**Impact of Risk Taking Skill as a Mechanism for Resilience in the Sustainability of Msmes in Anambra State, Nigeria**

**Abstract**

This study investigates the impact of risk-taking skill as it relates to resilience in the sustainability of MSMEs in Anambra State. The key objective of the study is to ascertain the extent at which risk-taking skills contribute to the resilience and sustainability of MSMEs in Awka, Onitsha and Nnewi. The study measured risk-taking by evaluating how often business owners engage in risky decisions, their confidence in managing those risks, and their belief in the importance of risk-taking for business growth and sustainability. Business resilience was also measured through the ability to adapt quickly to market changes, having strategies to handle economic downturns, confidence in recovering from setbacks, and maintaining a positive outlook during difficult times. It employs a quantitative approach, utilizing primary data collected through a structured questionnaire administered to MSME owners and managers in Anambra State and interviews conducted. 331 management teams were purposively selected from registered MSMEs in the Anambra State. Data were gathered using a structured questionnaire, and the respondents' bio data were presented through simple frequency and percentage tables. Hypotheses were tested employing simple regression analysis, utilizing the Statistical Package for Social Sciences (SPSS version 27). The study reveals that calculated risk-taking strategies positively and significantly influence the resilience of the business in Anambra State of Nigeria. Based on the findings, it is recommended that government agencies, business development service providers, and non-governmental organisations should organize regular training sessions and workshops focused on risk management and strategic decision-making to enhance the risk-taking skills of MSME owners.

**Keywords: Risk-taking skill, Resilience, Sustainability, MSMEs, Anambra State**

**1. INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) are typically considered drivers of economic growth, innovation, and job creation. The sustainability of such enterprises, i.e., their survival, transformation, and growth over a period of time in the face of internal and external challenges, is crucial for socio-economic well-being of any region. Throughout the whole world, sustainable MSMEs have emerged as a driving force behind poverty reduction and inclusive growth. MSMEs account for approximately 90% of the businesses and over 50% of employment globally, as indicated by the International Trade Centre (2020). Their long-term sustainability guarantees economic dynamism, resilience of the economy to shocks, and sustainable growth. In Africa, MSMEs generate approximately 80% of the continent's employment and more than 50% of the GDP (African Development Bank, AfDB, 2021). Sustainable MSMEs have powered regional trade growth, youth and women empowerment, and technology upgrading in urban and rural economies. Sustainability here, however, is not merely being profitable—it needs innovation, flexibility, resilience, and knowledge-based decision-making in uncertain times.

One of the most significant factors associated with MSME sustainability is risk-taking ability. Risk-taking refers to making bold choices and investing funds on ventures with uncertain results. It is usually considered a key entrepreneurial trait as well as one of the biggest drivers of innovations and long-term success. Risk-taking business owners, through their predisposition to venturing into new markets, create new products, or invest in emerging technologies, are tasked with keeping business processes within competitive and turbulent environments (Mazzarol, 2015). Research has established that risk-taking MSMEs are stronger because they are inclined to experience the shakes and can capture new opportunities more effectively (Adim and Bassey, 2022).

In Nigeria, and particularly in Anambra State, risk-taking has significantly influenced the sustainability of MSMEs. Anambra is one of the most business-booming states in Nigeria with numerous micro and small-scale enterprises that are active in trade, manufacturing, agriculture, and services. Onitsha and Nnewi towns have traditionally evinced an immensely high rate of entrepreneurial enterprise. A few of the state's MSMEs have weathered stiff market competition and infrastructural constraints by taking entrepreneurial measures like investment in new manufacturing technologies, product line diversification, or entry into new markets (National Bureau of Statistics, 2023). Risk-taking has enabled some MSMEs in Anambra to reach beyond the local market. For example, Nnewi small-scale manufacturers have ventured into the production of automobile components for regional and national markets in spite of the absence of robust government infrastructure (NBS, 2023). Likewise, agropreneurs in Anambra have ventured into value-added processing of crops such as cassava and oil palm, despite market price and logistics uncertainties, indicating a robust entrepreneurial risk-taking culture. However, several challenges continue to hinder the effectiveness of risk-taking in ensuring MSME sustainability. Top of these is lack of access to affordable credit, which makes it impossible for entrepreneurs to invest in high-risk projects. According to NBS and Small and Medium Enterprises Development Agency of Nigeria (2018) report, more than 70% of Nigerian MSMEs find it difficult to access funds from traditional sources. Without adequate capital, even well-considered risks are hard to take. Also, inadequate infrastructure—particularly inconstant electricity and bad transport facilities—restricts the capacity of firms to scale or expand businesses, making riskier activities hard to maintain. Another challenge facing the MSMEs is inconsistent government support. Security concerns and localized instability also discourage business expansion. Many MSMEs operate informally without structured business planning or exposure to modern risk management practices, which limits their ability to take calculated risks effectively.

