

## ENTREPRENEURIAL RESILIENCE IN THE FACE OF ECONOMIC CRUNCH: A FOCUS ON SOUTH- EAST NIGERIA

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### Abstract

*Entrepreneurial resilience has become a critical capability in volatile economies where systemic instability undermines enterprise sustainability. In Nigeria, micro, small, and medium-sized enterprises (MSMEs) represent over 96% of businesses, yet face persistent challenges including inflation, currency devaluation, infrastructural deficits, and policy inconsistency. This study examined resilience as a multidimensional construct which encapsulate survival, adaptability, innovation, and risk-taking with specific focus on entrepreneurs in South-East Nigeria. A descriptive survey design was employed, and data were collected from 132 entrepreneurs using a modified Connor-Davidson Resilience Scale. The responses were analyzed with descriptive statistics, one-sample t-tests, and effect size estimation. Findings revealed that risk-taking propensity was the most dominant resilience dimension ( $M = 3.90$ ), demonstrated through business pivots, mobile banking adoption, and collaborative partnerships. Survival ( $M = 3.34$ ) and adaptability ( $M = 3.24$ ) were also significant, reflecting pragmatic borrowing, focus on goals, pricing strategies, and customer management. Innovation ( $M = 3.16$ ) was the weakest, largely restricted to online selling and rapid idea execution rather than resource-intensive product development. The study concludes that entrepreneurial resilience in resource-constrained environments is anchored more in pragmatic behaviors and strategic agility than in product innovation. It contributes to resilience theory by emphasizing behavioral specificity, innovation asymmetry, and the centrality of risk-taking under economic adversity. Policy implications highlight the expansion of digital infrastructure, financial inclusion, and innovation support systems as crucial levers for enhancing entrepreneurial sustainability.*

**Keywords:** Adaptability, Entrepreneurial resilience, Innovation, Nigeria, Risk-taking, Survival

### Introduction

Entrepreneurship constitutes a fundamental pillar of economic dynamism, recognized globally for its role in fostering innovation, stimulating employment, and enhancing national competitiveness. Across developed economies, such as the United States, Germany, the United Kingdom, and China, entrepreneurial activity has been instrumental in driving technological advancement, expanding market frontiers, and generating socio-economic value (Kritikos, 2024; Audretsch, 2024; Lerner, Liu, Moscona & Yang, 2024; Yang et al., 2022). Such ecosystems have developed strong entrepreneurial environments that are

underpinned by institutional systems that facilitate opportunity creation, risk-taking and innovation-led growth.

On the other hand, in the developing economies like Nigeria, entrepreneurship has taken a more crucial role as a tool of inclusive growth, poverty reduction and development of the private sector in the face of systemic macroeconomic vulnerabilities. The World Bank (2023) reports that more than half of total employment is made up of more than 96 percent of Nigerian businesses that are micro, small, and medium-sized enterprises (MSMEs). Nevertheless, the entrepreneurial environment is full of structural constraints such as extended fiscal instability, inflationary stress, currency depreciation, poor infrastructure, endemic insecurity, and unreliable policy regimes (PwC, 2023). Such constraints have significantly exposed the entrepreneur to risk, uncertainty and market failure.

These complexities have caused entrepreneurial resilience to emerge as a theory that has been increasingly gaining traction as a necessity in continuity and sustainability of the business. Their conceptualization of resilience, a dynamic adaptation process, by Bernard and Barbosa (2016), helps the entrepreneur to restructure resources, re-align strategies, and recuperate in the face of external shock. It includes psychological stability, strategic agility and innovative capacity which are critical in tumultuous environments. Kolade et al., (2023) further state that in the institutional settings characterised by volatility, and weak governance like those witnessed in post-pandemic Nigeria resilience is not only a plus but a necessity to entrepreneurs.

Regardless of its conceptual relevance, empirical studies of entrepreneurial resilience in Nigeria are still divided, and most of them pay nearly equal attention to organizational-level variables instead of cognitive, emotional, and behavioral mechanisms used by individual entrepreneurs. The role of internalized coping, creative problem-solving, and the presence of opportunity-based-risk-taking in guiding entrepreneurial actors through adversity as used by the existing studies have been mostly neglected (Sullivan-Taylor and Branicki, 2011; Fatoki, 2018; Iringe-Koko and Onuoha, 2023). In addition, existing literature frequently views resilience as a one-dimensional concept, as either a variable of surviving or persistence, rather than as many-dimensional.

