



## SURVIVING AGAINST THE ODDS: ENTREPRENEURIAL GRIT AND SURVIVAL OF SMEs IN NORTH-CENTRAL NIGERIA

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### ABSTRACT

*Entrepreneurial grit has become a critical determinant of firm continuity in volatile and resource-constrained environments, particularly among small and medium enterprises (SMEs) in emerging economies. However, empirical evidence on the role of entrepreneurial grit in sustaining SME survival remains limited. Drawing on grit theory, this study examines the effect of entrepreneurial grit (operationalised through passion and perseverance) on entrepreneurial survival in North-Central Nigeria. The study adopts a cross-sectional survey design. Data were collected from SME owner-managers across North-Central Nigeria using a structured questionnaire. A total of 479 questionnaires were administered, out of which 435 valid responses were obtained, representing a 91% response rate. The data were analysed using the Statistical Package for Social Sciences (SPSS) version 27. Multiple regression analysis was employed to test the hypothesised relationships between entrepreneurial grit dimensions and entrepreneurial survival. The results indicate that both dimensions of entrepreneurial grit significantly and positively influence SME survival. Specifically, entrepreneurial passion ( $\beta = 0.457, p < 0.001$ ) and perseverance ( $\beta = 0.410, p < 0.001$ ) were found to be strong predictors of entrepreneurial survival. The model explains a substantial proportion of variance in entrepreneurial survival ( $R^2 = 0.477$ ), suggesting that sustained commitment and long-term focus are critical drivers of business continuity in challenging environments. This study contributes to the entrepreneurship literature by extending grit theory to the context of entrepreneurial survival in an emerging economy. It provides empirical evidence that both passion and perseverance are essential entrepreneurial capabilities that enhance firm survival. The study offers practical insights for entrepreneurs, policymakers, and support institutions by highlighting the importance of entrepreneurial grit in entrepreneurial survival under conditions of uncertainty and institutional constraints.*

**Keywords:** Entrepreneurial grit; Entrepreneurial passion; Entrepreneurial perseverance; Entrepreneurial survival; Emerging economies

**JEL Classification Code:**

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### 1.0 Introduction

Small and medium enterprises (SMEs) constitute the backbone of modern economies and are widely acknowledged as critical drivers of economic growth, employment generation, innovation, and poverty reduction. Globally, SMEs account for approximately 90% of all businesses and generate more than 50% of total employment, while contributing significantly to economic diversification and productivity enhancement in both developed and developing economies. Their importance is particularly pronounced in emerging economies, where they create livelihood opportunities, stimulate local value chains, and foster inclusive development (World Bank, 2025; International Finance Corporation [IFC], 2024). Despite their economic significance, the long-term survival of SMEs remains a major concern worldwide. Evidence from the entrepreneurship literature indicates that business mortality rates remain persistently high, with a substantial proportion of new ventures failing within their first five

years of operation due to financial, institutional, market, and managerial challenges (OECD, 2024; Santarelli & Vivarelli, 2007). SME survival has therefore emerged as a critical indicator of entrepreneurial sustainability and economic resilience.

The challenge of SME survival is particularly acute in developing economies, where entrepreneurs operate within environments characterized by institutional weaknesses, infrastructure deficits, policy uncertainty, and limited access to finance. In Nigeria, SMEs account for 96.9% of businesses, contribute 46.32% of national gross domestic product (GDP), and provide 87.9% of total employment, making them indispensable to national economic development (PwC, 2024; SMEDAN & NBS, 2021). Nevertheless, the sector continues to experience high mortality rates, evidenced by widespread business closures, declining entrepreneurial activity, and increasing vulnerability to macroeconomic shocks. Recent economic reforms, inflationary pressures, exchange-rate volatility, rising operating costs, and insecurity have further intensified survival challenges among Nigerian SMEs, particularly those operating outside major commercial centres (PwC, 2024). The Nigerian Economic Summit Group (NESG, 2025) reported that more than seven million small businesses ceased operations between 2023 and 2024, reflecting worsening entrepreneurial survival conditions and the fragility of the country's SME ecosystem. These developments have heightened concerns among scholars and policymakers regarding the factors that enable some entrepreneurs to sustain their ventures while others exit under similar environmental conditions.

Entrepreneurial survival, broadly defined as the ability of a venture to remain operational and economically viable over time despite environmental, financial, and competitive challenges, represents one of the most fundamental indicators of entrepreneurial success (Cefis & Marsili, 2019). Unlike growth-oriented outcomes such as profitability or market expansion, survival reflects the entrepreneur's capacity to sustain business continuity under conditions of uncertainty and adversity (Reuther & Dahle, 2025). Existing entrepreneurship research has traditionally explained survival through structural and environmental determinants, including access to finance, institutional quality, market conditions, government support, and infrastructural development (Acs et al., 2018; Stam & Van de Ven, 2021; Audretsch et al., 2022). While these factors undoubtedly influence entrepreneurial outcomes, they provide only a partial explanation for survival dynamics. Empirical evidence consistently demonstrates that entrepreneurs operating under similar environmental conditions often experience markedly different survival outcomes, suggesting that individual-level characteristics may play an equally important role in shaping venture continuity (Shepherd & Patzelt, 2018; Obschonka & Audretsch, 2020).

