionnaire was administered online over seven weeks. Reliability was confirmed with Cronbach's alpha values of 0.765 for digital innovation, 0.857 for job creation, and 0.905 for SME performance, all above the 0.70 threshold. The data were analysed with structural equation modelling using the SEMinR package in R. Digital innovation was positively and significantly related to job creation ($\beta = 0.59$) and to SME performance ($\beta = 0.938$), and SME performance significantly mediated the relationship between digital innovation and job creation ($\beta = 0.197$).

Wang et al. (2024) investigated how digital leadership relates to employee digital performance among SMEs in China, with high-involvement human resource management practices and employee dynamic capability as chain mediators. Data came from questionnaire surveys of employees in SMEs; of 1,000 questionnaires distributed, 500 were returned, and 366 were valid after 134 invalid responses were excluded. Structural equation modelling was used to test the hypotheses. The findings revealed that digital leadership did not directly influence employee digital performance or employee dynamic capability, but it directly influenced high-involvement human resource management practices. These practices mediated the effect of digital leadership on employee digital performance, employee dynamic capability alone did not, and the two together acted as a chain mediator.

Prakasa and Jumani (2024) investigated the effect of digital capability on digital business transformation and on small business performance (financial, flexibility, and quality), and tested whether digital business transformation mediates that link. The quantitative study was grounded in the knowledge-based view and dynamic capability theory. The population was small businesses with five to nineteen employees in the culinary, craft, and fashion sectors of Greater Malang, East Java, Indonesia, and a convenience sample of 330 businesses was used. Data were collected with a five-point Likert questionnaire adapted from earlier studies and translated into Indonesian through back-translation, distributed online (139 respondents) and in person (191 respondents). Reliability and validity were assessed with Cronbach's alpha, composite reliability, average variance extracted, and discriminant validity tests against conventional thresholds, and the data were analysed with partial least squares structural equation modelling in SmartPLS. It was revealed that digital capability significantly affected digital business transformation and all three performance dimensions, digital business transformation significantly affected performance, and it mediated the effect of digital capability on performance, an argument that technological resources need organizational capability alongside them to pay off.

Pham et al. (2024) examined the effect of digital capabilities on firm performance under technological uncertainty, considering the roles of digital innovation and digital leadership within a dynamic capabilities framework. Simple random sampling was used to select 213 SMEs from various fields in Vietnam, and the data were analysed with partial least squares structural equation modelling. The study found a positive and statistically significant relationship between digital capabilities and firm performance, with digital innovation mediating the relationship. Digital leadership, treated as a dynamic capability, helped SMEs develop digital capabilities and digital innovation and positively affected performance, while technological uncertainty directly affected digital capabilities and digital innovation and indirectly affected performance.

Fang et al. (2024) investigated the influence of digital capability on digital business model innovation and the influence of that innovation on SME competitiveness, anchored on dynamic capabilities theory. Using purposive sampling, they collected data through Google Forms from 132 SME representatives holding management positions in Malaysia, and analysed the data with partial least squares structural equation modelling. Digital capability positively affected all components of digital business model innovation. Value creation, value proposition, and value capture innovation significantly strengthened SME competitiveness,

whereas value delivery innovation did not, which suggests that digitally capable SMEs respond better to shifting market conditions when innovation targets how value is created, proposed, and captured.

Ebhota et al. (2024) investigated how digital transformation, big data analytics, customer experience, and budgetary control affect the financial performance of SMEs in South-West Nigeria. Data from 825 SMEs were analysed with partial least squares structural equation modelling. Digital transformation significantly boosted customer experience, big data analytics, and budgetary controls. The study showed that customer experience and big data analytics mediated the relationship between digital transformation and budgetary control, and financial efficiency moderated the relationship between budgetary control and financial performance.

