

EFFECT OF ENTREPRENEURIAL CHARACTERISTICS ON PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES (SMEs) OWNERS IN FCT, ABUJA

ESANG, Daniel Ekawon¹, & MOHAMMED, Usman²

¹Department of Business Administration, Nasarawa State University, Keffi – Nigeria

²Department of Business Administration, Federal University of Kashere – Nigeria

Usmanmohammad377@gmail.com

Abstract

Small and Medium Enterprises (SMEs) play a crucial role in the economic development of many countries, including Nigeria. The performance of SMEs owners is greatly influenced by entrepreneurial characteristic. This study investigates the effect of entrepreneurial characteristics, proxies by risk-taking and passion, on the performance of Small and Medium Scale Enterprises (SMEs) owners in FCT, Abuja. Adopting a descriptive research design, data was collected through a structured Likert scale questionnaire from a population of 786 SME owners/managers, with a sample size of 312 determined using Taro Yamane method. Utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM) for data analysis, the results indicate that passion significantly and positively influences SME performance in FCT Abuja. Additionally, the findings reveal that risk-taking also exerts a positive and significant effect on SME performance in the same region. Based on these findings, recommendations are proposed to foster risk-taking behavior among entrepreneurs, including implementing targeted training programs and facilitating access to resources. Moreover, initiatives to promote entrepreneurial inspiration and create supportive networks for passionate entrepreneurs are suggested to further enhance SME performance.

Keywords: *Entrepreneurship Characteristics, Risk Taking, Passion, SMEs Performance*

INTRODUCTION

Small and medium scale enterprises (SMEs) play a crucial role in economic growth and development across both developed and developing countries. Studies, such as those by Aliyu et al. (2015), highlight that high-income countries often have well-instituted and functioning SMEs, which contribute significantly to their economic stability. In contrast, Nigeria has not sufficiently emphasized the importance of SMEs, despite their potential to improve the livelihoods of individuals and boost the national economy. SMEs are seen as a vital avenue for developing countries to achieve high-income status, as they provide alternative solutions to failing or inefficient state-owned enterprises, create jobs, and empower disadvantaged populations.

Entrepreneurship, particularly through SMEs, is essential for addressing contemporary commercial challenges, especially in developing nations. According to Okunbanjo et al. (2017), the performance of SMEs in Nigeria is assessed through various dimensions, including sales growth, competitive advantage, expansion, and profitability. These performance indicators can be viewed from both financial and non-financial perspectives. Financially, SMEs' success is often measured by sales growth and profitability, while non-financial measures might include increased employment and production capacity. The dynamic role of entrepreneurs is central to this success, as they identify and exploit opportunities, and drive innovative and creative business processes (Hwang et al., 2020).

The characteristics and behaviors of entrepreneurs are critical to the performance of SMEs. As Hwang et al. (2020) discuss, entrepreneurial behaviors can be learned and adapted to changing business environments, differentiating entrepreneurs from non-entrepreneurs. These behaviors are influenced by psychological traits such as creativity, innovativeness, risk tolerance, and self-efficacy, as noted by Singh and Rahman (2013). Understanding these traits is crucial, as entrepreneurial businesses, predominantly SMEs, significantly influence the economic performance of their respective countries. Oyeniyi et al. (2017) argue that traits like the ability to innovate, risk-taking competency, and competitive aggressiveness are key determinants of business performance, emphasizing the need to identify and cultivate these characteristics to foster successful entrepreneurship.

The Nigerian economy is rich in human and other resources, with small and medium scale enterprises (SMEs) playing a crucial role in employment growth and economic development. SMEs significantly

contribute to the country's gross domestic product and are essential for job creation and wealth generation. They provide employment and income for citizens and generate tax revenue for the government, making them vital to Nigeria's economic health (Iyiola & Azuh, 2015).

Entrepreneurial passion is a driving force behind successful SMEs, characterized by intense enthusiasm and strong identification with entrepreneurial activities (Cardon and Kirk, 2015). Passion fuels motivation and dedication, helping entrepreneurs overcome obstacles, persist through challenges, and maintain resilience. Passionate entrepreneurs have a deep understanding of customer needs, enhancing customer engagement and loyalty, which drives business performance. Additionally, their passion attracts talented individuals, fostering a motivated workforce that boosts productivity, innovation, and overall performance.