Although, the Anambra State government has taken steps to support MSMEs, including the establishment of the Anambra Small Business Agency (ASBA), which offers training programs, microloans, and business advisory services, the problems affecting risk-taking among MSMEs in Anambra State continue, mainly due to systemic issues such as poor policy implementation, corruption, government program discontinuity, and poor outreach to rural entrepreneurs. The majority of MSME operators are unaware of the available support programs, while applicants often suffer from long bureaucratic delays and unfavorable loan conditions (SMEDAN, 2021). Accordingly, the capability of Anambra businessmen to take bold, well-informed risks is normally restricted at the expense of long-term profitability for their companies. Against this background, this study examines the impact of risk-taking skill on the business resilience of MSMEs in Anambra State, Nigeria.

**2. LITEREATURE REVIEW**

**2.1. Conceptual Issues**

**Risk Taking**

Risk-taking is well known as one of the defining characteristics of successful entrepreneurs. According to Noombo et al. (2024), entrepreneurs are likely to take risks since they have learned to conceptualize in terms of assessing uncertainties and have instituted order risk management procedures. This preparedness enables them to approach uncertainty with confidence, seize new opportunities, and drive business growth. Singh and Khatri (2024) highlighted that risk entails the option to choose from options with uncertain outcomes, where personal judgment will most probably be utilized. While others shun risk for fear of failure or attachment to consistency, entrepreneurs differ in that they are most probably inclined to take calculated risk with the final intention of becoming a success and growing their businesses.

**Business Sustainability**

Business sustainability has three broad dimensions, viz., economic, environmental, and social. Economic sustainability is related to long-term profitability and financial well-being of the business so that it can develop and compete competitively. Environmental sustainability is about the company's attempt to reduce its negative effects on nature through optimum utilization of resources and environmentally friendly operations. Social sustainability is the contribution by business to society in terms of ethical conduct, fair treatment of employees, and social responsibility. Economic and social sustainability are usually given priority by MSMEs owing to the constraint on resources, whereas all three are necessary for long term success in a sustainable way (Fischer et al., 2020). Business sustainability refers to the strategic combination and management of economic, social, and environmental factors to facilitate long-term business success with ethical accountability (Rouse, 2013). Sustainability is, in essence, defined as a key aspect of sustainable business operations. In addition, Egieya et al. (2023) noted that actual sustainability involves achieving current business performance without compromising the ability of future generations to address their own needs.

**2.2. Theoretical Framework**

**Opportunity-Based Theory**

Opportunity-Based Theory prioritizes risk-taking as a core aspect of entrepreneurship. Entrepreneurs are expected to find and use opportunities despite the risks, for instance, venturing into new markets or using new technology, as laid out by Drucker (1985). The assumption of one of the hypotheses of this theory is that success in entrepreneurship depends on one's capacity to take risk because it creates new chances for expansion and innovation. One of the problems with the theory is that it relies on opportunity recognition and does not take into account other environmental factors, i.e., market constraints or regulatory issues, which could limit an entrepreneur from actualizing perceived opportunities (Busenitz et al., 2014; Welter, 2011; Shane & Venkataraman, 2000). For MSMEs in Anambra State, risk-taking ability is necessary to ensure resilience. Entrepreneurs with the willingness to take calculated risk, either in product innovation, market entry, or investment, are more able to manage adversity. Resilience, according to Haynie and Shepherd (2011), enables entrepreneurs to bounce back from failures and continue pursuing opportunities. The emphasis on risk-taking improves the viability of MSMEs by helping entrepreneurs overcome adversity and seize opportunities for growth.

