

**ENTREPRENEURIAL MINDSET AND SURVIVAL OF SMES IN NORTH-CENTRAL NIGERIA**

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**ABSTRACT**

*In an ideal entrepreneurial ecosystem, a resilient mindset characterized by risk acceptance, passion, execution ability, and persistence served as a critical driver for SME survival. These attributes enabled founders to withstand volatility, adjust to market disruptions, and remain focused during adversity. This study examined entrepreneurial mindset and survival of SMEs in North-Central Nigeria. The study adopted a survey research design in which multi-stage sampling was used to obtain data from the respondents with the questionnaire administered to selected SME owners and managers operating across North-Central Nigeria, with a population of 2456, sample size (344) was used with 20% margin of safety was added to the sample size making it 413. The data were analysed using inferential statistics and multiple regression analysis at a 5% level of significance to test the formulated hypotheses in line with the objectives of the study. The findings revealed that risk acceptance exerted a significant positive effect on the survival of SMEs in North-Central Nigeria. The research concluded that risk acceptance is a decisive driver of SME survival in North-Central Nigeria. The study recommended that SMEs should develop calculated risk-taking strategies by establishing risk assessment frameworks before making investment decisions. Entrepreneurs should maintain emergency funds of 3-6 months operating expenses and diversify revenue streams to manage uncertainty. Regular market monitoring should be conducted to identify and capitalize on emerging opportunities that competitors may avoid due to risk aversion.*

Keywords: Entrepreneurial mindset, survival of SMEs, risk acceptance, passion, execution ability, persistence

**INTRODUCTION**

Entrepreneurship has become globally acknowledged as a fundamental driver of economic growth, innovation, and employment generation. In a contemporary environment marked by accelerated technological advancement, geopolitical instability, and persistent economic uncertainty, the entrepreneurial mindset has increasingly been recognized as a decisive factor influencing venture creation, adaptability, and long-term business continuity (Jemal, 2021). This mindset, encompassing a combination of cognitive orientations and behavioural dispositions, facilitates opportunity identification, informed risk

engagement, and resilience. Through these attributes, entrepreneurs are not only able to initiate business ventures but also to withstand complex challenges and sustain operations in adverse conditions (Purnomo et al., 2021). As competition within global markets intensifies, the ability of entrepreneurs to internalize and apply such a mindset has become essential for stimulating innovation, improving firm performance, and ensuring organizational longevity (Abdullah et al., 2024; Okoli et al., 2024).

In developing economies, particularly within sub-Saharan Africa, entrepreneurship plays an even more pronounced role as a mechanism for poverty reduction, inclusive economic

participation, and structural economic transformation. Small and medium enterprises (SMEs) constitute the foundation of most African economies, accounting for more than 80 percent of employment and a significant proportion of gross domestic product. Nigeria, as Africa's most populous country and largest economy, reflects this reality, with SMEs contributing approximately 48 percent of national GDP and providing employment for nearly 60 percent of the workforce. Despite this substantial contribution, the survival rate of Nigerian SMEs remains low, largely due to persistent systemic challenges including unreliable electricity supply, constrained access to finance, regulatory inconsistency, and weak managerial capacity (Ajike et al., 2017). These conditions highlight the importance of examining not only external constraints but also the internal characteristics of entrepreneurs that may enhance enterprise resilience.

At the core of this investigation lies the concept of the entrepreneurial mindset, which can be described as a flexible configuration of cognitive and behavioural orientations that enable individuals to recognize opportunities, deploy resources effectively, and remain committed in uncertain environments (Jemal, 2021). Contemporary studies have operationalized this construct through interconnected dimensions such as risk acceptance, passion, execution capability, and persistence (Abdullah et al., 2024; Okoli et al., 2024). Risk acceptance captures an entrepreneur's readiness to confront uncertainty and potential loss in pursuit of opportunity. Passion reflects strong emotional attachment and intrinsic motivation toward the venture. Execution capability involves strategic foresight, operational efficiency, and judicious resource utilization, while persistence refers to sustained effort and adaptability in response to obstacles. Collectively, these dimensions enhance innovative problem-solving and strategic resilience, which are indispensable for operating within volatile and resource-constrained business environments (Purnomo et al., 2021; Rathee et al., 2025).

The survival of SMEs, defined as the ability of a firm to maintain continuous operations over time, has attracted increasing scholarly

attention due to the recognition that business continuity is as critical as short-term performance outcomes (Kamal & Kenza, 2024). Although SME survival rates vary across sectors and regions, scholars generally agree that financial sustainability remains a core indicator of survival (Hai et al., 2023). In this study, SME survival is conceptualized as the capacity of an enterprise to sustain operations, remain financially viable, and adjust effectively to changing market conditions (Masdupi et al., 2024). Unlike transient indicators such as sales growth or profitability, survival reflects the enduring existence of the firm and serves as a proxy for entrepreneurial effectiveness and strategic robustness, particularly evident among enterprises that withstand severe economic disruptions (Kottika et al., 2020). Consequently, survival is treated as the dependent variable in this research to isolate the effects of internal entrepreneurial attributes, especially mindset dimensions, from external environmental shocks. This perspective aligns with studies suggesting that firm longevity is shaped not only by contextual conditions but also by entrepreneurs' internal capabilities and strategic decisions, including their approach to financial risk and resource management (Masdupi et al., 2024; Kottika et al., 2020).