This emerging recognition has contributed to a growing psychological turn within entrepreneurship research, where scholars increasingly examine how individual attributes influence entrepreneurial behaviour and outcomes (Hartmann et al., 2022). Among the psychological factors receiving increasing scholarly attention is entrepreneurial grit, conceptualised as sustained passion and perseverance for long-term goals (Duckworth et al., 2007). Grit captures an entrepreneur's capacity to maintain effort, commitment, and strategic focus despite repeated setbacks, failures, and prolonged uncertainty. The construct comprises two complementary dimensions: passion, which reflects consistency of interests and long-term commitment to entrepreneurial goals, and perseverance, which denotes sustained effort and resilience in the face of obstacles (Duckworth & Quinn, 2009). In highly volatile business environments, these attributes may function as critical psychological resources that enable entrepreneurs to navigate adversity, adapt to challenges, and remain committed to venture survival. Consequently, grit has been increasingly positioned as a key explanatory mechanism

through which entrepreneurs sustain business operations under difficult circumstances (Mooradian et al., 2016; Wolfe & Patel, 2021).

Although a growing body of research links entrepreneurial grit to desirable entrepreneurial outcomes, including venture persistence, entrepreneurial resilience, opportunity exploitation, and business performance (Salisu et al., 2020; Silalahi et al., 2023; Isichei et al., 2024), important gaps remain in the literature. First, much of the existing evidence originates from developed economies and Asian contexts where institutional support mechanisms are relatively robust. Second, prior studies frequently examine performance, innovation, or growth as outcome variables, with comparatively limited attention devoted to entrepreneurial survival as a distinct phenomenon. Third, evidence from sub-Saharan Africa remains scarce despite the region's pronounced entrepreneurial vulnerabilities and institutional challenges. These limitations are particularly important in Nigeria, where entrepreneurs operate within a context characterised by infrastructure deficits, financial exclusion, policy uncertainty, and security concerns. Under such conditions, understanding whether entrepreneurial grit contributes to entrepreneurial survival becomes both theoretically and practically significant. Consequently, there remains insufficient empirical evidence regarding the extent to which the dimensions of entrepreneurial grit (passion and perseverance) enhance entrepreneurial survival in resource-constrained environments.

This study addresses these gaps by examining the effect of entrepreneurial grit on entrepreneurial survival in North-Central Nigeria. Anchored in Grit Theory (Duckworth et al., 2007), the study conceptualises entrepreneurial grit through its two core dimensions (passion and perseverance) and investigates their influence on the ability of SMEs to remain operational under challenging business conditions. Using survey data collected from SME owner-managers across North-Central Nigeria, the study contributes to the entrepreneurship literature by extending the application of grit theory to entrepreneurial survival, an outcome that has received comparatively limited attention in prior research. The study further enriches understanding of entrepreneurship in emerging economies by providing empirical evidence from a region characterised by infrastructural deficits, financial constraints, and institutional uncertainty. The findings offer practical implications for policymakers, entrepreneurship support agencies, and SME development practitioners seeking to strengthen business sustainability through interventions that complement financial and institutional support with the development of entrepreneurial psychological capabilities.

## 1.1 Theoretical Foundation: Grit Theory

This study is grounded in Grit Theory (Duckworth et al., 2007), which provides a robust psychological explanation for sustained goal pursuit under conditions of uncertainty and adversity. Grit is defined as an individual's enduring passion and perseverance for long-term goals, capturing a stable motivational disposition that enables continued engagement despite repeated setbacks and delayed rewards. Unlike traditional achievement frameworks that privilege cognitive ability or human capital endowments, Grit Theory foregrounds non-cognitive psychological endurance as a critical driver of long-term outcomes in demanding contexts (Duckworth & Gross, 2014).

The theoretical premise of Grit Theory is that success in complex and uncertain environments is less a function of episodic effort or short-term motivation and more a consequence of sustained commitment and effort over time (Duckworth et al., 2007). Rooted in positive psychology, the theory assumes that individuals differ systematically in their capacity to remain engaged with challenging pursuits, and that such differences meaningfully shape performance trajectories (Duckworth & Gross, 2014). Central to this framework is the notion of deliberate practice, through which sustained effort and long-term focus enable individuals

to refine skills, accumulate experience, and progressively improve performance (Duckworth et al., 2007). Grit therefore operates as a cumulative mechanism, exerting its influence through prolonged engagement rather than immediate outcomes.