**2.3. Review of Empirical Literature**

The study by Wachira (2024) examined the relationship between entrepreneurial capabilities and the performance of small and medium enterprises (SMEs) in Kenya. Focusing on four key capabilities—business owner leadership, innovation, entrepreneurial marketing, and strategic capability—the research also assessed the moderating role of information and communication technology (ICT). Guided by six theoretical frameworks and a positivist paradigm, the study adopted a descriptive cross-sectional design and targeted 2,400 licensed SMEs across three regions in Kenya, with a sample of 331 enterprises selected using stratified random sampling. Data were collected via semi-structured questionnaires and analyzed using both quantitative and qualitative methods. The results indicated that entrepreneurial capabilities accounted for 69.1% of the variation in SME performance. All four capabilities had positive and significant effects on performance, with entrepreneurial marketing capability exerting the greatest impact, followed by strategic, innovation, and leadership capabilities. ICT was also found to significantly moderate the relationship between entrepreneurial capabilities and SME performance. The study concluded that strengthening entrepreneurial capabilities and ICT adoption is crucial for enhancing SME performance in Kenya.

Nwagbala et al. (2023) examined the entrepreneurial orientation and performance of Anambra State Nigeria Awka South SMEs. Survey research design was adopted and based on primary data collected from 80 SMEs selected from a population of 100 using the Taro Yamane formula. Pearson's Product Moment Correlation Coefficient was utilized to conduct analysis in order to test hypotheses. Results indicated that innovativeness was highly positively correlated with market share, and competitive aggressiveness significantly impacted sales volume, suggesting that entrepreneurial orientation is critical in order to boost SME performance. It was established that SMEs within the region need to adopt innovative procedures and competitive approach strategies in order to maintain their operations, improve performance, and record growth in market share as well as sales volume.

Nnabugwu and Ibekwe (2023) explored the impact of entrepreneurial skillsets on the performance of SMEs in Anambra State, Nigeria. The study aimed to assess how entrepreneurial mindset, leadership, and values influence financial, marketing, and environmental performance. A review of relevant literature was conducted, and the research employed a descriptive survey design. Data were collected using a structured questionnaire with five Likert scale responses. The study population consisted of 2,093 registered SMEs in Anambra State, with a sample size of 408 determined using the statistical formula by Borg and Gall. Research questions were analyzed using simple percentage analysis, while hypotheses were tested with Linear Regression Analysis (MRA). The findings revealed that entrepreneurial mindset positively impacted financial performance, leadership styles significantly influenced sales performance, and entrepreneurial values played a significant role in marketing performance. The study concluded that entrepreneurial skillsets significantly enhance the performance of SMEs in Anambra State, Nigeria.

Agbionu et al. (2023) examined the relationship between entrepreneurship behavior and the performance of SMEs in Anambra State, Nigeria. The study was grounded in the Resource-Based View Theory, which emphasizes the strategic resources that contribute to business success. A sample of 189 skilled workers from selected SMEs in Anambra State was surveyed, using a valid and reliable questionnaire for primary data collection. The results revealed that key entrepreneurship behaviors, such as innovativeness, competitiveness, and initiative, significantly influenced various aspects of SME performance. Specifically, innovativeness was found to significantly impact employee satisfaction, competitiveness positively influenced customer satisfaction, and initiative contributed to job satisfaction.

Adim and Bassey (2022) examined the influence of entrepreneurial risk-taking on sales growth of SMEs in Bayelsa State, Nigeria. The study adopted a cross-sectional survey research design. Primary data was generated through a structured questionnaire. The total number of SMEs registered with SMEDAN in Bayelsa State, Nigeria as at 2021 were 300 SMEs and the entire population of 300 SMEs were adopted as a census. Data generated were analyzed and presented using both descriptive and inferential statistical techniques. The inferential statistics absorbed three parametric inferential tests-Pearson’s Product Moment Coefficient (PPMC), One Way Analysis of Variance (ANAOVA) and Simple Regression Analysis. Findings from the study revealed that entrepreneurial risk-taking significantly influence sales growth of SMEs in Bayelsa State, Nigeria. This study concludes that SMEs sales growth is positively enhanced when they develop their risk- taking propensity.