Risk-taking is another crucial aspect of entrepreneurial success. While entrepreneurs are not inherently risk seekers, they take calculated risks to minimize potential downsides (Sitkin and Weingart, 2019). Effective risk-taking involves strategic resource allocation, optimizing costs, and improving profitability (Joseph, 2017). In the uncertain and competitive environment of SMEs, calculated risks are essential for growth and survival (Callaghan, 2019). Entrepreneurs who embrace risk learn valuable lessons from failures, continuously refining their business models and operations, which contributes to long-term growth and improved performance.

Risk-taking entrepreneurs are more likely to introduce innovative products, services, or business models, enabling SMEs to differentiate themselves in the market and gain a competitive edge. These entrepreneurs are willing to explore new markets and expand operations, often investing in market research, entering new geographic regions, or targeting new market segments, which can lead to increased sales and revenues for SME owners. This ability to innovate and expand is crucial for sustaining growth and competitiveness in the dynamic business environment.

SMEs play a vital role in reducing unemployment and stimulating economic growth. Recognizing their importance, successive Nigerian governments have implemented measures to support SME growth, such as tax exemptions for certain SMEs and the creation of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) to foster SME activities. Despite these efforts, many SMEs continue to face declining performance. According to the National Bureau of Statistics (NBS, 2023), the sector's contribution to the GDP drop from 50% in 2021 to 43.3% in the last quarter of 2022. This decline highlights the need for SME owners to reassess their strategies and leverage entrepreneurial characteristics to enhance performance, particularly in the Federal Capital Territory (FCT), Abuja.

Research Question

The following are the research question

- i. To what extent is the effect of passion on the performance of SMEs owners in FCT, Abuja?
- ii. What is the effect of risk-taking on the performances of SMEs Owners in FCT, Abuja?

Research Objectives

The main objective of this study is to examine the effect of entrepreneurial characteristics on the performances of SMEs owners in FCT, Abuja and the specific objectives are

- i. To examine the effect of passion on the performances of SMEs owners in FCT, Abuja.
- ii. To evaluate the effect of risk taking on the performances of SMEs owners in FCT, Abuja

LITERATURE REVIEW

Concept of Entrepreneurial Characteristics

Van Auken et al. (2017) defined entrepreneurial characteristics as specific personality traits typical of individuals who own and manage entrepreneurial ventures, engaging in projects at various development stages. These traits are crucial for developing an enterprising tendency, and entrepreneurship education plays a significant role in shaping these characteristics at all educational levels. Bowman (2019) elaborates that entrepreneurial characteristics encompass personal traits and skills essential for venture success, including risk-taking, innovativeness, and competitive aggressiveness. Biliqia (2017) adds that while some

entrepreneurial characteristics are natural, others can be cultivated through practice, contributing to the achievement of entrepreneurial goals.

Zhang and Bruning (2018) emphasize the importance of entrepreneurial characteristics such as the origin of the enterprise, its operational duration, size, and capital sources in business success. Essential traits for better business performance include risk-taking, innovation, and self-confidence. Bulut (2019) argues that these characteristics are crucial for determining small business owners' traits and their companies' success and survival. Kordnaeij et al. (2017) describe entrepreneurial characteristics as the ability to take initiative, introduce new ideas, and turn these ideas into real activities, essential for identifying and exploiting business opportunities effectively. Gupta and Fernandez (2019) highlight significant entrepreneurial attributes such as calculated risk-taking, a creative tendency, a high need for achievement and autonomy, and an internal locus of control, which collectively define enterprising individuals.