Grit Theory is operationalized through two interdependent dimensions: passion and perseverance (Duckworth et al., 2007). Passion reflects the long-term consistency of interests and the sustained alignment of personal identity with a focal goal. It captures the extent to which individuals remain committed to a particular domain over time, resisting frequent goal switching or disengagement (Duckworth & Gross, 2014). Perseverance, by contrast, represents the sustained exertion of effort in the face of difficulty, encompassing resilience, tenacity, and tolerance for adversity (Duckworth et al., 2007). Together, these dimensions underscore the central theoretical claim that enduring success emerges from the combination of long-term motivational stability and persistent effort.

In entrepreneurial contexts, Grit Theory offers a parsimonious yet powerful explanation for venture survival. Entrepreneurship is inherently characterized by prolonged uncertainty, resource scarcity, and exposure to repeated setbacks, making sustained psychological engagement a prerequisite for continuity (Duckworth & Gross, 2014). Passion anchors entrepreneurs to their ventures by fostering long-term commitment to a business vision, even when short-term returns are volatile or uncertain. This enduring attachment to entrepreneurial goals reduces the likelihood of premature exit and reinforces a long-term orientation toward venture development.

Perseverance complements passion by enabling entrepreneurs to maintain effort despite operational, financial, and environmental constraints (Duckworth et al., 2007). Persistent effort supports ongoing problem-solving, iterative adaptation, and continuous engagement with market challenges. Through sustained perseverance, entrepreneurs accumulate experiential knowledge, refine strategic choices, and enhance their capacity to respond to changing conditions (Duckworth & Gross, 2014). In this way, perseverance functions as a behavioural conduit through which passion is translated into sustained entrepreneurial action, thereby increasing the likelihood of firm survival.

Although Grit Theory has received considerable empirical support, it is not without limitations. Scholars have argued that the theory's emphasis on individual agency may understate the influence of contextual and structural factors that shape entrepreneurial outcomes (Credé et al., 2017; Datu, Yuen, & Chen, 2018). In entrepreneurship research, venture survival is influenced not only by psychological characteristics but also by environmental conditions such as access to finance, institutional quality, market opportunities, and regulatory frameworks (Stam & Van de Ven, 2021). Consequently, grit alone cannot fully account for entrepreneurial success or failure. Furthermore, some researchers have questioned whether passion and perseverance operate uniformly across cultural and institutional contexts, suggesting that the effectiveness of grit may vary depending on environmental conditions and resource availability (Mooradian et al., 2016; Kannangara et al., 2018). These observations indicate that grit should not be viewed as a universal explanation for entrepreneurial outcomes but rather as one important psychological mechanism operating within broader entrepreneurial ecosystems.

Notwithstanding these limitations, Grit Theory remains particularly appropriate for explaining entrepreneurial survival in the present study. First, the theory directly addresses sustained effort and commitment under adverse conditions, which are central characteristics of entrepreneurial survival. Second, the dimensions of passion and perseverance align closely with the behavioural demands placed on entrepreneurs operating in resource-constrained and uncertain environments. Third, while external conditions affect all firms within a given

environment, survival outcomes often differ considerably among entrepreneurs facing similar constraints, suggesting the relevance of individual-level psychological factors. In North-Central Nigeria, where SMEs contend with infrastructural deficiencies, financial constraints, insecurity, and market volatility, the ability to remain committed to long-term entrepreneurial goals and persist despite recurring setbacks is likely to be a critical determinant of business continuity. Consequently, Grit Theory provides a theoretically coherent and contextually relevant framework for explaining variations in SME survival within the region.

Empirical scholarship increasingly supports the application of Grit Theory within entrepreneurship research. Recent studies demonstrate that entrepreneurial grit is positively associated with survivability, crisis resilience, and sustained venture engagement (Silalahi et al., 2023; Asante et al., 2023). These findings suggest that passion and perseverance operate as psychological resources that enable entrepreneurs to endure prolonged adversity and maintain business continuity beyond short-term performance fluctuations. Such evidence reinforces the relevance of Grit Theory for explaining survival outcomes rather than merely growth or financial performance.

## **2.0 Literature Review and Hypotheses Development**

### **2.1 Entrepreneurial Passion and Entrepreneurial Survival**

Entrepreneurial survival refers to the ability of a venture to remain operational and continue its business activities over time despite internal and external challenges that threaten its existence (Cefis & Marsili, 2019; Manolova et al., 2020). Within entrepreneurship research, survival is conceptually distinct from entrepreneurial growth and entrepreneurial performance. Entrepreneurial growth generally reflects increases in firm size, sales, employment, market share, or assets, whereas entrepreneurial performance captures the extent to which a venture achieves desired financial and non-financial outcomes such as profitability, efficiency, and customer satisfaction (Delmar et al., 2013; Coad et al., 2016). In contrast, entrepreneurial survival focuses primarily on venture continuity and the avoidance of business failure or market exit. A firm may survive without experiencing substantial growth, just as high-growth ventures may fail due to overexpansion, resource depletion, or environmental shocks (Delmar et al., 2013). Consequently, survival represents a more fundamental entrepreneurial outcome because a venture must first remain in existence before it can achieve sustained growth or superior performance (Reuther & Dahle, 2025). This distinction is particularly relevant in emerging economies where entrepreneurs often prioritise business continuity over expansion due to institutional weaknesses, resource constraints, and environmental uncertainty. Within this context, entrepreneurial passion, conceptualised as the sustained consistency of interest and long-term commitment to entrepreneurial goals, represents a critical psychological resource for firm continuity. Passion reflects an enduring identification with the venture and a persistent motivational attachment that anchors entrepreneurs to their businesses over extended periods (Cardon et al., 2017; Murnieks et al., 2020). For SMEs, such sustained passion supports ongoing engagement, strategic continuity, and the willingness to remain invested in the venture despite prolonged uncertainty.