Daniel and Olalekan (2022) carried out an empirical study to evaluate the impact of entrepreneurial behavior on the performance of Micro, Small, and Medium Enterprises (MSMEs) in Nigeria. Focusing on how entrepreneurs utilize organizational resources and capabilities to drive innovation, create new market opportunities, and engage in proactive, risk-taking ventures, the study surveyed 160 MSME operators in Lagos State through researcher-designed questionnaires. Using multiple regression analysis to test the hypotheses, the results revealed that key entrepreneurial behaviors—such as innovation, proactiveness, risk-taking, and cognitive engagement—significantly and positively influence MSME performance in Nigeria.

Amaonwu and Ifechukwu-Jacobs (2022) examined how entrepreneurial skills such as innovativeness, risk-taking, strategic thinking, and teamwork influence the profitability of paint firms in Anambra State. Using a survey of 369 employees and analyzing data through ANOVA and regression, the study found that these skills significantly and positively impact business performance. Similarly, Scholastica et al. (2022) studied the effect of entrepreneurial skillsets on the performance of SMEs owned by Igbo traders in Anambra State. Their findings revealed that business risk, skills, mentorship, communication, and tolerance all significantly improve SME performance. The study concluded that entrepreneurial training is key to enhancing business growth and resilience.

Similarly, Okoli et al. (2021) assessed the influence of entrepreneurial orientation on SME performance across five states in Southeast Nigeria. Using a survey approach and analyzing data from 366 SMEs through regression analysis, the study found that innovativeness, proactiveness, and risk-taking had a positive and significant impact on SME performance. The authors concluded that entrepreneurial-oriented firms often outperform competitors by embracing innovation and customer-centric strategies. Juliana et al. (2021) examined the interplay between creativity, innovation, and entrepreneurship development in Nigeria, guided by Schumpeterian theory. Utilizing a survey of 257 respondents and analyzing data via OLS and ANOVA, the study identified technological advancement and strategic thinking as key drivers of entrepreneurship. It also highlighted a strong link between creative thinking, innovative capabilities, and the advancement of entrepreneurship.

Amoah et al. (2021) investigated the mitigating factors influencing the sustainability of small and medium-sized enterprises (SMEs) from the perspective of entrepreneurs and business owners, with particular emphasis on the manufacturing sector in Ghana, a Sub-Saharan African country. To achieve this objective, the study employed a simple random sampling technique and obtained 370 valid responses through the administration of a structured questionnaire. Using Partial Least Squares Structural Equation Modeling (PLS-SEM), the study identified key barriers hindering the sustainability of SMEs. These included financial challenges, limited access to technology, difficulties in market penetration and acceptability, and inadequate investment in research and development.

John and Muogbo (2017) examined how entrepreneurial skills influence the productivity of Small and Medium Enterprises (SMEs) in Nnewi North, Anambra State, Nigeria. Data was collected through a structured questionnaire, with statistical mean (x) and standard deviation used for analysis. The study included 100 participants, and hypotheses were tested using the chi-square test. The results highlighted the importance of skills in management, marketing, accounting, and risk management for improving SME productivity.

Imafidon (2014) investigated the role of entrepreneurial skill sets in driving economic growth in developing countries, using Nigeria as a case study. The research involved administering structured questionnaires to 80 randomly selected entrepreneurs across the three senatorial districts of Edo State—Edo North, Edo Central, and Edo South. The study focused on the relationship between entrepreneurship, employment generation, and economic growth. Using chi-square analysis, the findings revealed that entrepreneurial skill sets significantly contribute to job creation and overall economic development. The study concluded that entrepreneurship plays a vital role in stimulating growth and reducing unemployment in third-world nations.

