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Entrepreneurial Traits And Economic Sustainability Of Female-Owned SMES In Anambra State, Nigeria

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Abstract

This study examined the relationship between entrepreneurial traits and the economic sustainability of female-owned SMEs in Anambra State, Nigeria. Specifically, it assessed the effects of proactiveness, and risk-taking on sustainable business performance. Acensus survey of 15 female owned enterprises across Awka, Onitsha, and Nnewi was used, and 165 employees selected from the enterprises constituted the population size. Data was analyzed using linear regression at a 0.05 significance level. Findings revealed that proactiveness had a significant positive effect ($B = 0.591$, $t = 11.631$, $p < 0.05$), indicating that anticipating market trends strengthens business survival. Similarly, risk-taking positively influenced sustainability ($B = 0.577$, $t = 11.050$, $p < 0.05$), suggesting that calculated risks improve resilience and performance. The study concludes that entrepreneurial traits are key drivers of SME sustainability. It recommends strengthening innovation, proactive planning, and risk management among female entrepreneurs.

Keywords: Entrepreneurial traits, Proactiveness, Risk-taking, Economic sustainability and female-owned SMEs

Introduction

Small and Medium Enterprises (SMEs) are widely recognized as key drivers of economic growth, employment generation, and poverty reduction in developing economies, including Nigeria. They dominate the business environment and contribute significantly to income creation across sectors such as trade, manufacturing, and services. However, despite their importance, many SMEs struggle with sustainability due to challenges such as poor infrastructure, unstable economic conditions, limited access to finance, and weak managerial capacity. Economic sustainability in this context refers to the ability of SMEs to remain profitable, operational, and adaptable over time. As a result, increasing scholarly attention has shifted toward entrepreneurial capabilities and traits as important determinants of SME survival and long-term performance (Ogbunuju et al., 2025; Okoli & Okoli, 2024).In recent years, female entrepreneurship has become an important aspect of inclusive economic development in Nigeria. Women-owned SMEs contribute significantly to household income, job creation, and local economic development. However, despite their growing participation, female entrepreneurs often face constraints such as socio-cultural limitations, restricted access to credit, and limited asset ownership. Empirical studies suggest that when these barriers are reduced through supportive institutional frameworks, female-owned SMEs can achieve improved economic outcomes and stronger sustainability (Ezeokafor & Okuagba, 2025). Nevertheless, many women-led businesses still experience slow growth, vulnerability to economic shocks, and relatively high failure rates, particularly in their early stages of operation. Evidence from southeastern Nigeria indicates that entrepreneurial readiness, adaptability, and tolerance for uncertainty play important roles in determining SME survival. This suggests that beyond external environmental factors, the personal characteristics and behavioural orientations of entrepreneurs significantly influence business sustainability. The entrepreneurship literature increasingly supports a trait-based approach, emphasizing that attributes such as innovativeness, proactiveness, and risk-taking enhance opportunity recognition, strategic decision-making, and competitive advantage. Studies in Nigeria have shown that entrepreneurs with strong trait-driven behaviours are better able to identify market opportunities and respond effectively to changing business environments, thereby improving enterprise sustainability (Adani & Eni, 2024; Ekeoma & Nwaneto, 2025).

Anambra State provides a relevant context for examining female entrepreneurship due to its strong commercial orientation and high concentration of SMEs across sectors such as retail trade, agro-processing, fashion, hospitality, and manufacturing. Women play an active role in this vibrant business environment, yet sustainability outcomes among female-owned SMEs remain uneven due to financial constraints, limited networking opportunities, and capacity gaps. Despite their economic contributions, there is limited empirical research that integrates entrepreneurial traits with sustainability outcomes in this context. This study therefore conceptualizes entrepreneurial traits as innovativeness, proactiveness, and risk-taking, and examines their influence on the economic sustainability of female-owned SMEs in Anambra State, Nigeria (Dike, 2025; Nwankwo & Kami, 2023).