Grit Theory posits that passion, defined as the consistency of interests over time, enables individuals to sustain long-term goal pursuit under adverse conditions (Duckworth et al., 2007). Applied to entrepreneurship, passion stabilises entrepreneurial intent and reinforces long-term orientation, both of which are essential for firm survival. Entrepreneurs with sustained passion are more likely to remain committed to their ventures when confronted with low performance, delayed returns, or environmental turbulence. This long-term motivational alignment supports continuous strategic engagement rather than premature exit

(Shepherd et al., 2019). In emerging economies, where SMEs face persistent infrastructural, financial, and institutional constraints, passion functions as a psychological anchor that sustains entrepreneurs' commitment to keeping their businesses operational over time.

Empirical studies substantiate the relationship between entrepreneurial passion and firm survival. Cardon et al. (2017) show that enduring entrepreneurial passion enhances persistence and long-term venture involvement. Murnieks et al. (2020) find that passion strengthens entrepreneurs' resilience and continued engagement during periods of adversity, which is critical for survival. In emerging and resource-constrained contexts, Asante et al. (2023) demonstrate that sustained entrepreneurial passion enhances opportunity engagement and venture continuity. Similarly, Manolova et al. (2020) report that passion-driven entrepreneurs are more likely to sustain their firms during periods of crisis and environmental disruption. Collectively, these findings suggest that entrepreneurial passion plays a significant role in sustaining SME operations over time. Therefore, the study hypothesized that:

*Entrepreneurial passion has a positive and significant effect on entrepreneurial survival in North-Central Nigeria.*

## 2.2 Entrepreneurial Perseverance and Entrepreneurial Survival

As previously established, entrepreneurial survival refers to the continued existence of a venture through its ability to withstand operational, financial, and environmental challenges over time (Cefis & Marsili, 2019; Manolova et al., 2020). Unlike entrepreneurial growth, which emphasises business expansion, and entrepreneurial performance, which focuses on the attainment of financial and non-financial objectives, entrepreneurial survival is primarily concerned with business continuity and the avoidance of firm exit (Coad et al., 2016; Reuther & Dahle, 2025). For SMEs operating in volatile environments, survival depends heavily on the entrepreneur's capacity to persist in effort despite repeated setbacks. Entrepreneurial perseverance refers to the sustained exertion of effort toward entrepreneurial goals over time, even when progress is slow or obstacles are persistent (Duckworth & Gross, 2014).

Within Grit Theory, perseverance represents the effort-based mechanism through which long-term goals are realised. The theory contends that sustained effort, rather than episodic motivation or initial capability, is the primary driver of success in demanding environments (Duckworth & Gross, 2014). Applied to entrepreneurship, perseverance enables entrepreneurs to remain actively engaged in navigating uncertainty, responding to market shifts, and managing resource limitations. Through sustained effort, entrepreneurs accumulate experiential knowledge and refine adaptive strategies, which are critical for maintaining firm operations over time (Shepherd et al., 2019). In emerging economies, where SMEs face continuous environmental stressors, perseverance becomes central to sustaining business continuity and avoiding market exit.

Empirical research provides strong support for the role of perseverance in entrepreneurial survival. Patel and Thatcher (2014) find that perseverance enhances entrepreneurs' ability to endure prolonged uncertainty and sustain venture engagement. Williams et al. (2020) show that resilient and persevering entrepreneurs are more likely to keep their firms operational under adverse conditions. Silalahi et al. (2023) demonstrate that entrepreneurial perseverance significantly improves SME survivability, particularly during crisis periods. These findings consistently indicate that sustained effort is a key determinant of SME survival. Hence, the study hypothesized that:

*Entrepreneurial perseverance has a positive and significant effect on entrepreneurial survival in North-Central Nigeria.*