Methodology

The study used a quantitative cross-sectional survey design, chosen because it allows standardized data to be collected from SME owners and managers on digital leadership practices and sales growth.The population comprised 1,500 registered SMEs operating across Anambra State, a figure drawn from enterprise-register information specified for the study from the SMEDAN/National Bureau of Statistics source attributed to Uzondu et al. (2025).The sample size of 316 was determined using Yamane's formula. A proportionate sampling procedure distributed the sample across the relevant SME population in Anambra State, followed by probability-based selection of eligible enterprises. The unit of response was the owner, manager, or other senior decision-maker with enough knowledge of the enterprise's digital practices and sales activities to respond meaningfully.Data were collected using a structured questionnaire, the Digital Leadership and Sales Growth Questionnaire (DLSGQ).The questionnaire had four substantive sections: Digital Strategic Vision, Digital Capability Development, AI-Enabled Decision-Making, and Sales Growth. Each construct contained five items, for 20 substantive items in total.Mean and standard deviation handled the descriptive data, with a mean of 3.00 adopted as the decision benchmark.Simple linear regression was used to test each hypothesis, since each objective pairs one independent variable with one dependent variable.All hypotheses were tested at the 5% level of significance.

Results

Descriptive Analysis

Table 1: Descriptive Statistics of the Study Variables

Variable	N	Mean	SD	Decision
Digital Strategic Vision (DSV)	316	3.01	1.33	Agree
Digital Capability Development (DCD)	316	3.01	1.32	Agree
AI-Enabled Decision-Making (AIDM)	316	3.01	1.33	Agree
Sales Growth (SG)	316	3.01	1.31	Agree

Source: Field Survey, 2026

All four study variables recorded mean scores slightly above the decision benchmark of 3.00 as can be seen from Table 1, pointing to an overall lean toward agreement with the questionnaire statements measuring digital leadership and sales growth.

Table 2: Descriptive Statistics for Digital Strategic Vision Items

Item	Mean	SD
DSV1	2.97	1.40
DSV2	2.96	1.39
DSV3	2.96	1.46
DSV4	3.03	1.41
DSV5	3.10	1.44
Aggregate	**3.01**	**1.33**

Source: Field Survey, 2026

The results from Table 2 point to moderate agreement with the digital strategic vision items. DSV5, on incorporating digital technology into long-term strategic plans, recorded the highest mean.

Table 3: Descriptive Statistics for Digital Capability Development Items

Item	Mean	SD

DCD1	3.06	1.44
DCD2	3.03	1.35
DCD3	3.11	1.43
DCD4	2.97	1.37
DCD5	3.03	1.41
Aggregate	**3.01**	**1.32**

Source: Field Survey, 2026

The aggregate result from Table 3 indicates agreement with the digital capability development construct. The highest-rated statement concerned management's encouragement of employees to learn and experiment with new digital tools.

Table 4: Descriptive Statistics for AI-Enabled Decision-Making Items

Item	Mean	SD
AIDM1	3.04	1.47
AIDM2	2.98	1.46
AIDM3	3.10	1.49
AIDM4	3.03	1.42
AIDM5	3.10	1.45
Aggregate	3.01	1.33

Source: Field Survey, 2026

AI-enabled decision-making recorded an aggregate mean of 3.01 as seen in Table 4. The highest-rated items concerned identifying business and market opportunities and improving the speed and quality of decisions through AI-supported analysis.

Table 5: Descriptive Statistics for Sales Growth Items

Item	Mean	SD
SG1	3.08	1.37
SG2	3.06	1.39
SG3	3.03	1.40
SG4	3.09	1.42
SG5	2.97	1.37
Aggregate	3.01	1.31

Source: Field Survey, 2026

The aggregate mean of 3.01 for sales growth in Table 5 points to general agreement with the sales-growth statements.

Test of Hypotheses

Hypothesis One

H_{01}: Digital strategic vision has no significant effect on sales growth among SMEs in Anambra State, Nigeria.