Concept of Entrepreneurial Passion

Entrepreneurial passion refers to the intense positive feelings and emotions that drive entrepreneurs to pursue their entrepreneurial goals and activities. This involves a deep inherent drive to start and grow a business rather than being primarily motivated by external rewards or pressures. It also refers to an intrinsic motivation that produce strong sense of purpose, meaning, and personal fulfillment derived from entrepreneurial pursuit, genuine enthusiasm and excitement about the entrepreneurial process. This leads to a relentless determination to overcome obstacles and challenges in the pursuit of entrepreneurial goals and willingness to invest significant time, effort, and resources into the entrepreneurial venture, developing strength and capacity 'to bounce back from setbacks and maintain a high level of energy and dedication. Entrepreneurial passion also means the ability to be responsive and proactive in identifying potential business opportunities and passionate in evaluating ,developing and capitalizing on identify opportunities with sense of urgency and enthusiasm in the pursuit of exploitation of entrepreneurial opportunities, making decision that are heavily influenced by ones passion ,taking calculated risk and ability to inspire and engage investors and customers.

Hatak et al. (2021) believe that entrepreneurial passion is an inherent trait of entrepreneurs and serves as a motivation to stimulate entrepreneurial behavior. This passion is critical in various cognitive and motivational aspects of the entrepreneurial process, such as an entrepreneur's effort and work-related self-efficacy. Patel (2017) adds that entrepreneurial passion forms entrepreneurial behavior, relying on activities that reinforce the entrepreneur's identity. When entrepreneurs perceive their identity through specific activities, they experience heightened passion, which drives them to pursue their goals despite challenges (Zhang et al., 2019).

Entrepreneurial passion is also described as intense feelings related to entrepreneurial activities, such as opportunity recognition and venture creation (Syed et al., 2020). Hubner et al. (2019) state that this passion is crucial for achieving motivation and success, predicting entrepreneurial intention, and fostering positive attitudes toward essential entrepreneurial activities. Cardon et al. (2017) emphasize that entrepreneurial passion motivates individuals to spot innovative opportunities and develop new business intentions, even in uncertain environments. Wincent et al. (2019) define entrepreneurial passion as a positive effect, characterized by intense feelings tied to engaging in meaningful entrepreneurial activities, and argue that it should be seen as behavior rather than a trait, as it stimulates and emotionally engages entrepreneurs.

Concept of Risk-taking

Risk-taking refers to the willingness to engage in activities or make decisions that involve a degree of uncertainty, unpredictability, and potentials for both gain and loss. This involve ability to operate effectively in environment characterized by ambiguity and lack of complete information, inclination to embrace the unknown and be comfortable with the possibility of unexpected outcomes, and capacity to make decision and take action despite the presence of risk and potential setback, skills to identify, assess, and analyze risks associated with entrepreneurial opportunities, ability to weigh the potentials rewards against the possible downside or negative consequences, tendency to take well-informed and strategic risks base on a thorough understanding of the context and potential implications. Propensity to approach challenge and opportunities

with a proactive, opportunity seeking attitude and the drive to pursue ambitious goals and innovative ideas, even in the face of risk and potential failures. , willingness to step outside one's comfort zone and explore uncharted territories .Resilience and adaptability which refers to the capacity to bounce back from setbacks and failures .flexibility to adjust strategies and pilot course when faced with changing circumstances or unexpected challenges and determination to persist and maintain a long –term perspective despite short-term risk or obstacles

Mata and Aliyu (2020) define risk-taking as the tendency of firms to take bold steps, such as entering new, unknown markets, committing substantial resources to uncertain ventures, and borrowing heavily. This behavior is an integral part of entrepreneurship, reflecting a firm's strategic posture in venturing into unpredictable and risky business areas. Sitkin and Weingart (2019) assert that entrepreneurs must calculate the risks of their actions, balancing potential advantages and disadvantages, and tolerate risks more than others. Entrepreneurs' willingness to take and manage risks differentiates them from managers and employees, making risk-taking a common trait among entrepreneurs (Rauch et al., 2020). This propensity for risk is linked to higher SME performance, as entrepreneurs often take initiatives with uncertain outcomes driven by their internal locus of control and desire for growth.

Kotane and Kuzimina-Merlino (2017) describe risk-taking as managers' willingness to make large, risky resource commitments, often involving heavy debt or significant resource allocation to seize market opportunities. Littunen (2018) highlights that entrepreneurial careers attract individuals with lower risk aversion due to the inherent uncertainty and risk in creating new businesses. Puumalainen and Fellnhofer (2018) note that risk-taking involves assessing decision-making risks, focusing on strengths and opportunities rather than weaknesses and threats, which predicts entrepreneurial intentions. Edinen (2021) elaborates that business-level risk-taking includes supporting projects with uncertain returns, encompassing business, financial, and market risks. This approach provides opportunities for new inventions and market development, highlighting the importance of calculated risk-taking for entrepreneurial success (Joseph, 2017; Yusuf & Ahmad, 2018).