Entrepreneurial Grit

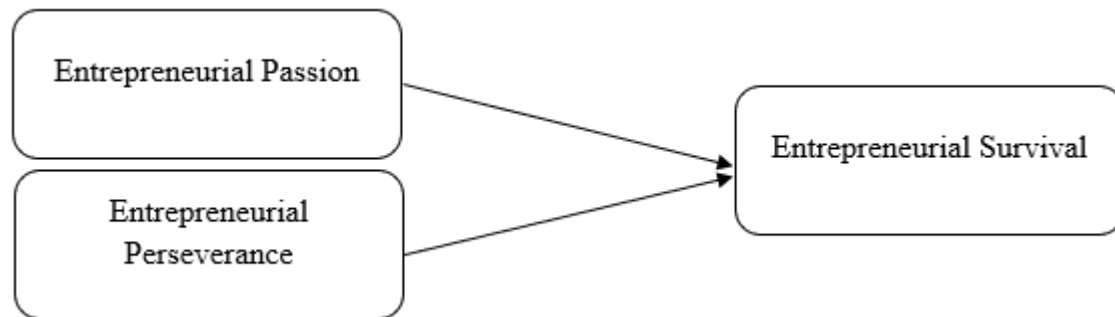


Figure 1 Theoretical model

### 3.0 Methodology

#### 3.1 Sample and Data Collection

This study adopted a quantitative, cross-sectional survey design to examine the effect of entrepreneurial grit on the survival of small and medium enterprises (SMEs) in North-Central Nigeria. The target population comprised all SMEs operating within the North-Central geopolitical zone, as defined by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). According to the 2021 SMEDAN/National Bureau of Statistics (NBS) National Survey of MSMEs, the region hosts a total of 130,862 SMEs distributed across Benue State (14,851), the Federal Capital Territory (FCT) (22,861), Kogi State (12,517), Kwara State (25,356), Nasarawa State (10,728), Niger State (23,197), and Plateau State (21,352). This population constituted the sampling frame for the study.

The sample size for the study was determined using the Yamane (1967) formula for finite populations, which is widely applied in survey-based research due to its simplicity and statistical reliability. The formula is expressed as:

$$n = \frac{N}{1 + N(e)^2}$$

where  $n$  represents the sample size,  $N$  is the population size, and  $e$  denotes the level of precision. Adopting a 95% confidence level and a margin of error of 5% ( $e=0.05$ ), the sample size was computed as follows:

$$n = \frac{130,862}{1 + 130,862(0.05)^2}$$

$$n = \frac{130,862}{1 + 130,862(0.0025)} = \frac{130,862}{1 + 327.155} = \frac{130,862}{328.155} = 398.74$$

The computed value was approximated to 399 SMEs, representing the minimum sample size required for the study. To account for potential non-response and incomplete questionnaires,

the sample size was adjusted upward by 20%, consistent with recommendations for survey-based business research (Israel, 1992). The adjusted sample size was calculated as follows:

$$399 \times 0.20 = 79.8 \Rightarrow 399 + 79.8 = 478.8 = 479$$

Accordingly, 479 questionnaires were administered to SME owner-managers across the North-Central region.

A proportionate stratified sampling technique was employed to ensure adequate representation of SMEs across all states within the North-Central geopolitical zone. Each state and the Federal Capital Territory constituted a stratum, while the number of SMEs selected from each stratum was determined proportionately based on its share of the total SME population. This approach ensured that states with larger SME populations contributed proportionately more respondents to the sample than states with smaller SME populations. Within each stratum, SMEs were selected using a simple random sampling. The use of proportionate stratification enhanced the representativeness of the sample and improved the generalisability of the findings across North-Central Nigeria.

Data were collected using a structured questionnaire administered to SME owner-managers through physical distribution and follow-up visits. This method was considered appropriate because many SMEs in the region have limited access to online survey platforms and internet-based data collection mechanisms. Physical administration also enabled the researchers to clarify questionnaire items where necessary and minimise item non-response. Participation was voluntary, and respondents were assured of anonymity and confidentiality.

Out of the 479 questionnaires administered, 435 valid and usable responses were retrieved, representing a response rate of 91%. This response rate exceeds the minimum sample size requirement and compares favourably with response rates reported in entrepreneurship and SME studies conducted in developing economies. Consequently, the final sample was considered statistically adequate for hypothesis testing and generalisation to the SME population in North-Central Nigeria.

The demographic characteristics of the respondents indicate a diverse and representative sample of SME owner-managers across the region (see Table 1). Respondents were drawn from all seven administrative units within North-Central Nigeria, comprising the FCT, Benue, Kogi, Kwara, Nasarawa, Niger, and Plateau States. The sample was relatively balanced in terms of gender, with males accounting for 53.8% and females 46.2%. Most respondents were within the economically active age categories of 36–45 years (37.7%) and 46–55 years (27.1%). Agriculture constituted the dominant sector (49.7%), followed by retail (29.0%) and manufacturing (21.4%). The majority of firms (94.0%) were classified as small enterprises employing between 10 and 49 employees, while only 6.0% were medium-sized enterprises. Most respondents possessed tertiary education qualifications (96.8%), had prior entrepreneurial experience (70.8%), and operated formally registered businesses. These characteristics suggest that the sample adequately reflects the structure and operational realities of SMEs in North-Central Nigeria.

### 3.2 Measurement of Variables

All study constructs were measured using validated multi-item scales adapted from prior empirical studies to ensure reliability and construct validity. Responses were recorded on a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree), consistent with best practices in entrepreneurship and behavioural research.