In an effort to fill these gaps, this paper presents a fine-grained examination of entrepreneurial resilience as a multidimensional scale, which is analytically disaggregated into four interdependent facets known as survival, adaptability, innovation and risk-taking. This four-part scheme is a more holistic and behaviorally-grounded notion of resilience and is both similar to the integrative perspective implied by Iringe-Koko and Onuoha (2023), though it extends it by hypothesising the extent to which the dimensions interact among individual entrepreneurs in a highly economically exposed region South-East, Nigeria.

By identifying the strength of the Nigerian entrepreneurs in both lived experience and strategic response to economic crunch, the study contributes distinctly to the knowledge base on the issue of entrepreneurship in the face of crisis. It also provides a premise to context sensitive policy interventions that aim at enhancing entrepreneurial capacity, minimizing firm vulnerability and triggering resilient business model in new market settings.

### **Problem Statement**

The entrepreneurial business in Nigeria is operating in a highly volatile and structurally poor economic setting that is manifested through the systemic exposure and institutional incompetence and endemic macroeconomic volatility. The most common misfortunes that

entrepreneurs face are cumulative because of inflationary explosion, currency devaluation, fiscal unpredictabilities, security risk, and insufficiency infrastructures (World Bank, 2023; PwC, 2023). The recurrent economic shocks of such nature are transferred into threatening the sustainability of businesses, as well as general objectives of the sustainable development, employment and competitiveness of industries.

Although the importance of entrepreneurship in Nigeria cannot be underestimated since more than 96 percent of businesses are categorized as micro, small, and medium-enterprise (MSMEs), the high turnover rate among entrepreneurs is an indicator of serious shortage in resilience. Not all business startups make it out of the start-up stage, in large part because of inadequate coping skills when faced with external shocks, and uncertain business environments (Singh and Pavlovich, 2021; Kolade et al., 2023). The economic outcomes of this can be said to be lack of innovation, less job creation, poverty, and inequality.

Despite the fact that the body of knowledge concerning entrepreneurial resilience has grown over the last few years, the current literature on the topic in the Nigerian context is still disjointed and poorly theorised. Previous studies (e.g., Fatoki, 2018; Emueje et al., 2020; Iringe-Koko and Onuoha, 2023) have put a lot of focus on organizational or firm-level resilience, and it does not consider the experiences and lived realities of a single entrepreneur and psychological responsiveness. What is more important is that such studies tend to view resilience as a monolithic phenomenon, which fails to reflect its composite nature as a matter of survival ability, strategic flexibility and innovation/risk-taking behavior.

This disconnection is particularly acute in South-Eastern Nigeria where entrepreneurship is widely clustered in one very thick way, and where it is also disproportionately represented in economic turbulence, infrastructural decay, and policy uncertainty. Entrepreneurs in this area tend to be ill-equipped, underserved and understudied. Consequently, this is an empirical study urgently needed to reflect the multidimensionalities of entrepreneurial resilience as a behavioral, cognitive and strategic phenomenon in the localized circumstance.

This study then is justified on three fronts. First of all, it will seek to re-conceptualize entrepreneurial resilience as a multi-dimensional phenomenon comprising of survival, adaptability and innovation all of which are key in overcoming crisis and ensuring that the business continues on the right path. Second, it fills a critical gap in the literature of empirical evidence by viewing resilience at the individual level of the entrepreneur, but not at the level of the business. Third, it provides evidence based insights on the problem that has policy and practical implication to design certain interventions to create entrepreneurial ability and resilience in the most economically vulnerable areas in Nigeria.

In its effort to fill these gaps, the study not only adds to the overall theoretical development of the resilience scholarship, but also produces context-based knowledge that can be used to support the development of the entrepreneurial ecosystem in Nigeria amidst continuous economic shocks.

### **Objectives of the Study**

The general objective of this study is to analyze entrepreneurial resilience in the context of persistent economic adversity, with a particular emphasis on the South-East region of Nigeria. In line with this overarching aim, the study is structured around the following specific objectives:

1. To investigate the survival mechanisms employed by individual entrepreneurs in South-East Nigeria to sustain their enterprises amidst macroeconomic disruptions such as inflation, currency volatility, and infrastructural inadequacies.
2. To analyze the adaptive strategies through which entrepreneurs respond to changing economic conditions, including their capacity to restructure business models, diversify operations, and adjust to systemic uncertainties.
3. To assess the extent of innovation among entrepreneurs as critical dimensions of resilience that enable sustained competitiveness and enterprise growth during periods of economic downturn.
4. To ascertain the extent of risk-taking propensity among entrepreneurs as critical dimensions of resilience that enable sustained competitiveness and enterprise growth during periods of economic downturn.