In Nigeria, the North-Central geopolitical zone comprising Benue, Kogi, Kwara, Nasarawa, Niger, and Plateau States hosts a dynamic yet highly vulnerable SME landscape. Enterprises within this region contribute significantly to economic diversification through agro-processing, commerce, and informal service provision, thereby sustaining livelihoods in both rural and urban communities. However, SME failure rates in the region remain disturbingly high, with more than 60 percent of new ventures ceasing operations within five years of establishment. Factors driving this trend include poor infrastructure, limited access to formal financing, rising insecurity, and insufficient entrepreneurial training and support systems (Ajike et al., 2017). While macro-level reforms remain essential, emerging evidence suggests that the development of a resilient entrepreneurial mindset may function as a vital internal coping mechanism, enabling business owners to

adapt, innovate, and persist despite adverse operating conditions (Purnomo et al., 2021).

Notwithstanding the strategic importance of entrepreneurship within Nigeria's economic diversification agenda particularly under initiatives such as the Economic Recovery and Growth Plan (ERGP) and the National MSME Development Policy empirical investigations into how specific dimensions of the entrepreneurial mindset influence SME survival in the North-Central region remain limited. Much of the existing literature treats entrepreneurship as a homogeneous concept or focuses predominantly on access to finance and policy frameworks, often overlooking the psychological and behavioural foundations of entrepreneurial resilience (Jemal, 2021; Okoli et al., 2024). This study seeks to address this gap by examining the effects of risk acceptance, passion, execution capability, and persistence on SME longevity within a context characterized by both opportunity and adversity. By doing so, it contributes to theoretical discourse on cognitive entrepreneurship in emerging economies while offering practical implications for capacity development, policy formulation, and entrepreneurial education tailored to the realities of North-Central Nigeria.

In a well-functioning entrepreneurial ecosystem, a resilient mindset anchored in risk acceptance, passion, execution capability, and persistence serves as a crucial determinant of SME survival. These attributes equip entrepreneurs to withstand volatility, respond effectively to market disruptions, and maintain strategic focus during periods of adversity. Empirical studies indicate that entrepreneurs who demonstrate strong persistence and execution competence are significantly more likely to mitigate early-stage failure risks (Asenge et al., 2018). In fragile economies such as Nigeria, where institutional deficiencies and infrastructural constraints are widespread, these cognitive and behavioural traits become even more critical, acting as internal stabilizers that compensate for external shortcomings and support sustained business operations.

Despite this, SME survival in North-Central Nigeria remains precarious. Evidence suggests that over 60 percent of SMEs in the region fail within three years, exceeding the national

average failure rate of approximately 45 percent (Awuzie et al., 2024). Structural challenges, including unreliable power supply, restricted access to credit, and escalating insecurity particularly in states such as Plateau and Benue further intensify business vulnerability. Additionally, research indicates that enterprises led by entrepreneurs with low persistence and weak execution capability are substantially more prone to early failure than those managed by individuals exhibiting stronger entrepreneurial traits (Kusa & Danladi, 2024). This reinforces the argument that while environmental constraints are significant, deficiencies in psychological resilience among founders exacerbate failure risks.

The situation is further compounded by contextual threats such as communal conflicts and recurrent flooding in states including Benue and Kogi, which heighten enterprise fragility (Adamu, 2020). Although various policy interventions and support programs have been introduced to strengthen SMEs, persistently high failure rates suggest that structural solutions alone are insufficient without corresponding attention to entrepreneurial mindset development. From a theoretical standpoint, perspectives such as effectuation theory, trait theory, and the resource-based view remain underutilized in explaining SME survival dynamics within this regional context (Pulka et al., 2021).

Moreover, empirical research on Nigerian SMEs has traditionally emphasized access to finance, innovation, or competitive positioning as predictors of performance, leaving the nuanced role of entrepreneurial mindset dimensions largely unexplored (Otache & Usman, 2024). Addressing this gap is therefore essential not only to deepen understanding of the underlying causes of SME failure in North-Central Nigeria but also to advance entrepreneurship theory, inform policy interventions, and equip entrepreneurs with mindset-based competencies necessary for sustained success in volatile business environments.

### **Objectives of the Study**

The main objective of the study was to examine entrepreneurial mindset and survival

of SMEs in North-Central Nigeria. The specific objectives include to:

- i. determine the effect of risk acceptance on the survival of SMEs in North-Central Nigeria.
- ii. assess the impact of passion on the survival of SMEs in North-Central Nigeria.
- iii. evaluate the effect of execution ability on the survival of SMEs in North-Central Nigeria.
- iv. analyse how persistence contributes to the survival of SMEs in North-Central Nigeria.

## **2.0 LITERATURE REVIEW**

### **Conceptual Framework**

#### **Entrepreneurial Mindset**

The entrepreneurial mindset can be understood as a particular way of thinking that prioritizes opportunity identification, innovation, and proactive engagement in value-creating activities. It shapes how individuals process information, make decisions under uncertainty, and respond to emerging possibilities. This mindset is grounded in cognitive adaptability, inventive problem-solving, and a long-term orientation, which together enable entrepreneurs to operate effectively within ambiguous and turbulent environments (Kuratko, Fisher, & Audretsch, 2021; Shepherd, Williams, & Patzelt, 2015; Abdullahi & Mohammed, 2025).