Table 6: Simple Linear Regression of Digital Strategic Vision on Sales Growth

Statistic	Value
R	.294
R^2	.086
Adjusted R^2	.083
F	29.621
B	.290
t	5.443
p-value	< .001

Source: Field Survey, 2026

Table 6 shows the simple linear regression of digital strategic vision on sales growth. The regression results show a positive relationship between digital strategic vision and sales growth (R = .294). An R^2 of .086 means digital strategic vision explains roughly 8.6% of the variation in sales growth. The model is statistically significant, $F(1, 314) = 29.621$, $p < .001$, and the positive coefficient

(B = .290) indicates that higher digital strategic vision goes with higher sales growth.Since $p < .05$, the null hypothesis is rejected. Digital strategic vision has a significant positive effect on sales growth.

Hypothesis Two

H_{02}: Digital capability development has no significant effect on sales growth among SMEs in Anambra State, Nigeria.

Table 7: Simple Linear Regression of Digital Capability Development on Sales Growth

Statistic	Value
R	.486
R^2	.236
Adjusted R^2	.233
F	96.876
B	.482
t	9.843
p-value	< .001

Source: Field Survey, 2026

Table 7 reveals the simple linear regression of digital capability development on sales growth. The results show a positive relationship between digital capability development and sales growth (R = .486). An R^2 of .236 means digital capability development explains roughly 23.6% of the variation in sales growth, the largest share among the three predictors. The model is statistically significant, $F(1, 314) = 96.876$, $p < .001$, and the positive coefficient (B = .482) indicates that more digital capability development goes with more sales growth.The null hypothesis is rejected, since $p < .05$. Digital capability development has a significant positive effect on sales growth.

Hypothesis Three

H^{03}: AI-enabled decision-making has no significant effect on sales growth among SMEs in Anambra State, Nigeria.

Table 8: Simple Linear Regression of AI-Enabled Decision-Making on Sales Growth

Statistic	Value
R	.346
R^2	.120
Adjusted R^2	.117
F	42.634
B	.341
t	6.529
p-value	< .001

Source: Field Survey, 2026

Table 8 indicates the simple linear regression of AI-enabled decision-making on sales growth. The results show a positive relationship between AI-enabled decision-making and sales growth (R = .346). An R^2 of .120 means AI-enabled decision-making explains roughly 12.0% of the variation in sales growth. The model is statistically significant, $F(1, 314) = 42.634$, $p < .001$, and the positive coefficient (B = .341) indicates that greater use of AI-enabled decision-making goes with higher sales growth.The null hypothesis is rejected, since $p < .05$. AI-enabled decision-making has a significant positive effect on sales growth.

Discussion of Findings

Digital Strategic Vision and Sales Growth

The first finding shows that digital strategic vision has a positive and significant effect on sales growth. SMEs whose leaders set clear digital direction and weave digital technology into business strategy appear better positioned to improve sales performance.This supports Lin (2024), who names vision and strategic direction as core components of digital leadership, and it fits with Warner and Wäger (2019), who stress the value of dynamic capabilities for identifying and exploiting opportunities that digital transformation creates.The R^2 value here is modest, though, which suggests digital strategic vision alone does not carry most of the variation in sales growth. Vision needs implementation capability and adequate organizational resources behind it.

Digital Capability Development and Sales Growth

Digital capability development recorded the strongest explanatory power of the three predictors. Building employees' digital competencies and organizational capacity, the result suggests, matters a great deal for converting digital resources into business outcomes.This lines up with Wang et al. (2024), who found digital leadership shaping employee digital performance through organizational practice and employee dynamic capability, and it supports Prakasa and Jumani (2024) and Pham et al. (2024), both of whom found positive relationships between digital capability and SME performance.The human dimension of digital transformation stands out here. SMEs can acquire digital tools easily enough; the tools only generate value once employees know how to use them.