### **Research Questions**

In alignment with the study's objectives, the research is guided by the following key questions:

1. What survival strategies do individual entrepreneurs in South-East Nigeria employ to maintain business continuity amid macroeconomic disruptions?
2. How do entrepreneurs in South-East Nigeria adapt their business models and operational strategies in response to economic volatility and systemic uncertainties?
3. To what extent does innovation among entrepreneurs contribute to entrepreneurial resilience and sustained enterprise performance during economic downturns?
4. To what extent does risk-taking propensity among entrepreneurs enable sustained competitiveness and enterprise growth during periods of economic downturn?

### **Conceptual Review**

Entrepreneurial resilience has emerged as a pivotal construct in the discourse on enterprise sustainability, particularly within volatile economic contexts. Conceptually, it encapsulates the entrepreneur's ability to withstand, adapt to, and recover from business disruptions and adversities. It transcends mere survival, encompassing dynamic capabilities such as adaptability, innovation, and risk-taking, which enable entrepreneurs to thrive amid uncertainty.

Entrepreneurship in itself is a common strategic and behavioral process characterized by identification of opportunity, mobilization of resources and the creation of value. It is associated with getting through questions and taking calculated risk to produce economic and social impact (Chang et al., 2015; Davidson et al., 2020). Entrepreneurs do not simply own businesses but they are change agents who capitalize on unmet demands in the market to create products and services that react to changing demands and constraints.

In the entrepreneurial context, resilience does not remain constant, but it changes with the period of time. Researchers like Sachdev (2023) and Korber and McNaughton (2017) frame it as a mechanism of psychological resilience, adaptive recovery and reinvention after failure or crisis. Emueje, Olannye, and Olanye (2020) develop this point of view by envisioning resilience as a form of strategic diversity and resourcefulness that would lead to improved performance in the face of turbulent environments by the entrepreneur.

Moreover, the state of entrepreneurial resilience is actively associated with adaptability, the capability to forecast, analyze, and respond to the novel changes that the external environment brings (Masten, 2019). Flexibility allows the entrepreneurs to re-evaluate the

businesses, alter the plans and venture into new markets when demanded. In this respect, one can refer to the construct of innovation, which is an innovative combination of resources and innovative approaches to problems that help identify the difference between resilient entrepreneurs and their less dynamic counterparts (McAdam et al., 2014; Kocak et al., 2019).

Another concept is risk-taking which plays a prominent role in the resilience literature. Business people are always uncertain and their willingness to take calculated risk normally characterizes their innovativeness and survival (Khilstrom and Laffont, 1979). Risk-resilient entrepreneurs are so because of the capacity to make proactive decisions, opportunity orientation and boldness to act in the face of economic uncertainty.

The Nigerian environment means that the resilience of the entrepreneur will be even more significant due to the economic volatility observed, the lack of infrastructures, and institutional support. This way, resilience may not only be a functional attribute but also a socio-cultural need to be able to stay in business. This strength within the framework of a multidimensional construct (survival, adaptability, innovation and risk-taking) is essential to the context of the difficulties faced by the entrepreneurs in resource-restricted economies.

### **Theoretical Framework**

This study has the theoretical grounding on three interrelated theories, which include Resilience Theory, Social Cognitive Theory and the Theory of Creativity. All these theories are useful in shedding a wholesome light on the topic of entrepreneurial resilience with the prism of survival, adaptability, and innovation/risk-taking in the backdrop of economic adversity in Nigeria.

#### **Resilience Theory**

The theory of Resilience, which was initially formulated by Norman Garmezy, and later extended by Masten and Tellegen (1974), focuses on the mechanisms by which people respond to high levels of adversity by means of positive adaptation and functional stability. It adheres to resources based approach, focusing on both internal resources and support networks outside a person, which enable one to overcome the setback. The Resilience Theory is a conceptual system applied to the given study to explain how Nigerian entrepreneurs can continue operating their business and sustaining their psychological health in the context of the ever-present economic upheaval. It is why to examine the notion of entrepreneurial resilience as a dynamic and essential process in order to survive in the obstacles of inflation, financial crises and infrastructural deficiency.