**3. METHODOLOGY**

**3.1 Research Design**

The study employed a survey research design to gain a deeper and more holistic insight into the research problem. This approach enabled the incorporation of varied perspectives from key stakeholders—such as MSME owners, employees, customers, and policymakers—thereby offering a balanced and comprehensive understanding of the entrepreneurial ecosystem.

3.2 Area of the Study

The study was carried out in Anambra State, located in southeastern Nigeria. Bordered by Kogi, Enugu, Abia, Imo, and Delta states, Anambra lies at coordinates 6.2209° N and 6.9370° E, comprising 21 local government areas such as Awka North and South, Onitsha South, Nnewi North, and others. Awka, the state capital, serves as the administrative center, while other key towns include Onitsha and Nnewi. Anambra hosts several tertiary institutions and a range of public and private organizations. The state’s economy is largely driven by commercial activities, with a vibrant presence of MSMEs engaged in trade, transport, education, healthcare, media, and light industry. Aptly known as the “Light of the Nation,” Anambra remains a major hub for entrepreneurial and economic activity in the region.

3.3 Population of the Study

The study population consisted of owners and management staff of registered MSMEs across the three geopolitical zones of Anambra State. Based on the 2022 report by the Anambra State Chamber of Commerce, a total of 1,919 registered MSMEs were identified in Onitsha South (Anambra North), Nnewi South (Anambra South), and Awka South (Anambra Central). The selection of MSMEs was guided by sectoral relevance and included enterprises in hospitality (hotels and fast-food businesses), hypermarkets, bakeries, beauty and hair salons, as well as various service-oriented firms such as consultancies and research organizations. These sectors were chosen due to their significant economic contributions within the state.

3.4 Sample Size Determination and Sampling Technique

To determine the appropriate sample size for the study, the Taro Yamane formula (1967) was employed. This formula is particularly suitable for studies involving a finite population and provides a simplified method for sample size determination. The formula is stated as:



Sample size would be determined using the Taro Yamane’s formula:

n = N/(1+N(e)2

N = Population of Registered MSME

e = Error Ratio

n = 1919/(1+1919(0.05)2

n = 331

Therefore, we adopt the sample size of this study as 331.

* The study utilized a Non-Probability Purposive Sampling Technique to select 331 registered MSMEs across the three geopolitical zones of Anambra State. This method was chosen due to the impracticality of reaching all MSMEs in the regions under review. Two non-probability sampling techniques were combined for this purpose:
* Convenience sampling: Participants were selected based on their availability and willingness to participate. This approach is easy to implement, though it may not perfectly represent the entire population.
* Theoretical purposive sampling: Participants were chosen for their ability to provide valuable insights into the specific research questions or theoretical concepts being explored. This method focused on individuals whose experiences or characteristics were particularly relevant to the study.

**Table 1: Questionnaire Distribution, Collection and Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S/N** | **Towns** | **Distributed** | **Retrieved** | **Analyzed** |
| 1 | Awka | 90 | 85 | 80 |
| 2 | Onitsha | 131 | 118 | 112 |
| 3 | Nnewi | 110 | 97 | 90 |
| Total (Percentage) | 331 (100%) | 300 (90.6%) | 282 (85.2%) |

**Source: Field Survey 2024**

Table 1 illustrates the distribution, collection, and analysis of the questionnaires. As detailed in the table, 331 questionnaires were distributed according to the study's sample size. A total of 300 questionnaires were returned, representing 90.6% of those distributed. However, only 282 questionnaires, or 85.2% of the total distributed, were analyzed, as 18 questionnaires were excluded due to incomplete responses that could not effectively reflect the respondents' views.

3.5 Sources of Data

The survey questionnaire was the core tool for primary data collection in this study, carefully designed to be the key instrument for obtaining detailed information on risk-taking skill. It played a crucial role in gathering comprehensive data that would support the study's objectives.

3.6 Method of Data Collection

This study employs a structured data collection approach using a five-point Likert scale questionnaire. The questionnaire is specifically designed to assess the perceptions, attitudes, and behaviors of MSME owners regarding creative thinking. The scale ranges from 1 ("strongly disagree") to 5 ("strongly agree"), enabling respondents to indicate varying levels of agreement or disagreement with each statement, thereby allowing for the capture of detailed and accurate opinions.