Existing empirical evidence indicates that entrepreneurs who possess this mindset rely on distinctive cognitive schemas that allow them to recognize patterns, integrate diverse sources of information, and reinterpret constraints as potential opportunities. Such mental processes enhance entrepreneurial alertness to unmet market needs and facilitate innovative strategic responses to competitive pressures and environmental shifts (Mitchell et al., 2007; Haynie, Shepherd, Mosakowski, & Earley, 2010; Abdullahi & Mohammed, 2025). Consequently, the entrepreneurial mindset functions as a vital psychological asset that influences opportunity discovery, strategic behaviour, and sustained venture development.

#### **Risk Acceptance**

Risk acceptance in entrepreneurship refers to the degree to which individuals are prepared to undertake actions involving uncertainty and

the possibility of adverse outcomes. It encompasses both rational assessments of risk and emotional tolerance for ambiguity and potential loss (Williams et al., 2020; Miller & Le Breton-Miller, 2011). Importantly, entrepreneurial risk acceptance does not equate to impulsiveness; rather, it reflects a calculated approach in which uncertainty is weighed against expected returns and strategic benefits.

Scholarly work identifies several categories of entrepreneurial risk, including financial, market-related, technological, organizational, and reputational risks, each requiring tailored evaluation and management approaches (Miller, 1983; Williams et al., 2020). Research consistently shows that entrepreneurs who are capable of accepting and managing risk effectively are more likely to pursue high-value opportunities and remain adaptive in volatile contexts, particularly where institutional and structural support mechanisms are weak (Kreiser, Marino, Dickson, & Weaver, 2010).

#### **Passion**

Entrepreneurial passion describes strong positive emotions that arise when individuals engage in entrepreneurial activities that are personally meaningful and central to their identity. This construct integrates cognitive appraisals of entrepreneurial tasks as significant with emotional states such as enthusiasm, excitement, and intrinsic motivation (Cardon, Wincent, Singh, & Drnovsek, 2009; Newman et al., 2019).

The prevailing definition conceptualizes entrepreneurial passion as consciously accessible and intense positive feelings associated with entrepreneurial roles that are salient to the individual (Cardon et al., 2009). Building on this foundation, subsequent research identifies distinct domains of passion, including passion for inventing, founding, and developing ventures (Cardon et al., 2017). These domains exert varying influences on opportunity recognition, perseverance, and organizational performance, depending on venture stage and the entrepreneur's functional role (Adomako & Ahsan, 2022; Newman et al., 2019).

Comprehensive reviews and meta-analyses further demonstrate that entrepreneurial

passion strengthens engagement, resilience, and sustained effort, particularly in challenging conditions, thereby supporting venture continuity and long-term growth (Newman et al., 2019).

### **Execution Ability**

Execution ability refers to an entrepreneur's competence in translating ideas, strategies, and plans into effective actions and observable outcomes within constraints of time, resources, and uncertainty. This capability encompasses activities such as planning, coordination, leadership, and operational control, all of which determine whether entrepreneurial intentions evolve into viable and scalable enterprises (Li, Su, & Mao, 2018; Jardim, 2021).

Recent entrepreneurship literature increasingly frames execution ability as a dynamic capability that enables entrepreneurs to continuously align resources with opportunities while adjusting strategies in response to market signals and environmental change (Teece, 2012; Basu et al., 2021). Entrepreneurs with strong execution capacity are therefore better equipped to capitalize on opportunities, manage operational complexity, and maintain competitive advantage in unstable and resource-constrained environments (Abid, Bhatti, & Ahmad, 2023; Li et al., 2018).

### **Persistence**

Entrepreneurial persistence denotes sustained dedication to entrepreneurial objectives despite setbacks, failures, and resource constraints. It involves a conscious decision to continue investing effort toward long-term goals, coupled with emotional resilience and self-regulation when confronted with adversity (Caliendo, Goethner, & Weissenberger, 2019; Shepherd & Patzelt, 2018).

Contemporary studies describe persistence as ongoing, goal-oriented engagement even in the presence of repeated rejection, significant obstacles, or attractive alternative career paths (Ahsan, Adomako, & Mole, 2020; Shepherd, Williams, & Patzelt, 2015). Persistence therefore extends beyond endurance; it is an adaptive process through which entrepreneurs learn from setbacks, refine strategies,

reallocate resources, and cognitively reframe failure experiences.

Empirical research further identifies multiple manifestations of persistence, including perseverance following early-stage rejection, persistence during operational or financial distress, and serial persistence, where individuals repeatedly re-enter entrepreneurship after prior venture failure (Coppens & Knockaert, 2021; Shepherd & Haynie, 2011). Evidence suggests that persistent entrepreneurs accumulate experiential knowledge, develop stronger coping capabilities, and enhance future venture outcomes, even in highly uncertain and constrained environments (Ucbasaran, Shepherd, Lockett, & Lyon, 2013; Caliendo et al., 2019).

In settings characterized by institutional fragility and environmental volatility, entrepreneurial persistence becomes particularly critical, as formal support systems are often inadequate. Under such conditions, persistence operates as an essential internal capability that sustains effort, facilitates recovery from setbacks, and increases the likelihood of long-term venture survival (Shepherd & Patzelt, 2018; Ahsan et al., 2020). Collectively, these perspectives highlight persistence as a central dimension of the entrepreneurial mindset that complements risk acceptance, passion, and execution ability in fostering entrepreneurial resilience and sustained business performance.