#### **Social Cognitive Theory**

Albert Bandura (1970) is the pioneer who invented the Social Cognitive Theory but also described human behavior as a process of interaction between the individual, behavior and environmental factors. One of the major constructs of the theory is self-efficacy, which is the ability of an individual to believe that he or she can perform tasks required to accomplish certain results. In this case, Social Cognitive Theory can be used to explain the mental and psychological mechanisms involved in the reaction of entrepreneurs to economic distress. It confirms the theory that the strength of entrepreneurship is not a characteristic but a skill, which is also acquired by experience, an observational learning and self-belief. The theory thus encourages research on how the Nigerian business persons are maintaining the motivation, coping with stress and transforming their failures into learning opportunities as it is portrayed in the study.

## **Theory of Creativity**

Torrance (1969) conceived the Theory of Creativity according to which creativity is described as ability to identify gaps, generate original ideas, reformulate knowledge and create new associations. The dimensions of innovation and risk-taking, which are the case in this theory, are particularly applicable to the aspects of entrepreneurial resiliency. Creativity as a strategic resource operates in Nigerian business environment where there is low access to capital, high cost of operations and volatile markets. Entrepreneurs apply their creative skills to innovate unique products, expand on existing services and re-invent business models in such a way that makes it more resilient and competitive. In this way, the Theory of Creativity offers a conceptual framework about the way innovation can be used as a survival strategy in economically limited conditions.

Overall, the three theories are complementary as they provide the psychological, behavioral, and creative approaches to the topic of entrepreneurial resilience. Collectively, they constitute a strong theoretical framework of the investigation of the study on the survival, adaptation and innovation of Nigerian entrepreneurs in response to their economic challenges.

## **Empirical Review**

There is a significant literature on the empirical study of the construct of entrepreneurial resilience in different contexts, even though with varying foci and methodological orientations. These studies have clarified several aspects of resilience but have also uncovered substantial conceptual and empirical gaps as regards to the application of resilience at the individual entrepreneurial level in economic turbulent settings as in the case of Nigeria.

The authors of the qualitative study by De Vries and Shields (2017) proposed the resilience as a factor of entrepreneurial sustainability study to small and medium-sized enterprise (SME) owner-managers in New Zealand. The results disclosed the major resilience qualities including optimism, persistence, and cognitive redefinition of failure. Despite the fact that the research was eye opening in the psychological and behavioral aspects of resilience, the lack of innovation as one of the dimensions of resilience is quite pronounced given the dynamic nature of the entrepreneurial environment.

Fatoki (2018) study employed a quantitative design with a measurement tool known as the Connor-Davidson Resilience Scale (CD-RISC 10) to determine the relationship between entrepreneurial resilience and performance in South Africa by utilizing SMEs. The study established a significant and positive association between resilience and organizational and individual business success. The use of CD-RISC 10, however, as mostly focused on attributes associated with survival implied that more global resilience constructs (i.e., adaptability and creativity) were underrepresented.

Emueje, Olannye, and Olanye (2020) investigated the performance and resilience of entrepreneurship among SMEs in Asaba, Nigeria. Their regression exercise proved that strategic diversity, resourcefulness and proactiveness had a major impact on the performance of the organizations. However, the research had a limitation of firm level focus, which did not sufficiently reflect the details of resilience as practiced and brought out by individual entrepreneurs.

Iringe-Koko and Onuoha (2023) studied the role of the organizational culture in modulating the association between entrepreneurial resilience and business survival among SMEs in Rivers State, Nigeria. They employed a correlational design and established a positive and strong correlation between resourcefulness as an entrepreneur and survival of the enterprise. Thought-provoking, the focus of the study was put on the organizational culture instead of personal cognitive and behavioral processes of resilience.

Alabi and Ogidi (2023) also engaged in the discussion by analysing the relationship between entrepreneurial resilience, opportunity connectedness, and growth of their enterprises in Plateau State. Their results suggested that the relationship between resilience and growth was mediated in part by opportunity connectedness. But the research concentrated more on structural connections, as opposed to psychological or innovative forces that contribute to resilient behaviour.

Another factor that was mentioned by Poi and others (2020) to enhance resilience and economic impact was entrepreneurial skills (especially, creativity, communication, and vocational expertise). Similarly, Okonji, Olayemi, and Oghojafor (2020) found that the qualities of innovativeness, perseverance, and risk-taking were important in increasing endurance among the entrepreneurs and business survival in volatile markets.

In addition, the line chosen by Kolade et al. (2023) was novel since it linked spiritual capital and entrepreneurial resilience to the role of personal conviction and value in addressing business issues. This is aligned with the rise in view of resilience not being a functional measure, but a multidimensional measure that is determined by psychological, cultural and contextual factors.