Entrepreneurial grit was measured using the Short Grit Scale (Grit-S) developed by Duckworth and Quinn (2009), which conceptualizes grit as a multidimensional construct comprising passion (consistency of interest) and perseverance (sustained effort). The scale consists of eight items, which were contextually adapted to reflect entrepreneurial settings while maintaining their original conceptual integrity. Previous studies report Cronbach's alpha values ranging from 0.73 to 0.83, indicating acceptable internal consistency.

Entrepreneurial survival was measured using an eight-item scale adapted from Amah (2017), capturing the firm's ability to sustain operations, withstand environmental challenges, and maintain business continuity over time. The scale has demonstrated strong reliability, with reported coefficients exceeding 0.83 in prior applications.

### 3.3 Data Analysis

Data analysis was conducted using the Statistical Package for Social Sciences (SPSS) version 27. Descriptive statistics were employed to summarize the demographic characteristics and distribution of the study variables. To test the hypothesized relationships between entrepreneurial grit dimensions (passion and perseverance) and entrepreneurial survival, multiple regression analysis was utilized. This technique is appropriate for examining the predictive influence of independent variables on a dependent variable within a linear framework. Statistical significance was assessed using conventional threshold levels.

## 4.0 Results and Discussions

Table 1: Demographic Characteristics of Respondents (N = 435)

Variable	Category	n	%
Age Range	25-35 years	117	26.9
	36-45 years	164	37.7
	46-55 years	118	27.1
	56 years and above	36	8.3
Gender	Male	234	53.8
	Female	201	46.2
State of Business Operation	Abuja (FCT)	73	16.8
	Benue	49	11.3
	Kogi	42	9.7
	Kwara	80	18.4
	Nasarawa	35	8.0
	Niger	82	18.9
	Plateau	74	17.0
Industry Sector	Agriculture	216	49.7
	Retail	126	29.0
	Manufacturing	93	21.4
Number of Employees	10-49 (Small Enterprise)	409	94.0
	50-199 (Medium Enterprise)	26	6.0
Asset Value (₦)	₦10m-₦100m (Small)	403	92.6
	₦100m-₦1bn (Medium)	32	7.4
Years of Operation	5-10 years	363	83.5

Variable	Category	n	%
Prior Entrepreneurial Experience	11-15 years	72	16.6
	Yes	308	70.8
	No	127	29.2
Educational Qualification	Secondary education	14	3.2
	Tertiary education	421	96.8
Ownership Structure	Sole proprietorship	95	21.8
	Partnership	16	3.7
	Limited liability company	324	74.5
Annual Turnover (₦)	Below ₦5 million	344	79.1
	₦5m-₦50m	73	16.8
	₦50m-₦500m	18	4.1
Business Registration Status	SMEDAN only	26	6.0
	CAC only	326	74.9
	SMEDAN & CAC	83	19.1

Source: Field Survey, 2026

#### 4.1 Results

The multiple regression analysis examined the influence of entrepreneurial passion and perseverance on entrepreneurial survival. The findings revealed a strong and positive relationship between the independent variables and entrepreneurial survival, as indicated by the correlation coefficient ( $R = 0.690$ ). This suggests that entrepreneurial passion and perseverance jointly contribute significantly to explaining variations in entrepreneurial survival among the sampled firms.

The coefficient of determination ( $R^2 = 0.477$ ) indicates that approximately 47.7% of the variation in entrepreneurial survival is explained by entrepreneurial passion and perseverance. The adjusted  $R^2$  value of 0.474 further confirms the stability and explanatory strength of the model after adjusting for the number of predictors included in the regression model. This implies that the model possesses substantial explanatory power, especially within entrepreneurship studies where entrepreneurial survival is often influenced by numerous contextual, institutional, and environmental factors.

The ANOVA results further demonstrate that the regression model is statistically significant. The model produced an F-statistic of 196.779 with a significance value of  $p < 0.001$ , indicating that the combined effect of entrepreneurial passion and perseverance significantly predicts entrepreneurial survival. Therefore, the regression model provides a good fit for the data and can reliably explain entrepreneurial survival.

The regression coefficients show that both entrepreneurial passion (Epps) and entrepreneurial perseverance (Epers) exert positive and statistically significant effects on entrepreneurial survival. Entrepreneurial passion recorded an unstandardized beta coefficient of  $\beta = 0.376$  ( $t = 12.654$ ,  $p < 0.001$ ), indicating that a one-unit increase in entrepreneurial passion leads to a corresponding 0.376-unit increase in entrepreneurial survival, holding other variables constant. Similarly, entrepreneurial perseverance recorded an unstandardized beta coefficient of  $\beta = 0.385$  ( $t = 11.360$ ,  $p < 0.001$ ), implying that a one-unit increase in entrepreneurial perseverance results in a 0.385-unit increase in entrepreneurial survival.

The standardized beta coefficients further reveal the relative contribution of each predictor variable. Entrepreneurial passion ( $\beta = 0.457$ ) emerged as the strongest predictor of entrepreneurial survival, followed closely by entrepreneurial perseverance ( $\beta = 0.410$ ). This suggests that while both dimensions of entrepreneurial grit are important, entrepreneurial passion contributes slightly more toward enhancing entrepreneurial survival.