3.7 Validity of the Instrument

The study employed content validity by submitting a copy of the developed questionnaire to my supervisor for assessment and revision. The questions were modified and restructured to align with the objectives of the study. As a result, the content of the questionnaire was deemed appropriate and relevant for the research.

 **3.8 Reliability of the Instrument**

The study utilized the test-retest method to assess the reliability of the questionnaire. A total of 15 copies of the questionnaire were distributed to respondents at pharmaceutical companies (Emzor and Joez Pharmaceuticals Nigeria Ltd), which were not part of the main study sample. After a period of fifteen days, the questionnaire was revised and redistributed to the same set of respondents. The reliability of the responses was tested using Rank correlation analysis, yielding a reliability coefficient of 0.98, indicating that the instrument is highly reliable. Below is the table presenting the reliability figures.

Table 2: Reliability of the Instrument Test Table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Options | No of distributed questionnaire | Pre-test | Re-test | Differences (D) | D2 |
| Strongly agree | 15 | 5 | 7 | -2 | 4 |
|  Agree | 15 | 7 | 4 | 3 | 6 |
| Disagree | 15 | 2 | 2 | 0 | 0 |
| Strongly Disagree | 15 | 1 | 1 | 0 | 0 |
| Undecided  | 15 | 0 | 1 | -1 | 1 |
|  |  |  |  |  | ∑d2= 11 |

**Source:** Field survey, 2024.

Formula : 1- $\frac{6∑di2}{n (n2-1)}$

d = deviation / differences

n = number of paired items

1= unity

Substituting,

r = 1 – 6 x 112

 15 (152 – 1)

r = 1 - 66

 15(255 – 1)

r = 1 - 66

 3360

r = 1 – 0.0196

r = 0.98

3.9 **Method of Data Analysis**

The study used descriptive tools such as frequency distributions, percentages, means, and standard deviations. These techniques were essential in examining the central tendencies and variability of the responses, facilitating a thorough analysis of the research objectives.

**4. DATA PRESENTATION AND INTERPRETATION OF RSULTS**

**4.1. Data Analysis**

**4.1.1 Demographic Distribution**

**Table 3:** **Respondent Demographics**

|  |  |  |  |
| --- | --- | --- | --- |
| Demographic Variables | Categories | Frequency | Percentage |
| Gender | Male  | 110 | 39 |
| Female | 172 | 61 |
| Age Group | 18 - 29 years | 164 | 58 |
| 30 - 39 years | 68 | 24 |
| 40 - 49 years | 34 | 12 |
| 50 - 59 years | 16 | 6 |
| Highest Educational Qualification | Diploma | 80 | 28.3 |
| Bsc | 116 | 41.4 |
| Msc | 60 | 21.2 |
| PhD | 26 | 9.1 |
| Business Scale | Micro | 85 | 29.9 |
| Small | 119 | 42.3 |
| Medium | 78 | 27.8 |
| Combined Experience  | Less than one year | 29 | 10.6 |
| 1 - 2 years | 30 | 10.8 |
| 2 - 5 years | 43 | 15.1 |
| 5 - 10 years | 136 | 48.3 |
| 10 - 15 years | 26 | 9.1 |
| More than 15 years | 18 | 6.1 |

Source: Field Survey 2024

Data gathered from a survey administered to respondents over a five-month period (January to May 2024) is presented in Table 3. The survey's first section collected demographic information from 282 personnel across MSMEs in Anambra State’s three geopolitical zones. Questionnaires were distributed via email, with reminders sent every two weeks. Among the respondents, 39% were male, and 61% were female. A majority (58%) were aged between 18 and 29 years. Regarding educational background, 41.4% held a bachelor's degree, and 21.2% held a master's degree. Most respondents (48.3%) had between five and ten years of experience. In terms of company size, 27.8% represented medium-sized SMEs, 42.3% were small firms, and 29.9% were micro-sized businesses. The frequency percentage was computed using the formula: Percentage = (Frequency of occurrence/Total number of respondents) × 100.