Concept of SMEs Performance

SMEs performance refers to the overall effectiveness and success of small and medium sized enterprise in achieving their strategic, operational, and financial objectives. Key dimension of SMEs performance includes financial performance such as sales, growth, profitability liquidity and solvency, revenue diversification, return on investment etc. operational performance such as productivity, efficiency, quality, customers satisfaction etc. Strategic performance such as market share, competitive position, innovation, and adaptability to market conditions etc. And organizational performance such as employee's satisfaction and retention, talent development and skills enhancement, organization health and culture etc.

Kiaser (2013) posited that SMEs performance consists of financial and non-financial measures including the annual sales growth, annual profit growth, annual employee growth, customer satisfaction, market share, and investment to the business. Thus, this aspect will examine the relationship between SMEs owners' performance as dependent variable measuring annual sales and profitability. While entrepreneurial characteristics is the independent variable with proxy's passion and risk-taking

Empirical Review

Passion and SMEs performance

Alasin (2022) examined effect of entrepreneurial passion on SMEs performance in Rivers State. The study adopted a survey research design. A sample size of 200 SMEs was randomly selected using random sampling techniques. Questionnaire was used for data collection and data collected were analyzed using the descriptive statistics, correlation statistics and inferential statistics. The study found a positive and significant effect of entrepreneurial passion on SMEs performance. The study recommended that entrepreneurial passion is always essential to SMEs performance. As such, more attention should be given to it. The study uses three analytical tools to analyze data such as descriptive, correlation and inferential statistics while this present study uses one Smart PLS to analyze data

Baum and Bayhaqi (2019) investigated the relationships between entrepreneurial passion, entrepreneurial bricolage, and SMEs performance in Bangladesh. The study adopted a Survey research design with a samples of 253. Data were collected through primary source. Data collected were analyzed using SEMPLS3.0 employing using structure equation modeling. The results indicate that entrepreneurial passion positively and significantly affect SMEs performance. The study thus recommends that passion should be consider as most factor in venturing into a business as it can be helpful in better management of the business.

Wei et al. (2022) investigated the role of entrepreneurial passion in recognition of opportunity, developing entrepreneurial self-efficacy, and entrepreneurial intention, in the shaping of entrepreneurial actions in the presence of proactive personality. Cross sectional research design was adopted with a sample of 346 university students from Jiangsu province, China. Primary data was used and was analyze using partial least squares structural equation. The study showed that entrepreneurial passion positively and significantly influenced entrepreneurial alertness, entrepreneurial self-efficacy to entrepreneurial intention, and entrepreneurial behavior. The study recommends that should be proactive in discovering an opportunity and be able to passionately explore it in other to establish a business venture.

Risk-taking and SMEs Performance

El kabir (2022) studied the influence of risk-taking and SMEs growth in Jigawa state. The study adopted a descriptive research design. A sample size of 300 SMEs was randomly selected from the ministries. Questionnaire was used for data collection and data were analyzed using the descriptive statistics, correlation statistics and inferential statistics. The study found that risk-taking has insignificant effect on SMEs growth in Jigawa state. The study recommended that organization should allow their employees to take risk in order to enable creativity in the organization. The study used three technique for data analysis while the current study used one technique which is Smart PLS.

Barton (2022) examined effect of risk-taking and entrepreneurial intention. The study adopted a survey research design. A sample size of 400 employees was selected from the organization. Questionnaire was used for data collection and data were analyzed using the correlation statistics and inferential statistics. The study found a positive and significant effect of risk-taking on entrepreneurial intention. The study recommended that organization should embrace risk-taking as it the key to discover creativity and as such, it should be considered accordingly for better performance. The study failed to state the location the study was conduct on like the current study.