Statement of the Problem

Female-owned Small and Medium Enterprises (SMEs) in Anambra State are expected to achieve economic sustainability through steady growth, profitability, resilience to market changes, and long-term survival. In a commercially vibrant environment like Anambra State, where entrepreneurship is a key part of economic life, women entrepreneurs are expected to utilize entrepreneurial traits such as innovativeness, proactiveness, and risk-taking to build competitive and sustainable businesses. When effectively applied, these traits should enable female-owned SMEs to identify opportunities, respond to market changes, improve performance, and contribute meaningfully to employment generation and economic development. However, despite the high level of female entrepreneurial activity in the state, many women-owned SMEs still experience slow growth, unstable profitability, limited expansion, and in some cases, business failure. A number of these enterprises remain at micro-level operations and often exhibit weak innovation capacity, limited competitiveness, and reluctance to take strategic risks. Although external factors such as inadequate infrastructure and limited access to finance are commonly cited as constraints, less attention has been given to the internal entrepreneurial traits of business owners and how they influence sustainability outcomes. This creates a knowledge gap regarding the extent to which innovativeness, proactiveness, and risk-taking affect the long-term survival of female-owned SMEs in Anambra State. If this gap is not addressed, policy interventions may continue to focus mainly on external support mechanisms while neglecting critical behavioural and psychological drivers of sustainability. As a result, female-owned SMEs may continue to struggle with survival challenges, thereby limiting their contribution to employment creation, poverty reduction, and overall economic development in the state. Therefore, there is a need for empirical investigation into the relationship between entrepreneurial traits and the economic sustainability of female-owned SMEs in Anambra State.

Objectives of the Study

The broad objective of the study was to examine the effect of Entrepreneurial Traits on economicsustainability of female-owned SMEs in Anambra State, Nigeria. Specifically, the study seeks to:

i. Examine the effect of proactiveness on economic sustainability of female-ownedSMEs in Anambra State, Nigeria,
ii. Investigate the effect of risk-taking on economic sustainability of female-ownedSMEs in Anambra State, Nigeria.

Hypotheses

The following null hypotheses were formulated to guide the study.

i. Ho_1: Proactiveness has no significant effect on economic sustainability of female-owned SMEs in Anambra State, Nigeria.
ii. Ho_2: Risk-taking has no significant effect on economic sustainability of female-owned SMEs in Anambra State, Nigeria.

Review of Related Literature

Conceptual Review

Entrepreneurial Traits

Entrepreneurial traits refer to the inherent personal characteristics, behavioural tendencies, andcognitive orientations that influence how individuals identify opportunities, mobilize resources, and manage business ventures. Contemporary scholars describe entrepreneurial traits aspsychological and behavioural attributes that distinguish entrepreneurs from non-entrepreneurs,particularly in terms of creativity, initiative, persistence, and tolerance for uncertainty(Nwankwo&Kanu, 2023). These traits shape the strategic posture of business owners anddetermine their readiness to pursue innovation, adapt to environmental changes, and sustainenterprise performance in competitive markets.

Proactiveness

Proactiveness represents a forward-looking entrepreneurial orientation characterized byinitiative-taking, opportunity anticipation, and strategic responsiveness to emerging markettrends. It reflects the extent to which entrepreneurs actively shape their business environmentsrather than reacting passively to changes. Adani and Eni (2024) define proactiveness as thebehavioural tendency to anticipate future demand, initiate strategic actions, and lead marketdevelopments" ahead of competitors.

Risk-Taking

Risk-taking refers to the willingness of entrepreneurs to commit resources to uncertain ventures with the expectation of achieving favourable outcomes. It is a defining characteristic of entrepreneurial behaviour, reflecting tolerance for ambiguity and readiness to pursue opportunities despite potential losses. Nwankwo and Kami (2023) define risk-taking as the propensity of entrepreneurs to engage in bold decision-making and investment activities under conditions of uncertainty.

Economic Sustainability

Economic sustainability refers to the ability of a business or economic entity to maintain stable financial performance, continuous productivity, and long-term viability without compromising future operational capacity. In the context of SMEs, economic sustainability is commonly described as the capability of enterprises to generate consistent revenue, manage costs effectively, and adapt to changing market dynamics over time. Okoli and Okoli (2024) define economic sustainability as the sustained capacity of firms to operate profitably while maintaining operational efficiency and competitiveness in dynamic business environments. This definition highlights the financial continuity and resilience dimensions embedded in the concept.