### **Survival of SMEs**

The survival of small and medium-sized enterprises (SMEs) is a complex outcome shaped by a combination of internal firm capabilities, external environmental conditions, and broader macroeconomic forces (Gamage et al., 2020; Kottika et al., 2020). Fundamentally, SME survival denotes the capacity of these businesses to sustain continuous operations over time despite structural constraints such as limited financial capital, restricted access to external finance, and weak institutional frameworks (Klein & Todesco, 2021; Ozanne et al., 2022). Compared to large organizations, SMEs typically operate without the benefits of economies of scale or sophisticated risk management mechanisms, which heightens

their exposure to economic disruptions. This vulnerability became particularly evident during the COVID-19 pandemic, when a substantial proportion of SMEs experienced temporary suspension or permanent closure (Clampit et al., 2021; Klein & Todesco, 2021).

Consequently, SME survival extends beyond short-term profitability and should be understood as encompassing resilience, adaptability, and strategic flexibility (García Valenzuela et al., 2023; Olaleye et al., 2024). Contemporary scholarship increasingly frames survival through the lens of dynamic capabilities, emphasizing the need for SMEs to continually reconfigure their resources and competencies in response to shifting market conditions and environmental pressures (Weaven et al., 2021; Saeedikiya et al., 2024; Trieu et al., 2023). Empirical evidence illustrates that SMEs which swiftly embraced digital technologies and online platforms for sales, operations, and customer engagement during periods of crisis exhibited stronger resilience and superior performance relative to firms that remained dependent on traditional, brick-and-mortar business models (Huang & Ichikohji, 2024; Khurana et al., 2022; Klein & Todesco, 2021).

These insights highlight that SME survival is inherently dynamic, representing an ongoing process of organizational learning, innovation, and adaptive responsiveness rather than a fixed or static outcome (Troise et al., 2022; Putritamara et al., 2023).

### **Theoretical Framework**

The study on entrepreneurial mindset and SME survival is anchored on four interrelated theories: Trait Theory of Entrepreneurship, Effectuation Theory, Resource-Based View (RBV), and Psychological Resilience Theory which together explain how cognitive, behavioral, and strategic factors influence business continuity. These theories collectively highlight that entrepreneurs' success is not driven by a single factor, but by a combination of personality traits, decision-making approaches, resource utilization, and resilience in uncertain environments such as those faced by SMEs in North-Central Nigeria.

The Trait Theory of Entrepreneurship emphasizes the role of individual characteristics such as risk-taking, persistence,

and need for achievement in fostering entrepreneurial success. It assumes that certain personality traits predispose individuals to identify opportunities and sustain ventures. However, the theory's limitation lies in its narrow focus on personal attributes while neglecting environmental and contextual influences necessitating integration with other perspectives.

The Effectuation Theory, developed by Sarasvathy (2001), explains how entrepreneurs make decisions under uncertainty by focusing on available resources and leveraging relationships rather than relying on predictive planning. It aligns with the dimensions of entrepreneurial mindset especially execution ability and persistence by showing how entrepreneurs use creativity, adaptability, and stakeholder engagement to ensure survival despite limited resources.

The Resource-Based View (RBV) complements this by emphasizing the strategic use of internal resources that are valuable, rare, inimitable, and non-substitutable (VRIN). It highlights how entrepreneurs convert their knowledge, skills, and networks into competitive advantage. However, since resource access alone does not guarantee sustainability, the Psychological Resilience Theory adds the emotional and adaptive dimension, explaining how entrepreneurs recover from setbacks, learn from failures, and remain motivated amid challenges.

In summary, these four theories collectively provide a comprehensive explanation of how entrepreneurial traits, adaptive decision-making, resource management, and psychological resilience interact to promote the survival and growth of SMEs. This integrated theoretical framework underscores that an entrepreneur's mindset characterized by risk acceptance, passion, execution ability, and persistence is a crucial determinant of business sustainability in dynamic environments.

### **2.5 Empirical Review**

Asenge et al., (2018). Effect of Entrepreneurial Mindset on SME Performance in Makurdi Metropolis, Benue State, Nigeria. Makurdi, Benue State, Nigeria. Survey research design. SMEs in Makurdi Metropolis. 250 SMEs. Primary data via stratified random sampling

and structured questionnaires. Pearson correlation and multiple regression analysis using SPSS. The study found that innovativeness, creativity, business alertness, and risk-taking significantly influenced SME performance. The operationalization of entrepreneurial mindset excluded critical psychological dimensions such as persistence, execution ability, and passion recently emphasized in literature as vital for survival under adversity and the urban, single-location focus limited generalizability to the broader and more diverse North Central region.

Kusa and Danladi (2024). *The Mediating Role of Entrepreneurial Skills in the Relationship Between Entrepreneurial Passion and SME Success in Plateau State, Nigeria*. Jos North and South Local Government Areas, Plateau State, Nigeria. Survey research design. SME owners in Jos North and South LGAs. 337 respondents (91.1% response rate). Primary data via self-administered questionnaires. Partial Least Squares Structural Equation Modeling (PLS-SEM). The study found that entrepreneurial skills partially and fully mediated the positive effect of entrepreneurial passion on SME success. The research did not account for other core entrepreneurial mindset dimensions such as risk acceptance, persistence, or execution ability and its geographic scope was limited to two LGAs in one state, offering insufficient insight into how passion interacts with broader mindset variables to influence SME survival across the heterogeneous North Central region.