**Relationship between Risk-Taking and Business Resilience**

**Table 4: Distribution of Responses for Risk-Taking and Business Resilience**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Questionnaire Item** | **SA** | **A** | **UD** | **D** | **SD** | **Mean** | **Decision** |
| **Risk-Taking** |
| How frequently do you take risks in your business decisions? | 66 | 140 | 37 | 39 | - | 3.82 | Accepted |
| How would you rate your risk management skills? | 50 | 172 | 18 | 38 | 4 | 3.80 | Accepted |
| To what extent do risk-taking skills contribute to the resilience and sustainability of your business? | 73 | 177 | 17 | 9 | 6 | 4.06 | Accepted |
| Risks is essential for business growth? | 50 | 135 | 41 | 56 | - | 3.62 | Accepted |
| **Business Resilience** |
| My business can quickly adapt to market changes or disruptions. | 47 | 119 | 34 | 79 | 3 | 3.45 | Accepted |
| I have strategies in place to cope with economic downturns. | 53 | 160 | 25 | 44 | - | 3.78 | Accepted |
| I believe my business can recover from setbacks effectively. | 23 | 184 | 24 | 51 | - | 3.63 | Accepted |
| I maintain a positive outlook during challenging times. | 39 | 138 | 33 | 69 | 3 | 3.50 | Accepted |

**Source: Field Survey 2024**

Table 4 presents the risk-taking and business resilience response distribution. Each item on the questionnaire was examined using the mean of each and a cut-off of 3 or more, suggesting acceptance, and items with less than 3 as a mean were deemed rejected. Risk-taking and business resilience were all measured using positive responses on items. Respondents concurred that they take risks in business choices very often, assigned an excellent score to their ability to manage risks, and validated that risk capability is essential to the resilience and sustainability of their companies. They also concurred that risk is essential in business development, that their companies can easily respond to environmental shifts or shocks, and that they have buffers against economic depressions. Also, they were of the view that their organizations can recover from failures and stay optimistic in troubled times.

**Hypothesis Testing**

H02: The ability to take risks is not highly correlated with resilience in the sustainability of MSMEs in Anambra State.

HA2: There exists a high level of association between risk management capability and resilience in the survival of MSMEs in Anambra State.

**Table 5: Correlation between Risk-taking and Resilience**

|  |
| --- |
| **Correlations** |
|  | Risk-taking | Resilience |
| Risk-taking | Pearson Correlation | 1 | .876 |
| Sig. (2-tailed) |  | .044 |
| N | 282 | 282 |
| Resilience | Pearson Correlation | .876 | 1 |
| Sig. (2-tailed) | .044 |  |
| N | 282 | 282 |

**Source: SPSS ver.27 Outputs.**

**Result Summary**

Where,

Risk-taking (Independent variable)

Resilience (Dependent variable)

Table 5 reveals a positive relationship between risk-taking and business resilience, indicated by a correlation coefficient of r = 0.876, with a sample size of n = 282 and a p-value of 0.044 (p < 0.05). Based on this result, the alternate hypothesis is accepted, leading to the conclusion that there is a significant positive relationship between risk-taking and the business resilience of MSMEs in Anambra State.

4.2 Discussion of Findings

This study explored the influence of risk-taking skills on business resilience and found a statistically significant effect, with a correlation coefficient of r = 0.876, a sample size of n = 282, and a p-value of 0.044 (p < 0.05). Based on this outcome, the study accepted the alternate hypothesis (H2), confirming a positive link between risk-taking and the resilience of MSMEs in Anambra State. These results align with previous research conducted by Scholastica et el. (2022), Imafidon (2014), and John and Muogbo (2017), all of which emphasized the beneficial impact of risk-taking on enhancing MSME performance. However, as Shane and Venkataraman (2000) also indicated, the theory presumes opportunity recognition to be enough without adequately considering external restraints such as market failure, regulation constraints, or finance access constraints that may in reality limit the ability of entrepreneurs to respond to perceived opportunities. However, for Anambra, risk-taking can be an effective means of coping with such restraints so that MSMEs can survive amidst uncertainty. This supports Haynie and Shepherd's (2011) contention that resilience assists entrepreneurs in bouncing back from adversity and moving on despite ongoing pursuit of opportunities, with additional evidence for the merit of entrepreneurial risk-taking as a path towards resilient business survival.