Theoretical Framework

This study is anchored on the Entrepreneurial Orientation (EO) Theory, originally advanced by Miller (1983) and further developed by Covin and Slevin (1989), with later refinements by Lumpkin and Dess (1996). The theory posits that organizational and entrepreneurial success is largely influenced by behavioural dimensions such as innovativeness, proactiveness, and risk-taking, which collectively define the entrepreneurial posture of individuals or firms. Miller (1983) introduced the foundational argument that firms exhibiting innovative behaviour, proactive market engagement, and willingness to take risks are more likely to achieve superior performance outcomes. Covin and Slevin (1989) extended the theory by operationalizing these dimensions as measurable constructs within small firms, while Lumpkin and Dess (1996) expanded the framework by emphasizing contextual factors and the multidimensional nature of entrepreneurial orientation.

The contributions of subsequent scholars have reinforced the relevance of Entrepreneurial Orientation Theory in explaining SME performance and sustainability outcomes. Innovativeness reflects the tendency to support creativity and experimentation, proactiveness captures forward-looking opportunity-seeking behaviour, and risk-taking represents the readiness to commit resources under uncertainty. These dimensions have been widely applied in entrepreneurship research to explain variations in firm growth, competitiveness, and long-term viability. Later contributions between 2000 and recent years have emphasized the theory's applicability to emerging economies and female entrepreneurship, highlighting that entrepreneurial orientation behaviours serve as strategic capabilities that enable SMEs to navigate environmental turbulence and sustain economic performance.

Empirical Review

Okeke and Eze (2021) conducted a study to examine the relationship between entrepreneurial orientation and sustainability of women-owned SMEs in Enugu State, Nigeria. The population comprised registered female SME owners across trade and service sectors, and data were analyzed using multiple regression analysis. The findings revealed that innovativeness and proactiveness significantly enhanced business survival and revenue stability, while risk-taking demonstrated a positive but moderate effect on enterprise expansion and long-term sustainability. Adamu and Sani (2022) carried out a study to investigate the influence of entrepreneurial traits on financial sustainability of micro-enterprises in Kano State, Nigeria. The study adopted a survey design with a sample of 210 women entrepreneurs, and Ordinary Least Squares regression was used for analysis. Results indicated that innovativeness significantly predicted profitability growth; proactiveness improved market share retention, and calculated risk-taking positively influenced reinvestment capacity among the enterprises.

Muriithi and Waweru (2021) conducted a study to assess the effect of entrepreneurial orientation dimensions on SME performance in manufacturing firms in Nairobi, Kenya. The study sampled 168 SME owners and applied Structural Equation Modelling for analysis. The findings showed that innovativeness and proactiveness significantly influenced sustainablecompetitive advantage, while risk-taking had a significant positive effect on sales growth and long-term firm stability.

Methodology

This study adopted a survey research design to examine the relationship between entrepreneurial traits and the economic sustainability of female-owned SMEs in Anambra State. The design was considered appropriate because it enabled the collection of primary data on respondents' perceptions of innovativeness, proactiveness, and risk-taking, as well as the sustainabilityperformance of their businesses. The study was conducted in Awka, Onitsha, and Nnewi, whichare major commercial hubs in Anambra State with a high concentration of female-owned SMEs engaged in trade, services, and light manufacturing. The population of the study comprised 15 selected women-owned SMEs, 5 enterprises were selected from Awka, 5 from Onitsha and 5 from Nnewi, with a total of 165 employees. A census approach was,adopted, meaning all SMEs and their staff was included without sampling.

Data for the study were collected using a structured questionnaire designed to captureinformation on entrepreneurial traits and economic sustainability indicators. The instrument wasvalidated through expert review in entrepreneurship and business management to ensure relevance, and alignment with the research objectives. To ensure reliability, a test-retest method was conducted using a pilot study in similar SMEs outside the selected locations, and the results confirmed that the instrument was consistent and dependable for measuring the study variables.

The data collected were analyzed using linear regression analysis to determine the extent to which innovativeness, proactiveness, and risk-taking influence the economic sustainability of female-owned SMEs. This statistical technique was appropriate because it allowed for the estimation of the effect of each independent variable on the dependent variable, as well as the determination of their levels of significance. The results obtained from the regression analysis were used to test the study hypotheses at a 0.05 level of significance, thereby providing empirical evidence on the relationship between entrepreneurial traits and SME sustainability in the study area.

Results

Hypothesis 1

Ho_1: Proactiveness has no significant effect on economic sustainability of female-owned SMEs in Anambra State, Nigeria.