Despite all these scholarly efforts there is a hole in the air. Most of the reviewed studies center the organizational-based outcomes, and some of them consider entrepreneurial resilience at the micro-level, individual-based perspective. Even more importantly, research has been scant that has methodically tested resilience within the three-part model of survival, adaptability, innovative/risk-taking-dimensions that are becoming core to entrepreneurial performance in turbulent economies.

The present paper will seek to address such gaps by offering a comprehensive insight into the entrepreneurial resilience as a multidimensional construct. It especially explores how individual entrepreneurs in South-East Nigeria survive economic crunches using mechanisms of survival, adaptability and innovation and hence provides a more elaborative meaning of resilience in a harsh economy.

## **Materials and Method**

This study adopted a quantitative descriptive survey design to gain a clear understanding of how entrepreneurs in South-East Nigeria build and demonstrate resilience in the face of economic instability. The research was carried out in major commercial centres - Aba, Nnewi, Abakaliki, Enugu, and Owerri, where entrepreneurial activity is most vibrant and economic disruptions are strongly felt. Because there is no centralized database of entrepreneurs in the region, participants were reached through snowball sampling, beginning with known contacts and expanding through referrals until a total of 132 active entrepreneurs was obtained. Data were gathered using a structured questionnaire adapted from the Connor-Davidson Resilience Scale (CD-RISC 10) and expanded to include context-specific elements such as adaptability and innovation. The items were rated on a four-point Likert scale, and

reliability checks confirmed strong internal consistency, with Cronbach’s Alpha values above the accepted threshold.

The questionnaire was administered as a Google Form and shared primarily through WhatsApp and other social media channels, supported by brief sensitization sessions in each city to ensure clarity and assist participants with limited digital access. The quantitative responses were analyzed using descriptive statistics thus, frequencies, percentages, and mean scores with SPSS Version 25 serving as the analytical tool. Ethical standards were carefully observed throughout the process. Participants were informed of the purpose of the study, assured of confidentiality, and reminded of their right to withdraw at any stage. Completion and submission of the questionnaire signified their voluntary consent to participate.

## Results and Discussion

**Research Question One:** What are the survival traits of entrepreneurs in the period of economic crunch?

Table 1 below shows the results of the data analysis:

**Table 1:** Summary of the Descriptive Statistics

Resilience Scale Factors		Mean	Std Dev.	Percentage
<b>a.</b>	<b>Entrepreneurial survival traits</b>			
i.	I can stay focused on my business under pressures of high exchange rate and inflation	3.36	0.96	72.6
ii.	I take loans when needed	3.27	0.91	70.5
iii.	I achieve the business goals I set out to achieve	3.38	0.94	73.1
	<b>Overall percentage (Average)</b>			<b>72.1</b>
<b>b.</b>	<b>Entrepreneurial adaptability traits</b>			
iv.	I am able to adapt to changes in business environment	2.86	1.05	68.4
v.	I can handle unpleasant feelings by customers	3.44	0.92	79.9
vi.	I increase prices marginally to account for inflationary trends	3.43	1.01	76.2
	<b>Overall percentage (Average)</b>			<b>74.8</b>
<b>c.</b>	<b>Entrepreneurial innovations traits</b>			
vii.	Ability to transform some known products into new trending ones	2.52	1.04	52.1
viii.	I adopt online selling	3.41	0.90	76.7
ix.	Ideas and knowledge sharing are quickly put into action	3.55	0.93	75.0
	<b>Overall percentage (Average)</b>			<b>67.9</b>
<b>d.</b>	<b>Risk-taking Propensity</b>			
x.	I can change my line of business to make gains	3.86	1.02	68.4
xi.	The cash crunch has made me to adopt mobile banking for all my transactions	3.91	1.06	88.8
xii.	Idea of partnership is welcome	3.94	0.98	92.0
	<b>Overall percentage (Average)</b>			<b>83.1</b>

**Source:** Extracted from SPSS Output

The mean analysis shows that the entrepreneurs can achieve the business goals they set out to achieve with strong determination. This is evident in the mean score of 3.38. They also opined that they can stay focused on their business under pressures of high exchange and inflation rates (mean = 3.36). Taking of loans when needed has mean score of 3.27 and is ranked the least in descending order.