Langfred (2021) investigated the effect of risk-taking on SMEs performance in Kenya. The study employed both descriptive survey and explanatory research designs and targeted a population of 368 employees of purposively selected hotels. The data was analyzed using descriptive and inferential statistics while multiple regressions were used to test the hypotheses. The results indicated that risk-taking significantly affect entrepreneurial intention. The study thus recommends that the management should formulate policies that will ensure that taking risk to invest and initiate new things within the organization is encouraged. The study adopted only two variables risk taking and competitive-aggressiveness to conduct the study.

METHODOLOGY

The study used a descriptive research design because of the nature of the variables that were at hand, to produce data required for quantitative analysis and to allow simultaneous description of views, perceptions and beliefs at any single point in time (White, 2000). The population of the study consists of 786 SMEs selected from the (22,861) registered SMEs in FCT, Abuja according to National bureau of statistics (NBS,2023) and small and medium enterprise development agency of Nigeria (SMEDAN), (2021). The sampling methodology for enterprise surveys is simple random sampling. In a simple random sample, every SMEs operator has an equal probability of being chosen. The enterprise survey was conducted in selected centres which are intended to coincide with the location for the implementation of the main enterprise survey. The selected centers are Kuje, Gwagwalada, and Karu.

Thus, the sample size was estimated from the Yamane (1974) sample size formula given as:

$$n = \frac{N}{1 + Ne^2}$$

Margin error = 5%

Where;

- N = population size
- 3 = is constant
- e = is Margin of error (5%)

$$n = \frac{980}{1 + 980(0.05)^2}$$

$$n = \frac{980}{1 + 980(0.0025)}$$

$$n = \frac{980}{3.45}$$

$$n = 284$$

The study sample size is 284, to ensure a minimum return of 284 copies of questionnaire 10% was added as advice by Israel (2013). Thus, the study sample size is 312. The instrument employed for this study was structured questionnaire. Copies of the questionnaire were administered by the researcher to the owners of SMEs in the selected Urban areas. The questionnaires were closed ended questions and were designed to keep the questionnaire to a reasonable length and this encouraged response and validity in terms of the responsiveness of the return. The responses were coded and analyzed using the partial least structural equation modelling, using the measurement and the structural model. The model of study is specified below:

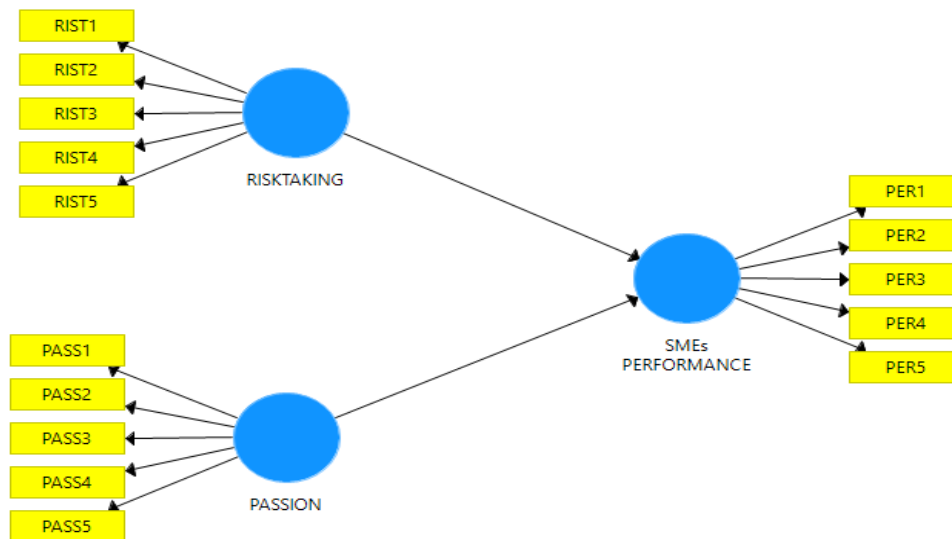


Figure 1: Model of study

RESULT AND DISCUSSION

The study administered 312 copies of questionnaire to the owners of SMEs in the selected Urban areas in Abuja, 289 were returned correctly filled. To ensure data integrity, a preliminary assessment was performed to detect any potential issues such as missing values, outliers, or biased responses. The findings from the analysis indicated an absence of missing data, outliers, or biased responses within the collected information.