Uzoamaka and Nwagbala (2023). *Youth Entrepreneurship as a Survival Strategy in Nigeria: Overcoming Structural Barriers Through Informal Enterprise*. Nigeria. Conceptual/theoretical paper. Not applicable. Not applicable. Anecdotal observations, policy documents, and normative literature. Narrative synthesis and discursive analysis. The authors proposed a range of low-barrier informal livelihood activities (e.g., POS operations, affiliate marketing, food enterprises) as practical pathways for Nigerian youth to transition from unemployment to self-employment, emphasizing the need for a mindset shift away from dependency on formal jobs. The study employed no empirical methodology no data collection, sampling, or validation and offered no evidence on the

scalability, sustainability, or institutional support required for these activities to evolve into viable enterprises, rendering its recommendations inspirational but not actionable for policymakers or development practitioners.

Koch and Menkhoff (2024). *The Non-Linear Relationship Between Risk Tolerance and Entrepreneurial Outcomes: Evidence from Small Businesses*. Germany (study based on European and global datasets). Quantitative cross-sectional design. Owners of small businesses in developed and emerging economies (non-Nigerian sample). Approximately 2,100 small businesses. Primary data from large-scale business surveys. Bilateral regression analysis with controls for individual and firm-level characteristics. The study identified an inverted U-shaped relationship: moderate risk tolerance enhanced profitability and survival, while high risk tolerance reduced profits and increased exit rates. Gap: The research was conducted outside Nigeria and did not account for the unique institutional, cultural, and infrastructural conditions of emerging economies such as reliance on informal finance, weak contract enforcement, or social capital networks limiting its relevance to the Nigerian SME context.

Cho and Orazem (2020). *Endogenous Risk Preferences and Sample Selection in Entrepreneurial Survival Analysis*. United States. Secondary data analysis. Entrepreneurs from the National Longitudinal Survey of Youth 1979 (NLSY79) and Panel Study of Income Dynamics (PSID). Not explicitly stated (derived from longitudinal national datasets). Secondary data from nationally representative U.S. panels. Econometric modelling addressing selection bias. The study demonstrated that measuring risk attitudes only among surviving entrepreneurs creates upward bias, masking the true negative effects of high-risk tolerance when failed entrepreneurs are included. The analysis was confined to U.S. data and did not consider the informal, unregulated, and often undocumented entry/exit dynamics typical of African SMEs, where risk perception may be shaped by survival necessity rather than preference, leaving a void in methodologically

sound, context-sensitive risk-survival studies in Nigeria.

Stenholm and Renko (2016) investigated the previously unexplored relationships between entrepreneurial passion, bricolage (resourceful “make-do” behaviours), and early venture survival among Finnish entrepreneurs who started businesses between 2005 and 2010. Utilizing survey data collected from a large sample of 2,489 entrepreneurs in late 2011, the authors employed statistical analyses to examine whether passion predicted engagement in bricolage and whether this combination enhanced survival rates through 2011. Findings revealed that entrepreneurs with higher levels of passion particularly passion for inventing and developing their ventures were significantly more likely to engage in bricolage, and that this affective-behavioural combination fully mediated the relationship between passion and venture survival. The study provided pioneering empirical evidence linking passion to survival mechanisms beyond mere persistence. However, the research focused exclusively on a single national context (Finland) during a specific post-crisis period, leaving unexamined how cultural norms, institutional support, or industry-specific constraints might moderate these relationships in other economic environments.

Feng and Chen (2020) sought to construct and validate a model examining how entrepreneurial passion influences entrepreneurs’ psychology and behaviour, with entrepreneurial self-efficacy as a mediating mechanism. Drawing on self-efficacy theory, the researchers conducted a survey of 300 entrepreneurs across five cities in China and employed exploratory and confirmatory factor analysis alongside structural equation modelling (SEM) to test hypothesized pathways. Results indicated that both harmonious and obsessive passion were significantly correlated with entrepreneurial self-efficacy, and that self-efficacy fully mediated the relationship between passion and entrepreneurial behaviour/performance. Notably, while harmonious passion showed no direct effect on performance, obsessive passion did, suggesting complex psychological dynamics. Despite its rigorous psychometric validation and theoretical grounding, the

study’s exclusive focus on Chinese entrepreneurs limited generalizability to Western or collectivist cultures, and it did not measure actual firm-level performance outcomes, relying instead on self-reported behavioural intentions.

Farida et al., (2023) examined the influence of three dimensions of entrepreneurial passion inventing, developing, and founding on the performance of creative micro, small, and medium enterprises (MSMEs) in Jember District, Indonesia, following the COVID-19 pandemic. With government support and learning capability as moderating variables, the study surveyed 280 MSMEs and analysed data using partial least squares structural equation modelling (PLS-SEM). Findings demonstrated that passion for inventing and passion for developing positively and significantly influenced MSME performance, whereas passion for founding had no significant effect. Learning capability strengthened the impact of the first two passions, but government support failed to act as a moderator for any dimension. While offering nuanced insights into post-pandemic recovery in Southeast Asia, the study’s geographic specificity and lack of control for external market conditions (e.g., supply chain disruptions, inflation) left open questions about the generalizability of moderation effects, particularly regarding policy interventions.