The regression equation derived from the analysis is expressed as:

$$ES = 1.825 + 0.376(Epss) + 0.385(Epers)$$

This equation indicates that entrepreneurial survival (ES) increases positively with improvements in entrepreneurial passion (Epss) and entrepreneurial perseverance (Epers).

Furthermore, multicollinearity diagnostics revealed no threat of multicollinearity among the predictor variables. The Variance Inflation Factor (VIF) values for entrepreneurial passion and entrepreneurial perseverance were both 1.076, which are far below the threshold value of 10. Similarly, the tolerance values of 0.929 exceeded the minimum acceptable threshold of 0.10. These statistics confirm that the predictor variables are sufficiently independent and do not distort the regression estimates.

Overall, the findings demonstrate that entrepreneurial grit dimensions, particularly entrepreneurial passion and perseverance, play significant roles in enhancing entrepreneurial survival. The results imply that entrepreneurs who possess sustained passion and perseverance are more likely to survive business challenges and sustain their ventures over time.

#### Model Summary<sup>b</sup>

Model	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690 <sup>a</sup>	.477	.269

a. Predictors: (Constant), Epers, Epss

b. Dependent Variable: ES

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.383	2	14.192	196.779	.000 <sup>b</sup>
	Residual	31.155	432	.072		
	Total	59.539	434			

a. Dependent Variable: ES

b. Predictors: (Constant), Epers, Epss

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	1.825	.228		8.019	.000		
Epss	.376	.030	.457	12.654	.000	.929	1.076
Epers	.385	.034	.410	11.360	.000	.929	1.076

a. Dependent Variable: ES

## 4.2 Discussions

The findings of this study demonstrate that entrepreneurial grit dimensions, specifically entrepreneurial passion and entrepreneurial perseverance, exert significant positive effects on entrepreneurial survival among SMEs. The results reinforce the proposition that psychological resources constitute critical determinants of venture continuity, particularly within volatile and resource-constrained entrepreneurial ecosystems such as Nigeria.

The study revealed that entrepreneurial passion has a positive and statistically significant effect on entrepreneurial survival ( $\beta = 0.457$ ,  $t = 12.654$ ,  $p < 0.001$ ). This finding lends strong empirical support to Duckworth et al.'s (2007) conceptualization of Grit Theory, which emphasizes sustained passion toward long-term goals as a major predictor of success and endurance. Entrepreneurial passion represents the entrepreneur's intense emotional attachment, enthusiasm, and identity commitment toward entrepreneurial activities. Such emotional investment strengthens strategic persistence and sustains entrepreneurial engagement even in highly uncertain operating environments.

Within the SME context, passion functions as an intrinsic motivational force that enables entrepreneurs to remain committed despite recurring business challenges such as inadequate financing, weak institutional support, infrastructural deficiencies, market instability, and policy inconsistencies. Entrepreneurs with strong passion are more likely to interpret setbacks as temporary obstacles rather than permanent failures, thereby maintaining strategic focus and venture continuity over time. This finding aligns with the work of Cardon et al. (2017), who established that entrepreneurial passion enhances venture persistence, opportunity exploitation, and business performance. Similarly, Murnieks et al. (2020) found that entrepreneurial passion strengthens entrepreneurial identity and long-term venture commitment, both of which are essential for survival-oriented entrepreneurial behaviour.

The significance of entrepreneurial passion becomes even more pronounced in emerging economies such as Nigeria, where institutional voids and environmental uncertainties intensify operational pressures on SMEs. In such environments, passion serves as a psychological buffer that sustains resilience, optimism, and entrepreneurial engagement despite external adversities. Consequently, the findings suggest that passion is not merely an emotional construct but a strategic psychological asset that enhances the survival capacity of entrepreneurs operating under difficult socioeconomic conditions.

The study further found that entrepreneurial perseverance has a positive and statistically significant effect on entrepreneurial survival ( $\beta = 0.410$ ,  $t = 11.360$ ,  $p < 0.001$ ). This finding further validates Grit Theory, particularly its perseverance dimension, which emphasizes sustained effort and consistency in the pursuit of long-term objectives despite obstacles, failures, and setbacks. Entrepreneurial perseverance reflects the entrepreneur's ability to maintain effort, recover from disappointments, and continue pursuing venture goals under difficult circumstances.

In entrepreneurial environments characterized by uncertainty and resource scarcity, perseverance becomes indispensable for sustaining business operations. Entrepreneurs frequently encounter financial instability, competitive pressures, regulatory bottlenecks, fluctuating consumer demand, and infrastructural inadequacies. Perseverance enables them to persist through these challenges, adjust business strategies, learn from failures, and continue operational activities despite repeated difficulties. This finding supports the argument advanced by Duckworth et al. (2007), who contend that perseverance is often a stronger determinant of long-term achievement than innate talent or intelligence.