Model Summary Table

Table 1

Model RR Square	**Adjusted R**	**Square Std.**	**Error of the Estimate**
10.684	0.468	0.465	0.472

Source: SPSS Output, 2023

The model summary shows a strong positive relationship between proactiveness and economic sustainability. The R Square value of 0.468 suggests that 46.8% of the variance in economic sustainability is explained by proactiveness.

ANOVA Table

Table 2

Model Squares	**Sum of df**	**Mean Square**		**Fsig.**
Regression	30.1251	30.125	135.252	0.000
Residual	34.2521	630.210		
Total	64.3771	64		

Source: SPSS Output, 2023

The F value of 135.252 with a significance level of 0.000 indicates that the regression model is statistically significant.

Coefficients Table

Table 3

Model	**Unstandardized Coefficients**	**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta	
1	Constant	2.103	0.118	
	Proactiveness	0.591	0.051	0.684

Source: SPSS Output, *2023*

The coefficients table shows that proactiveness has a positive unstandardized coefficient (B = 0.591), indicating that for every unit increase in proactiveness, economic sustainability increases by 0.591 units. The p-value of 0.000 indicates that the relationship is statistically significant; therefore, the null hypothesis is rejected.

Hypothesis 2:

Ho_2: Risk-taking has no significant effect on economic sustainability of female-owned SMEs inState, Nigeria.

Model Summary Table

Table 4

Model RR Square	**Adjusted R Square**	**Std. Error of the Estimate**	
10.665	0.442	0.439	0.483

Source: SPSS Output, 2023

The model summary shows a strong positive relationship between risk-taking and economic sustainability. The R Square value of 0.442 suggests that 44.2% of the variance in economic sustainability is explained by risk-taking.

ANOVA Table

Table 5

Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	28.463	1	28.463	122.138	0.000
Residual	35.914	163	0.220		
Total	64.377	164			

Source: SPSS Output, 2023

The F value of 122.138 with a significance level of 0.000 indicates that the regression model is statistically significant.

Coefficients Table

Table 6

Model	**Unstandardized Coefficients**	**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta	
1	Constant	1.998	0.121	
	Risk-taking	0.577	0.052	0.665

Source: SPSS Output, 2023

The coefficients table shows that risk-taking has a positive unstandardized coefficient (B = 0.577), indicating that for every unit increase in risk-taking, economic sustainability increases by 0.577 units. The p-value of 0.000 indicates that this relationship is statistically significant; therefore, the null hypothesis is rejected.

Discussion of Findings

Hypothesis 1: Proactiveness and Economic Sustainability

The regression results also demonstrated that proactiveness positively and significantly influences economic sustainability ($R = 0.684$, $R^2 = 0.468$, $p = 0.000$), with a coefficient ($B = 0.591$). This indicates that SMEs led-by proactive entrepreneurs that is those who anticipate market trends, identify opportunities ahead of competitors, and plan strategically experience higher levels of sustainability and business continuity. Proactive behaviour allows female entrepreneurs to position their firms advantageously in competitive markets, enhancing both profitability and long-term viability. These findings are consistent with prior studies. Okeke and Eze (2021) observed that proactiveness significantly enhanced business survival among women-owned SMEs in Enugu State. Adamu and Sani (2022) reported that proactive strategies improved market share retention in micro-enterprises in Kano State.

Hypothesis 2: Risk-Taking and Economic Sustainability

The results further indicated that risk-taking has a positive and significant effect on economic sustainability ($R = 0.665$, $R^2 = 0.442$, $p = 0.000$), with a coefficient ($B = 0.577$). This suggests that female entrepreneurs willing to assume calculated business risks such as investing in new products, entering new markets, or adopting innovative technologies are more likely to achievesustained business performance and economic growth. Risk-taking facilitates strategic investments and diversification, which are crucial for long-term business survival.

Conclusion

Based on the findings, it can be concluded that entrepreneurial traits significantly influence the economic sustainability of female-owned SMEs in Anambra State. Proactiveness allows entrepreneurs to respond strategically to market changes, securing business continuity and market share.

Recommendations

Based on the study findings, the following recommendations are proposed:

i. Entrepreneurs should cultivate proactive behaviours by anticipating market trends, identifying new opportunities, and engaging in strategic planning to secure competitiveadvantage and long-term survival.

ii. Female entrepreneurs should adopt calculated risk-taking strategies by investing in new markets, technologies, or ventures to strengthen business resilience and expandoperational capacity.

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