Caliendo et al, (2019) sought to extend the understanding of entrepreneurial persistence beyond mere business survival by developing a hybrid measure that captured the motivational and psychological dimension of persistence among German business founders. Using rich longitudinal data from a representative sample of German entrepreneurs, they analysed how individual-level factors (e.g., human capital, personality traits) and business-related characteristics influenced both survival-based and hybrid persistence indicators. The authors found that while business characteristics and human capital were dominant predictors of survival, personality traits particularly conscientiousness and resilience were more strongly associated with hybrid persistence, indicating that persistence is multidimensional. However, the study noted that formerly

unemployed founders, despite having similar survival rates, demonstrated lower psychological commitment to their ventures, suggesting an unexplored disconnect between behavioural persistence and internal motivation. A significant gap remained in the absence of any examination of external contextual or technological influences such as digital transformation or market dynamics that might shape or moderate entrepreneurial persistence over time.

Hendrickson et al, (2021) investigated the impact of persistent innovation on the growth trajectories of surviving Australian firms between 2007–08 and 2013–14, with the objective of determining whether firms that engaged in repeated innovation outperformed non-innovators or sporadic innovators in terms of sales, employment, value added, and profitability. Utilizing a matched, balanced sample drawn from a comprehensive firm-level database integrating administrative, tax, and survey data, the researchers found that short-term persistent innovators especially young SMEs consistently outperformed their counterparts across all growth dimensions and were more likely to introduce novel, multi-type innovations. The study concluded that innovation persistence was a critical driver of high-growth outcomes, supporting the notion that policy interventions promoting continuous innovation could sustain economic dynamism. Nevertheless, the study did not examine the underlying mechanisms through which persistence in innovation was maintained such as leadership traits, organizational culture, or access to financial resources and overlooked the potential role of entrepreneurial persistence as a mediating factor between innovation behaviour and firm growth.

### 3.0 METHODOLOGY

This section outlines the methodology adopted for examining the relationship between entrepreneurial mindset and the survival of SMEs in North-Central Nigeria. The study employed a survey research design, which enabled the collection of quantitative data from a wide range of SME owners and managers across Benue, Kogi, Kwara, Nasarawa, Niger, Plateau, and the Federal Capital Territory (FCT), Abuja. This region was purposively selected because of its

economic diversity and challenges such as insecurity, poor infrastructure, and limited access to finance, all of which make entrepreneurial resilience and innovation essential for business survival. The study population comprised 2,456 SME owners and managers as identified by SMEDAN and NBS (2021). Using Slovin's formula at a 5% margin of error, a sample size of 344 respondents was determined and increased to 413 to account for potential non-responses. A multi-stage sampling technique was applied to ensure representativeness, beginning with the selection of states, towns with high SME concentration, and finally, random sampling of respondents.

Primary data were collected through a structured questionnaire divided into three sections: demographic information, dimensions of entrepreneurial mindset (risk acceptance, passion, execution ability, and persistence), and SME survival. All items were measured on a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The instrument was subjected to a pilot study involving 30 SME owners and managers to ensure content validity and clarity. The reliability of the constructs was confirmed through Cronbach's alpha values, all above the acceptable threshold of 0.70 (risk acceptance = 0.77, passion = 0.72, execution ability = 0.75, persistence = 0.80, and survival = 0.75), indicating satisfactory internal consistency.

Data were analyzed using both descriptive and inferential statistics with the aid of SPSS (version 27). Descriptive analysis summarized respondents' demographic information, while inferential analysis—specifically multiple regression analysis—was used to test the predictive influence of the entrepreneurial mindset dimensions on SME survival. The model was specified as  $SU = \alpha_0 + \beta_1RA + \beta_2PA + \beta_3EA + \beta_4PE + \epsilon$ , where SU represents SME survival, RA = risk acceptance, PA = passion, EA = execution ability, and PE = persistence. The rigorous methodological approach adopted in this study ensured reliability, validity, and objectivity in addressing the research objectives and provided a strong empirical foundation for understanding how entrepreneurial mindset contributes to the survival and sustainability of SMEs in North-Central Nigeria.

RESULTS AND DISCUSSION

Response Rate.

Questionnaire Distributed	413
Returned Questionnaire	387
Percentage of returned Questionnaire	94%
Unreturned Questionnaire	26
Percentage of not returned Questionnaire	6%

Source: field Survey, (2025)

A total of 413 questionnaires were distributed to respondents, of which 387 were successfully returned, representing a high response rate of 94%. This exceptionally strong return rate enhances the reliability and representativeness of the data, minimizing non-response bias and strengthening the validity of the study’s findings. Only 26 questionnaires (6%) were not returned, which is a relatively small proportion and unlikely to

significantly affect the overall analysis. The high level of participation suggests strong engagement from respondents, possibly due to the relevance of the topic, clarity of the instrument, or effective administration procedures, thereby increasing confidence in the generalizability of the results within the studied population of SMEs in North-Central Nigeria.

Test of Hypotheses

However, to substantiate explicitly the analysis given so far above, the regression result or outputs obtained are presented thus below:

Test of hypothesis one

H01: Risk acceptance has no significant effect on the survival of SMEs in North-Central Nigeria.