The present result is also consistent with prior empirical evidence. Mueller et al. (2017) established that perseverance significantly predicts venture advancement and entrepreneurial progress, while Baum and Locke (2004) found that persistence contributes substantially to venture growth and survival. In the Nigerian SME ecosystem, where entrepreneurs operate amid infrastructural deficits, insecurity, inflationary pressures, and limited access to credit facilities, perseverance becomes a survival-oriented capability that enables business owners to withstand prolonged adversity and maintain operational continuity.

An important contribution of this study lies in the comparative influence of the two grit dimensions. The standardized regression coefficients indicate that entrepreneurial passion ( $\beta = 0.457$ ) exerts a slightly stronger influence on entrepreneurial survival than entrepreneurial perseverance ( $\beta = 0.410$ ). This finding suggests that although perseverance remains essential for sustaining effort, entrepreneurial passion constitutes the more dominant psychological mechanism underpinning entrepreneurial survival. Passion appears to strengthen intrinsic motivation, emotional commitment, and entrepreneurial identity, which subsequently energize perseverance and strategic persistence.

This outcome contributes meaningfully to the ongoing scholarly debate regarding the relative significance of the affective and behavioural dimensions of grit within entrepreneurship research. While previous studies have often emphasized perseverance as the core component of grit, the present findings suggest that affective commitment in the form of passion may exert a more substantial influence within entrepreneurial contexts, particularly in emerging economies characterized by persistent uncertainty and environmental instability. Entrepreneurs who are emotionally connected to their ventures are more likely to sustain motivation, endure prolonged hardships, and remain strategically committed to venture continuity.

### 4.3 Theoretical Implications

This study makes important theoretical contributions to entrepreneurship literature and Grit Theory. First, the findings provide robust empirical evidence supporting the applicability of Grit Theory within entrepreneurship research by demonstrating that both entrepreneurial passion and perseverance significantly predict entrepreneurial survival. The study therefore validates the proposition that psychological traits are critical determinants of entrepreneurial outcomes.

Second, the study extends Grit Theory beyond its traditional application in educational and psychological settings into the context of entrepreneurial survival within emerging economies. Existing grit literature has predominantly focused on academic achievement and individual performance outcomes in developed economies. By examining entrepreneurial survival within the Nigerian context, this study broadens the theoretical relevance of grit to entrepreneurship in institutionally constrained environments.

Third, the finding that entrepreneurial passion exerts a stronger influence than perseverance contributes to theoretical refinement within grit literature. The result suggests that the affective dimension of grit may play a more central role in entrepreneurship than previously acknowledged, particularly in environments characterized by uncertainty and weak institutional support. This offers new insight into the multidimensional nature of entrepreneurial grit and highlights the need for future studies to further investigate the interaction between passion and perseverance in shaping entrepreneurial outcomes.

#### 4.4 Practical Implications

The findings of this study carry important practical implications for entrepreneurs, policymakers, entrepreneurship educators, and business development institutions.

For entrepreneurs, the study underscores the importance of cultivating psychological resilience, emotional commitment, and long-term orientation toward business activities. Entrepreneurs should intentionally develop passion-driven commitment and perseverance capabilities to withstand environmental shocks and operational challenges.

For entrepreneurship training institutions and business support organizations, the findings suggest that entrepreneurial development programmes should move beyond technical and managerial competencies to incorporate psychological capacity-building components such as resilience training, emotional endurance, goal persistence, and motivational development. Programmes aimed at strengthening entrepreneurial mindset and psychological preparedness may significantly improve SME survival rates.

For policymakers, the findings indicate the need to design policies and support systems that sustain entrepreneurial motivation and resilience. Government agencies and SME support institutions should provide mentoring programmes, psychological support systems, incubation services, and entrepreneurial networks that enhance entrepreneurs' capacity to navigate business uncertainties. Creating a more enabling business environment through improved infrastructure, access to finance, and policy stability would further complement the psychological strengths of entrepreneurs and enhance venture sustainability.

#### 5.0 Conclusion

The study concludes that entrepreneurial grit, operationalized through entrepreneurial passion and entrepreneurial perseverance, significantly predicts entrepreneurial survival among SMEs. The findings demonstrate that psychological resources are critical survival mechanisms that enable entrepreneurs to withstand environmental uncertainty, sustain business commitment, and maintain venture continuity over time.

Specifically, entrepreneurial passion emerged as the strongest predictor of entrepreneurial survival, indicating that emotional attachment and intrinsic motivation play central roles in sustaining entrepreneurial activities. Entrepreneurial perseverance also contributes significantly by enabling entrepreneurs to persist despite obstacles and adverse business conditions.

Overall, the study establishes that entrepreneurial survival is influenced not only by financial and environmental factors but also by the entrepreneur's psychological capacity to remain passionate, resilient, and persistent in the face of challenges. These findings therefore reinforce the strategic importance of entrepreneurial grit in enhancing SME sustainability, particularly within emerging economies characterized by institutional and economic uncertainties.

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