AI-Enabled Decision-Making and Sales Growth

The third finding shows a positive and significant effect of AI-enabled decision-making on sales growth. AI-supported customer analysis, sales forecasting, market intelligence, and opportunity identification appear to contribute to better sales outcomes.This is consistent with Mikalef and Gupta (2021), who linked AI capability with firm performance, and it complements Idowu and Babalola (2026), who found digital leadership capabilities shaping AI adoption intention among Nigerian SMEs.AI, on this evidence, is valuable to SMEs not just as automation but as a decision-support resource. When leaders fold AI-generated information into managerial process, the technology can sharpen how the business responds to customers and market conditions.

Conclusion

This study examined the effects of digital strategic vision, digital capability development, and AI-enabled decision-making on sales growth among SMEs in Anambra State, Nigeria.All three dimensions of digital leadership showed positive, statistically significant effects on sales growth in the analysis. Digital capability development carried the strongest explanatory power, followed by AI-enabled decision-making and then digital strategic vision.Digital transformation, the findings suggest, is at bottom a leadership and organizational capability process. Technology creates the opening. Whether SME leaders can set clear direction, build employee capability, and use AI-supported information well determines how much of that opening turns into business value.Strengthening digital leadership capability, the study concludes, can plausibly enhance an SME's capacity to pursue sales growth in a business environment that technology increasingly shapes.

Recommendations

Based on the findings, the study recommends that:

1. Small business owners should establish clear digital strategic visions, tying digital initiatives to specific business objectives, particularly customer acquisition, market expansion, and sales growth.

2. Small and Medium Scale Enterprises should invest more in digital capability development. Employees should receive regular training in digital marketing, data analytics, digital communication, online sales platforms, and other technologies relevant to their businesses.

3. The owners of SMEs should encourage continuous digital learning. Management should build an environment where employees can experiment with appropriate digital tools and develop new competencies.

4. The owners and managers of SMEs should adopt AI-enabled decision tools where they are relevant and affordable, applying them to customer analysis, sales forecasting, market intelligence, and demand prediction.

5. Access to finance for digital transformation should improve. SMEs need affordable financing for appropriate digital technologies, employee training, and AI-enabled business solutions.

6. Government agencies and SME-support organizations should strengthen digital leadership programmes, covering not just technology use but digital strategy, AI literacy, and managerial capability.

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APPENDIX

Responses were measured on a five-point Likert scale:

Response	Score
Strongly Agree	5
Agree	4
Undecided	3
Disagree	2
Strongly Disagree	1

Measurement of Variables

Digital Strategic Vision

Code	Item
DSV1	Management has a clear vision for the use of digital technology in the business.
DSV2	The enterprise has clearly defined digital goals for future business growth.
DSV3	Management communicates digital plans clearly to employees.
DSV4	Management actively identifies new digital opportunities that can improve the business.
DSV5	Digital technology is incorporated into long-term strategic plans.

Digital Capability Development

Code	Item
DCD1	Management provides employees opportunities to develop digital skills.
DCD2	The enterprise provides training on effective use of digital technologies.
DCD3	Management encourages employees to learn and experiment with new digital tools.
DCD4	The enterprise provides employees with digital resources required to perform effectively.
DCD5	Management encourages continuous improvement in employees' digital capabilities.

AI-Enabled Decision-Making

Code	Item
AIDM1	Management uses AI-supported information when making important business decisions.
AIDM2	The enterprise uses AI/intelligent digital tools to analyse customer behaviour.
AIDM3	AI-supported tools are used to identify business and market opportunities.
AIDM4	Management uses AI-supported information to forecast sales/customer demand.
AIDM5	AI-supported analysis improves the speed and quality of management decisions.

Sales Growth

Code	Item
SG1	The enterprise has experienced an increase in sales revenue in recent years.
SG2	Sales volume has increased as a result of improved business practices.
SG3	The enterprise has experienced growth in the number of customers.
SG4	The enterprise has recorded improvement in sales performance over time.
SG5	The business has expanded sales activities through new markets/customer channels.