The study addressed the sub-question: "What are the experiences of MSME owners with risk-taking in ensuring business resilience in Anambra State?" and aimed to achieve the objective: "To understand how risk-taking skills influence resilience in the sustainability of MSMEs in Anambra State."

Risk-taking, as a core entrepreneurial attribute, entails making bold and strategic decisions in pursuit of uncertain but potentially rewarding opportunities. It plays a vital role in promoting resilience by equipping businesses to respond effectively to challenges and recover from setbacks. Entrepreneurs who engage in calculated risk-taking often employ innovative approaches that strengthen their businesses' capacity to endure economic and environmental shocks. The study's findings imply that a higher tendency for risk-taking is associated with greater resilience, ultimately supporting more sustainable enterprise operations. Institutional theory offers a framework for understanding how organizations are shaped by the formal and informal rules, norms, and expectations within their environment. It posits that businesses must adapt to regulatory, cultural, and cognitive pressures to gain legitimacy, stability, and long-term viability. Within this context, risk-taking emerges as a strategic tool that allows entrepreneurs to align with institutional expectations while simultaneously innovating to navigate complex environments. For instance, an MSME owner might take the risk of adopting environmentally sustainable practices, not only to meet regulatory standards but also to appeal to stakeholders who prioritize social responsibility.

Moreover, strategic risk-taking enables entrepreneurs to balance conformity with institutional norms and the pursuit of innovation. By doing so, they can establish credibility while also differentiating themselves in competitive markets. An example would be a firm that introduces a new product in a tightly regulated sector, taking the risk to innovate while ensuring full regulatory compliance—thus gaining both legitimacy and a competitive edge. Institutional settings are frequently marked by uncertainty, stemming from shifting regulations, evolving cultural values, and changing market expectations. Entrepreneurs who proactively take risks in anticipation of these changes—such as investing in compliance or new technologies before they become industry standards—position their businesses to not only survive but also lead within their sectors.

In conclusion, this study supports the relevance of institutional theory by demonstrating that risk-taking helps MSMEs adapt to and influence their institutional environments. This adaptive capacity fosters organizational resilience, legitimacy, and sustainability. The strong positive relationship identified between risk-taking and resilience reinforces the value of entrepreneurial strategies that both align with and challenge institutional norms, ultimately contributing to the sustained success of MSMEs in Anambra State.

**5. CONCLUSION AND RECOMMENDATIONS**

According to the conclusion of this study, it was established that risk-taking skills are the key elements that sustain and make MSMEs in Anambra State resilient. The fact that there is positive correlation between risk-taking and business resilience bears testimony to the significant role entrepreneurial risk attitude plays in facilitating MSMEs in riding economic shocks, staying responsive in changing circumstances, and maintaining their operations despite uncertainty. Risk-taking entrepreneurs who are more likely to take calculated risks will be more likely to adopt new and adaptive approaches that maximize long-term business stability and growth.

In addition, the study supports that risk-taking is more than speculative activity but a strategic competence that is also aligned with the institution's expectations and that acts proactively to adapt to shifts in the regulatory, cultural, and economic environment. Through embracing risk in an informed and structured fashion, MSME owners can both gain legitimacy as well as competitiveness. This inference supports the suggestion that developing skills in risk management and decision-making is key to building resilient enterprises that are capable of handling multiple institutional pressures as well as supporting development over a long-term span. In light of the finding that risk-taking has a significant effect on the resilience of MSMEs in Anambra State, entrepreneurship development programs sponsored by government and business support institution should incorporate risk management and opportunity identification training into their curriculum. These programs will turn MSME owners and managers into decision makers, adapt to market shocks, and capitalise on innovative growth opportunities, thereby building their long-term resilience.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

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