Model 1

$$SU = \alpha_0 + \beta_1 RA + \beta_2 PA + \beta_3 EA + \beta_4 PE + \epsilon \dots \dots \dots 3.2$$

Table 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 <sup>a</sup>	.647	.644	.31037

a. Predictors: (Constant), PE, RA, EA, PA

Source: SPSS Output Version 27.0

The model summary in Table 12 indicates that the multiple regression model, which includes Risk Acceptance (RA), Passion (PA), Execution Ability (EA), and Persistence (PE) as predictors of SME survival, demonstrates a strong explanatory power. The model yields an R value of 0.805, reflecting a high degree of correlation between the combined predictors and the dependent variable. The R Square value of 0.647 suggests that approximately 64.7% of the variance in SME survival is accounted for by these four entrepreneurial

traits, while the Adjusted R Square of 0.644 confirms that this explanatory power remains robust after adjusting for the number of predictors in the model. Additionally, the relatively low Standard Error of the Estimate (0.310) indicates that the model’s predictions are, on average, close to the observed values, reinforcing its precision and reliability. Overall, the results underscore the substantial collective influence of risk acceptance, passion, execution ability, and persistence on the survival of SMEs in the studied context.

Table 2 ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67.551	4	16.888	175.309	.000 <sup>b</sup>
	Residual	36.798	382	.096		
	Total	104.349	386			

a. Dependent Variable: SU

b. Predictors: (Constant), PE, RA, EA, PA  
 Source: SPSS Output Version 27.0

Table 13 presents the ANOVA results for the regression model predicting SME survival (SU) from the predictors Risk Acceptance (RA), Passion (PA), Execution Ability (EA), and Persistence (PE). The overall model is statistically significant, as indicated by the F-statistic of 175.309 with 4 and 382 degrees of freedom and a p-value (Sig.) of .000, which is well below the conventional alpha level of 0.05. Applying the decision rule reject the null hypothesis if  $p < 0.05$  we reject the null

hypothesis that all regression coefficients are zero, concluding that at least one of the predictors significantly contributes to explaining variance in SME survival. The large F-value and highly significant p-value confirm that the model as a whole provides a meaningful and robust fit to the data, supporting the collective relevance of RA, PA, EA, and PE in predicting SME survival in North-Central Nigeria.

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

Model	Unstandardized Coefficients			Standardized	t	Sig.
	B	Std. Error	Beta			
1	(Constant)	.915	.133		6.896	.000
	RA	.305	.040	.327	7.629	.000
	PA	.425	.038	.475	11.083	.000
	EA	.580	.046	.624	12.750	.000
	PE	.663	.053	.652	12.539	.000

a. Dependent Variable: SU

Source: SPSS Output Version 27.0

Table 14 presents the regression coefficients for the predictors of SME survival (SU), with all four entrepreneurial mindset Risk Acceptance (RA), Passion (PA), Execution Ability (EA), and Persistence (PE) emerging as statistically significant positive predictors. Using the decision rule that a predictor is significant if its p-value (Sig.) is less than the alpha level of 0.05, we reject the null hypothesis for each variable, as all have p-values of .000. The unstandardized coefficients (B) indicate that, holding other variables constant, a one-unit increase in RA, PA, EA, and PE is associated with increases of 0.305, 0.425, 0.580, and 0.663 units in SU, respectively. The standardized coefficients (Beta) further reveal the relative strength of each predictor, with PE (Beta = 0.652) and EA (Beta = 0.624) exerting the strongest influence on survival, followed by PA (Beta = 0.475) and RA (Beta = 0.327). These results confirm that all four constructs significantly and positively contribute to SME survival, with persistence and execution ability being the most impactful factors in the model.

**Discussion of Findings**

The findings of this study highlight the pivotal influence of four core dimensions of the entrepreneurial mindset risk acceptance, passion, execution ability, and persistence on

the survival of small and medium-sized enterprises (SMEs) in North-Central Nigeria. These insights hold profound implications for building entrepreneurial resilience, enabling strategic agility, and ensuring long-term business continuity in a region marked by infrastructural challenges, weak institutional support, and persistent economic instability.

**H<sub>01</sub>: Risk acceptance has no significant effect on SME survival in North-Central Nigeria.**

As shown in Table 14, risk acceptance (RA) demonstrates a statistically significant and positive association with SME survival ( $\beta = 0.327, p < 0.001$ ), leading to the rejection of H<sub>01</sub>. This suggests that entrepreneurs who are willing yet discerning in navigating uncertainty are more likely to keep their businesses afloat over time. While studies like Koch and Menkhoff (2024) warn that high risk tolerance can be detrimental in stable, developed economies, the current findings reveal that in volatile contexts such as North-Central Nigeria, a contextually appropriate level of risk acceptance acts as a strategic advantage. The result is consistent with Trait Theory, which identifies comfort with ambiguity as a hallmark of successful entrepreneurs. It also aligns with Effectuation Theory, where embracing uncertainty drives

action based on available resources rather than predictive planning. From a Resource-Based View (RBV) perspective, this mindset constitutes a valuable, rare, and hard-to-replicate internal asset especially critical where formal mechanisms for managing risk are lacking.

**H<sub>02</sub>: Passion has no significant effect on SME survival in North-Central Nigeria.**

The data strongly refute H<sub>02</sub>, showing that passion (PA) significantly enhances SME survival ( $\beta = 0.475$ ,  $p < 0.001$ ). This corroborates earlier work by Kusa and Danladi (2024), who found passion indirectly affects success through entrepreneurial skills, as well as international studies by Stenholm and Renko (2016) and Feng and Chen (2020), which linked passion to resourcefulness and self-efficacy. However, this study goes further by establishing a *direct* and substantial link between passion and firm survival in a high-stress environment. Drawing on Psychological Resilience Theory, passion functions as an emotional anchor helping entrepreneurs stay motivated, regulate stress, and remain committed despite recurring obstacles such as erratic power supply, insecurity, and cash flow shortages. Moreover, passion serves as a conceptual bridge: it reflects a stable motivational trait (Trait Theory) while simultaneously fuelling proactive, iterative engagement with stakeholders and markets (Effectuation Theory), thereby functioning as both an emotional driver and a strategic resource.