**Research Question Two:** What are the adaptability skills of entrepreneurs during economic crunch?

Examination of the mean score shows that handling of unpleasant feelings occasioned by customers and other stress factors ranks top amongst the adaptability skills of the entrepreneurs with mean of 3.44. Increase in prices marginally to account for inflationary trends has mean score of 3.43 and comes second in their adaptability skills. Adapting to changes in business environment has mean score of 2.86 and is ranked least in descending order. Thus, the entrepreneurs are not sure they are able to adapt to changes in business environment but specific changes such as inflation and exchange rate pressures are being handled by them.

**Research Question Three**

How have entrepreneurs achieved innovations and what is their risk-taking propensity in the face of economic crunch in Nigeria?

In terms of innovations by entrepreneurs, ideas and knowledge sharing are quickly put into action (mean = 3.55). They also opined that online selling is the new trend for them (mean = 3.41) while the ability to transform some known products into new trending ones is the least innovation skill (mean = 2.52). The risk-taking propensity of the entrepreneurs is high where they welcome the idea of partnership (mean = 3.94), adoption of mobile banking for all transactions (mean = 3.91) and willingness to change line of business (mean = 3.86).

The results in Table 1 above further show the percentage distribution of the responses for each of the constructs. The risk-taking propensity of the entrepreneurs returned an overall percentage response of 83.1 per cent which implies that the entrepreneurs have high propensity to undertake risky ventures. This is closely followed by entrepreneurial adaptability traits with percentage response of 74.8 per cent. This implies that the entrepreneurs are able to adapt to the existing business environment through various strategies. The survival traits followed with overall percentage response of 72.1 per cent while innovation trait or skills has percentage response of 67.9 per cent. Thus, innovation as a resilience factor has low practicability amongst the entrepreneurs.

**Hypotheses Testing**

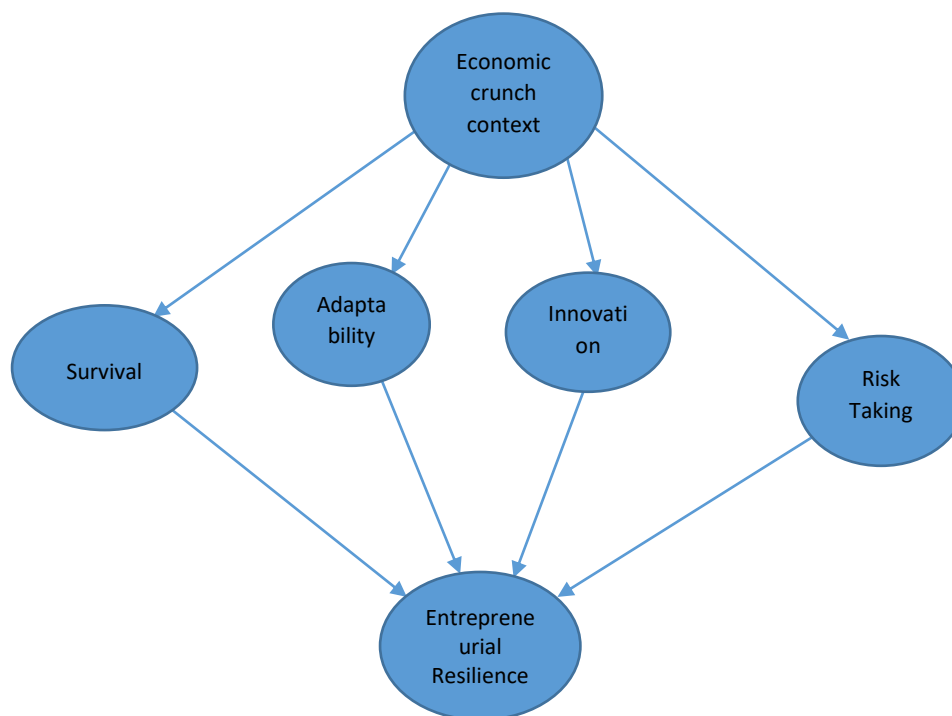
Research questions were formalized into hypotheses and tested using one-sample t-tests against the neutral midpoint (2.5 on a 4-point scale). Holm–Bonferroni adjustments were applied to mitigate Type I error. Cohen’s d provided effect size estimation.