The Measurement Model

In the assessment of a measurement model, the initial step involves evaluating the outer loadings of study items, which indicates the strength of the relationship between each item and its corresponding construct in a measurement model. As advocated by Hair et al. (2019), loadings exceeding 0.70 are generally considered acceptable as they signify a substantial contribution of the construct to the variation in the indicator. This benchmark is crucial as it demonstrates that more than 50% of the variance in the indicator is explained by the construct, thereby ensuring a reliable measurement of the items. When loadings surpass this threshold, it implies a robust connection between the items and their underlying constructs, bolstering the confidence in the measurement model's accuracy and validity.

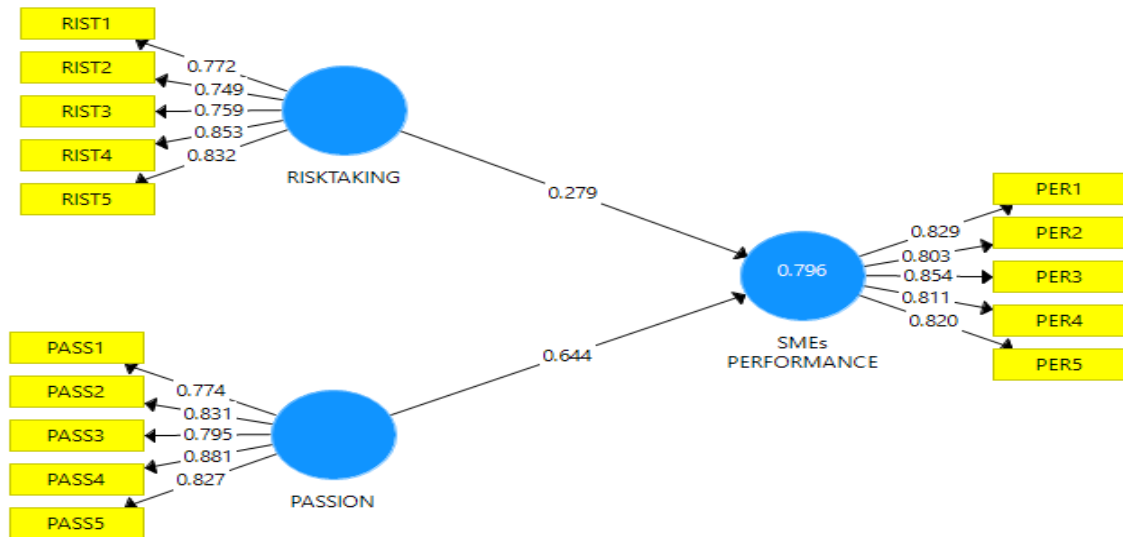


Figure 2: Indicator outer loading

Table 2; Reliability of the Study Scale

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
PASSION	0.880	0.885	0.913	0.677
RISKTAKING	0.853	0.862	0.895	0.631
SMEs PERFORMANCE	0.881	0.882	0.913	0.678

Source: Smart PLS Output 2024

Table 2 presents the reliability metrics for the study scales related to passion, risk-taking, and SME performance. All constructs demonstrate high reliability, with Cronbach's Alpha values of 0.880 for passion, 0.853 for risk-taking, and 0.881 for SME performance, indicating strong internal consistency. The rho_A values, slightly higher than Cronbach's Alpha, further confirm the reliability: 0.885 for passion, 0.862 for risk-taking, and 0.882 for SME performance. Composite reliability scores are also high, with passion and SME performance both at 0.913 and risk-taking at 0.895, suggesting that the constructs are consistently measured. The Average Variance Extracted (AVE) values are 0.677 for passion, 0.631 for risk-taking, and 0.678 for SME performance, all above the 0.50 threshold, indicating good convergent validity, meaning that a substantial portion of the variance in each construct is captured by its indicators.

Table 3: Heterotrait-Monotrait Ratio (HTMT)

	PASSION	RISKTAKING	SMEs PERFORMANCE
PASSION			
RISKTAKING	0.701		
SMEs PERFORMANCE	0.583	0.682	

Source: Smart PLS Output 2023

Table 3 displays the Heterotrait-Monotrait Ratio (HTMT) values, which assess the discriminant validity between the constructs of passion, risk-taking, and SME performance. The HTMT values are all below the common threshold of 0.85, indicating good discriminant validity. Specifically, the HTMT ratio between passion and risk-taking is 0.701, between passion and SME performance is 0.583, and between risk-taking and SME performance is 0.682. These values suggest that each construct is distinct from the others, thereby confirming that the constructs measure different concepts and are not overly correlated.