**H<sub>03</sub>: Execution ability has no significant effect on SME survival in North-Central Nigeria.**

H<sub>03</sub> is clearly rejected, with execution ability (EA) emerging as a powerful predictor of survival ( $\beta = 0.624$ ,  $p < 0.001$ ). This finding fills a notable gap in existing Nigerian literature including Asenge et al. (2018) and Kusa and Danladi (2024) which tends to emphasize entrepreneurial attitudes or opportunity recognition while neglecting the crucial capacity to implement ideas effectively. According to the Resource-Based View, execution ability represents a dynamic, firm-specific capability that allows entrepreneurs to detect opportunities, mobilize limited resources, and adapt operations in response to shifting conditions. In North-Central Nigeria's institutional voids, the power to turn vision into action becomes a key source of

competitive differentiation. This also resonates with Effectuation Theory, which prioritizes doing over forecasting; entrepreneurs with strong execution capabilities learn by doing, refine their approaches through feedback, and scale incrementally thereby increasing their chances of enduring in unpredictable markets.

**H<sub>04</sub>: Persistence has no significant effect on SME survival in North-Central Nigeria.**

The analysis confirms that persistence (PE) has a robust positive impact on SME survival ( $\beta = 0.652$ ,  $p < 0.001$ ), leading to the rejection of H<sub>04</sub>. While Caliendo et al. (2019) established persistence as a psychological dimension of entrepreneurial commitment in Germany, this study extends that insight to a Global South setting where business failure often entails severe personal and social consequences. Framed by Psychological Resilience Theory, persistence enables entrepreneurs to view setbacks as learning experiences and to persevere despite ongoing constraints. Within Trait Theory, it reflects a consistent behavioural pattern that distinguishes resilient entrepreneurs from those who disengage early. From an RBV standpoint, persistence accumulates over time as an intangible organizational asset enhancing memory, learning, and adaptive capacity particularly where external safety nets are absent.

All four mindset dimensions significantly contribute to SME survival, yet their strengths vary considerably. Persistence shows the strongest predictive power ( $\beta = 0.652$ ), followed closely by execution ability ( $\beta = 0.624$ ), then passion ( $\beta = 0.475$ ), and finally risk acceptance ( $\beta = 0.327$ ) all significant at  $p < 0.001$ . This ranking reveals a crucial insight: in North-Central Nigeria's challenging ecosystem, the capacity to endure and execute consistently matters more than emotional drive or willingness to take risks. Ultimately, survival hinges less on bold ideas or risk appetite and more on the entrepreneur's ability to *keep moving forward* and *turn plans into action*, day after day, despite adversity.

**CONCLUSION, AND RECOMMENDATIONS**

The study concluded that entrepreneurial mindset comprising risk acceptance, passion, execution ability, and persistence is a decisive determinant of SME survival in North-Central Nigeria. Entrepreneurs who deliberately

embrace calculated risks are better positioned to seize opportunities, adapt to policy and market fluctuations, and convert uncertainty into strategic advantage, thereby enhancing their resilience and long-term viability. Passion, on the other hand, fuels emotional energy and commitment, inspiring creativity, innovation, and customer focus even under challenging conditions. Similarly, execution ability emerged as a vital component that bridges entrepreneurial vision with measurable outcomes; entrepreneurs who can effectively organize resources, coordinate activities, and implement strategies with discipline are more likely to achieve operational efficiency and sustain competitive advantage. Furthermore, persistence was identified as indispensable for enduring success, as entrepreneurs who remain determined in the face of financial, institutional, or operational challenges and who learn from setbacks tend to refine their strategies continuously and outperform those who exit the market prematurely. Collectively, these findings highlight that a strong entrepreneurial mindset not only drives adaptability and innovation but also anchors the sustained survival and growth of SMEs in a dynamic and uncertain business environment.

Based on the study's objective to investigate entrepreneurial mindset and survival of SMEs in North-Central Nigeria, the following recommendations are proposed:

- i. SMEs should develop calculated risk-taking strategies by establishing risk assessment frameworks before making investment decisions. Entrepreneurs should maintain emergency funds of 3-6 months operating expenses and diversify revenue streams to manage

uncertainty. Regular market monitoring should be conducted to identify and capitalize on emerging opportunities that competitors may avoid due to risk aversion.

- ii. Business owners should set meaningful personal and business milestones to maintain emotional commitment during difficult periods. SMEs should connect with entrepreneur networks and business communities for motivation and support. Regular goal review and celebration of achievements should be practiced to sustain passion and prevent business abandonment during challenging times.
- iii. SMEs should create detailed implementation plans with specific timelines and performance indicators. Entrepreneurs should acquire project management skills and establish monitoring systems to track business progress. Customer feedback mechanisms should be implemented to ensure effective delivery of products and services that meet market expectations.
- iv. Business owners should develop resilience strategies to overcome setbacks and maintain business operations during tough periods. SMEs should establish mentorship relationships and learning systems to gain insights from failures. Financial discipline and adaptive strategies should be maintained to ensure business continuity despite temporary challenges and market fluctuations.

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