Construct/Item	Item	Mean ± SD	t(131)	p (Holm-adj)	d
Survival	Focus under pressure	3.36 ± 0.96	10.29	<.001	0.90
Survival	Take loans when needed	3.27 ± 0.91	9.72	<.001	0.85
Survival	Achieve set goals	3.38 ± 0.94	10.76	<.001	0.94
Adaptability	Adapt to changes	2.86 ± 1.05	3.94	.0003	0.34
Adaptability	Handle unpleasant feelings	3.44 ± 0.92	11.74	<.001	1.02
Adaptability	Marginal price increases	3.43 ± 1.01	10.58	<.001	0.92
Innovation	Transform products	2.52 ± 1.04	0.22	.825	0.02
Innovation	Adopt online selling	3.41 ± 0.90	11.62	<.001	1.01
Innovation	Ideas → action quickly	3.55 ± 0.93	12.97	<.001	1.13
Risk-taking	Change line of business	3.86 ± 1.02	15.32	<.001	1.33
Risk-taking	Mobile banking adoption	3.91 ± 1.06	15.28	<.001	1.33
Risk-taking	Welcome partnerships	3.94 ± 0.98	16.88	<.001	1.47

## Findings

- H1: (Survival): Supported. Entrepreneurs demonstrated robust survival traits, including focus, achievement orientation, and pragmatic borrowing, all with large effects.
- H2: (Adaptability): Supported. Adaptability was significant, though broad adaptability ( $d = 0.34$ ) was weaker compared to targeted coping strategies such as customer management and pricing ( $d \geq 0.92$ ).
- H3: (Innovation): Partially supported. Market- and process-based innovation (online sales, rapid idea enactment) were strong, whereas product transformation was non-significant.
- H4: (Risk-taking): Strongly supported. Risk-taking dominated, with entrepreneurs displaying agility in pivoting, digital finance adoption, and partnership acceptance.
- Composite means: Survival = 3.34, Adaptability = 3.24, Innovation = 3.16, Risk-taking = 3.90. Risk-taking was the most prominent domain.

## Conceptual Framework



**Figure 1:** Conceptual framework illustrating how survival, adaptability, innovation, and risk-taking act as mechanisms linking economic crunch conditions to entrepreneurial resilience.

**Source:** Authors' conceptualization based on study findings (2025).

The framework illustrates how economic crunch conditions act as a contextual driver that pressures entrepreneurs to deploy specific resilience mechanisms. These mechanisms are; Survival, Adaptability, Innovation, and Risk-taking which operate both individually and interactively to sustain Entrepreneurial Resilience.

- 1. Economic Crunch Context (External Pressure):** This represents the hostile environment entrepreneurs face: inflation, currency instability, declining consumer demand, and limited capital. The framework positions this at the top because it triggers the need for resilience responses.

2. **Survival (Immediate Coping Mechanism):** Includes focus under pressure, pragmatic borrowing (loans), and persistence in achieving goals. Under crunch conditions, these behaviors allow entrepreneurs to maintain operations and stabilize in the short term.
3. **Adaptability (Flexible Adjustment):** Reflects the capacity to adjust strategies, regulate emotions, and manage pricing. It helps entrepreneurs to realign operations with shifting customer expectations and market realities.
4. **Innovation (Strategic Adjustment):** Captures process- and market-oriented innovation (e.g., online selling, rapid execution of ideas). Product innovation is weaker under crunch conditions due to resource intensity, but digital/market innovations help sustain competitiveness.
5. **Risk-taking (Strategic Agility):** Involves business pivots, adoption of mobile banking, and openness to partnerships. This trait is most pronounced and directly linked to resilience, as it enables entrepreneurs to seize opportunities even amid uncertainty.
6. **Entrepreneurial Resilience (Outcome):** Positioned at the bottom as the integrated effect of all four mechanisms. It represents the entrepreneur's ability not just to survive but to sustain operations, remain competitive, and even grow under economic adversity.

### Overall Logic

**Causal flow:** The figure maps a top-down causal pathway: Economic Crunch → Resilience Mechanisms (Survival, Adaptability, Innovation, Risk-taking) → Entrepreneurial Resilience.

**Relative influence:** While all four mechanisms matter, the empirical results show risk-taking as the strongest predictor, followed by survival, adaptability, and then innovation.

**Integration:** Together, they form a resilience “**PORTFOLIO**,” where entrepreneurs selectively emphasize mechanisms depending on situational demands.

### Discussion

Entrepreneurs facing economic volatility displayed resilience strategies that were both statistically robust and practically relevant. Risk-taking emerged as the dominant behavioral trait, reflecting reliance on low-capital, high-flexibility approaches such as business pivots, mobile banking, and strategic collaborations. Survival capabilities (focus, pragmatic borrowing, and goal pursuit) further sustained performance under adversity. Adaptability was evident, particularly in emotion regulation and pricing strategies, though broad adaptability remained less pronounced. Innovation centered on channel and process improvements (digital platforms, rapid implementation) rather than resource-intensive product recombination.