The Structural Model

In assessing the structural model, the standard assessment criteria were considered which include the path coefficient, t-values, p-values and coefficient of determination(R²). The bootstrapping procedure was conducted using a resample 5000.

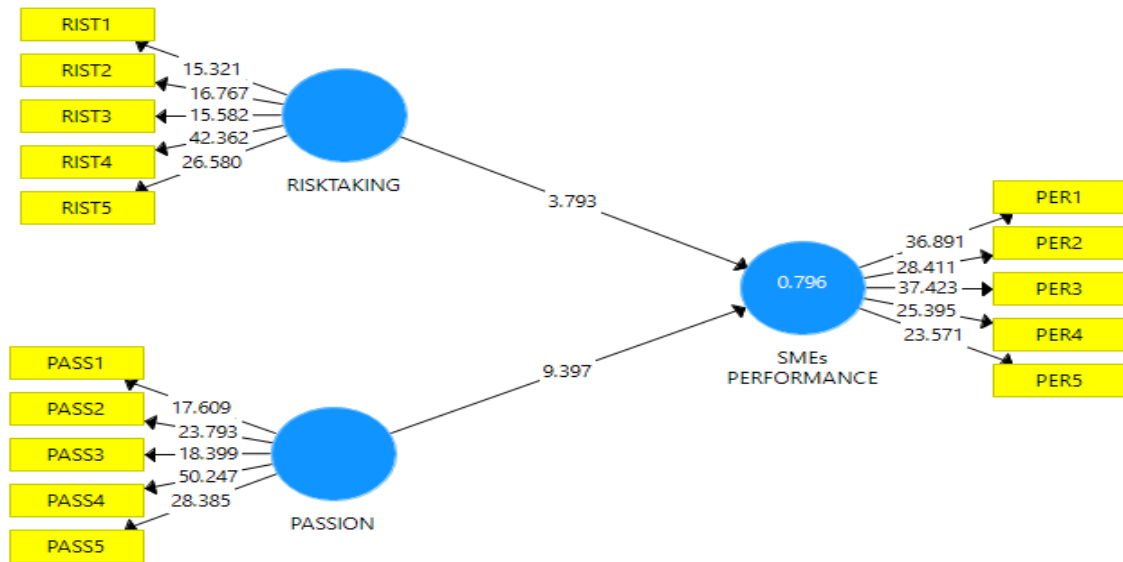


Figure 3: Path Coefficient of the regression model

Table 4: Path Coefficients

	Path Coefficients **(Beta)	T -values	P- Values	Decision
PASSION -> SMEs PERFORMANCE	0.645	9.397	0.000	Rejected
RISKTAKING -> SMEs PERFORMANCE	0.278	3.793	0.000	Rejected

Source: Smart PLS Output 2024

Test of Hypotheses

Table 4 provides the path coefficient for the relationship between passion and SME performance is 0.645, with a T-value of 9.397 and a P-value of 0.000. Given that the P-value is below the 0.05 threshold, also the null hypothesis (Ho2) which states that passion has no significant effect on the performance of SMEs in FCT, Abuja is rejected. This result demonstrates that passion has a strong, positive, and significant effect on SME performance.

Similarly, the path coefficients, T-values, and P-values for the relationships between risk-taking, passion, and SME performance. The path coefficient for the relationship between risk-taking and SME performance is 0.278, with a T-value of 3.793 and a P-value of 0.000. Since the P-value is less than the significance level of 0.05, the null hypothesis (Ho1) that risk-taking has no significant effect on the performance of SMEs in FCT, Abuja is rejected. This indicates that risk-taking positively and significantly impacts SME performance.