These findings enrich resilience theory by showing that entrepreneurs under resource constraints prioritize context-specific, agile, and cost-efficient behaviors. The results align with theoretical models that frame resilience as a dynamic capability encompassing resource reconfiguration, opportunity recognition, and adaptive capacity rather than merely a psychological attribute.

### Theoretical Contribution

This study contributes to entrepreneurship and resilience literature in three ways:

1. **Behavioral specificity of resilience:** It distinguishes between general adaptability and targeted adaptive actions, demonstrating that resilience manifests more strongly in situational coping strategies than in generic adaptability statements.

2. Innovation asymmetry: It provides evidence that in resource-constrained contexts, entrepreneurs prioritize process and market innovation over product innovation, highlighting the role of capital intensity as a limiting factor.
3. Risk-taking as a resilience anchor: It advances theory by establishing risk-taking not only as a personality trait but also as a strategic mechanism enabling agility and ecosystem embeddedness during economic crises.

## **Conclusion and Recommendations**

### **Conclusion**

This study explored entrepreneurial resilience in South-East Nigeria, a region where persistent economic disruptions such as rising inflation, currency instability, and infrastructural decay that pose constant threats to business survival. The findings reveal that resilience is not abstract but lived out in practical, everyday strategies. Risk-taking emerged as the most dominant trait, as entrepreneurs showed agility in pivoting business lines, embracing mobile banking, and welcoming partnerships. Survival behaviors such as pragmatic borrowing, determination, and goal orientation were also strong, while adaptability was expressed mainly through customer management and pricing adjustments. Innovation was present, but largely in the form of online selling and quick execution of ideas rather than resource-intensive product development. These insights highlight that resilience in resource-constrained contexts is anchored more in behavioral flexibility and strategic risk-taking than in large-scale innovation. For policymakers and support institutions, the implications are clear: strengthening digital infrastructure, improving financial inclusion, and providing innovation support systems are critical levers for entrepreneurial sustainability. While the study is limited by its reliance on self-reports from a modest sample and its cross-sectional design, it offers a strong foundation for future longitudinal and comparative research. Ultimately, resilience among entrepreneurs in South-East Nigeria reflects determination and strategic agility - qualities that, if nurtured, can safeguard both individual livelihoods and regional economic growth.

### **Practical Contribution**

This study offers several managerial insights. First, entrepreneurs can strengthen resilience by prioritizing low-capital, flexible strategies such as pivoting quickly, leveraging mobile banking, and pursuing collaborative ventures. Second, the findings highlight the importance of strategic focus and pragmatic borrowing as survival tools, encouraging managers to balance short-term liquidity with long-term sustainability. Third, firms should invest in process and channel innovation such as digital sales platforms and agile product delivery systems while gradually building capacity for more resource-intensive product innovation.

### **Recommendations**

#### **Implications for Policy and Practice**

1. Promote digital transformation: The strong reliance on online platforms and mobile banking underscores the need for policy-driven expansion of digital infrastructure, capacity-building, and fintech literacy.
2. Expand financial inclusion: Entrepreneurs' pragmatic credit use highlights the necessity of accessible, affordable financing mechanisms, including microcredit and credit guarantee schemes.

3. Institutionalize collaborative ecosystems: Policymakers should incentivize cooperatives, incubators, and clusters to amplify entrepreneurs' willingness to partner.
4. Bolster innovation capacity: Policymakers and development partners should provide R&D incentives, grants, and technical assistance to stimulate product innovation, addressing the current gap.

### Acknowledgement

The authors gratefully acknowledge the financial support of the Tertiary Education Trust Fund (TETFund) through the Institutional-Based Research (IBR) grant (Reference No. TETF/DR&D/CE/POLY/NEKEDE/IBR/2025/VOL.1). We appreciate the contributions of the staff of the Department of Procurement and Supply Chain Management, Federal Polytechnic Nekede, and the cooperation of entrepreneurs in South East Nigeria, whose support and provision of data were vital to the success of this study. The author also acknowledged the use of AI-assisted tools solely for language refinement and structural enhancement. All ideas, analyses, and conclusions presented in this paper remain entirely those of the author.

### Funding

This work was funded by the Tertiary Education Trust Fund (TETFund), Institutional-Based Research (IBR) grant (Reference No. TETF/DR&D/CE/POLY/NEKEDE/IBR/2025/VOL.1).

### Conflict of Interest

The authors declare no conflict of interest.

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