Discussions of Findings

The study examined the effect of entrepreneurial characteristics, specifically risk-taking and passion, on the performance of small and medium-scale enterprises (SMEs) in FCT, Abuja. The analysis showed that passion has a positive and significant effect on SME performance in FCT, Abuja. This result is consistent with the findings of Karimi (2020), Baum and Bahagi (2019), and Wei et al. (2022), who all found that entrepreneurial passion significantly enhances SME performance. These studies suggest that entrepreneurs who are passionate about their ventures are more motivated, persistent, and innovative, leading to better business outcomes. Passionate entrepreneurs are likely to engage deeply with their business activities, foster strong customer relationships, and inspire their teams, all of which contribute to improved performance. The consistency of these findings across different studies reinforces the critical role of entrepreneurial passion in driving the success of SMEs.

Additionally, the analysis revealed that risk-taking positively and significantly impacts SME performance. This finding aligns with the results of Barton (2020) and Langfed (2021), who also reported a significant positive relationship between risk-taking and SME performance. These studies suggest that entrepreneurs willing to engage in bold, uncertain ventures and commit substantial resources tend to see better performance outcomes for their SMEs. However, this finding contrasts with the study by El-Kabir, which found no significant effect of risk-taking on SME performance, highlighting that the impact of risk-taking may vary based on different contexts or sample characteristics.

CONCLUSION AND RECOMMENDATION

The study examined the effect of entrepreneurial characteristics, specifically passion and risk-taking, on the performance of small and medium-scale enterprises (SMEs) in FCT, Abuja. The findings revealed that both passion and risk-taking significantly and positively impact SME performance. Entrepreneurs who engage in calculated risk-taking are more likely to achieve higher performance levels due to their willingness to venture into uncertain markets and commit substantial resources for growth. Similarly, passionate entrepreneurs demonstrate greater motivation, resilience, and customer engagement, which contribute to enhanced business outcomes. These results underscore the importance of fostering entrepreneurial traits to boost the performance and sustainability of SMEs in the region. Base on the findings, the study recommends:

- i. Organize events, workshops, and seminars that showcase successful entrepreneurs who exemplify passion-driven success stories. By sharing their experiences, challenges, and achievements, these entrepreneurs can inspire others to pursue their passions with dedication and perseverance. Furthermore, highlighting the emotional rewards and personal fulfillment derived from entrepreneurial endeavors can reinforce the importance of passion in sustaining long-term business growth.
- ii. Implementation of targeted training programs to educate entrepreneurs about the importance of calculated risk-taking. These programs should focus on equipping them with the skills to assess and manage risks effectively. By providing practical insights into risk assessment, strategic planning, and decision-making under uncertainty, entrepreneurs can make informed choices that align with their business goals while minimizing potential negative outcomes.

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APPENDIX A: STUDY QUESTIONNAIRE

PASSION

No.	Statement	5 SA	4 A	3 N	2 D	1 SD
1.	I am passionate about the product /services my business offer and deeply committed to the success and growth of my business					
2.	I feel a strong sense of purpose and fulfillment from running my own business , enthusiastic and energized by the work I do in my business and am willing to put in extra effort and go to extra mile to achieved business success					
3.	I am deeply passionate about the industry or market in which my business operates and find great joy and satisfaction in serving my customers and meeting their needs					
4.	I am enthusiastic and energized by the challenges of running my own business.					
5.	I am driven by a strong personal connection to the goals and mission of my business and passionate about continuously improving and innovating in my business.					

RISK TAKING

No.	Statement	5 SA	4 A	3 N	2 D	1 SA
1.	Your firm is willing to take calculated risks to pursue new business opportunities and also open to trying innovative approaches, even if they involve uncertainty.					
2.	Your firm is proactive in seeking out and embracing change to drive business growth as well as willing to invest resources in new ventures or business expansion.					
3.	Your firm actively seeks feedback and advice from others when making risky business decision.					
4.	Your firm is resilient and adaptable in the face of challenges and setbacks.					
5.	Your firm carefully evaluates potentials risk and rewards before making business decisions.					

SMEs Performance	SA 5	A 4	N 3	D 2	SD 1
1. My business has shown consistent growth in revenue over the past few years.					
2. The profitability of my business has improved significantly recently.					
3. My business is performing better than my competitors.					
4. Customer satisfaction with my business is high.					
5. My business has achieved its performance targets consistently.					