



Risk-Taking Propensity and Entrepreneurial Success of SMEs in Rivers State

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Abstract: *This study investigates the relationship between risk-taking propensity and entrepreneurial success of Small and Medium Enterprises (SMEs) in Rivers State, Nigeria. A quantitative research design was employed, and data were collected from 200 SME owners and managers using a structured questionnaire. The data were analyzed using correlation analysis to examine the association between risk-taking propensity and entrepreneurial success factors. The findings revealed a strong positive correlation ($r = 0.624$) between risk-taking propensity and entrepreneurial success, indicating that SMEs with a higher propensity for risk-taking tend to achieve greater entrepreneurial success. The results highlight the significance of risk-taking behavior in driving innovation, market expansion, and financial performance among SMEs in Rivers State. These findings have practical implications for policymakers and business support organizations, suggesting the need to foster a supportive environment that encourages risk-taking and provides resources to enhance entrepreneurial success in the region.*

Keywords: *Risk-taking propensity, Entrepreneurial success, SMEs, Rivers State, Innovation.*

Introduction

The entrepreneurial landscape in Rivers State, Nigeria, has witnessed a surge in Small and Medium Enterprises (SMEs) over the past decade. As these ventures play a crucial role in driving economic growth and job creation, understanding the relationship between risk-taking propensity and entrepreneurial success becomes essential (Okonkwo & Eze, 2023). Risk-taking is a fundamental trait of successful entrepreneurs, but its significance and impact on the success of SMEs require further exploration. Small and Medium Enterprises are the backbone of the Nigerian economy, contributing significantly to employment generation, wealth creation, and economic diversification (Nwankwo & Obi, 2022). In Rivers State, SMEs have emerged as key players in various sectors, including agriculture, manufacturing, technology, and services. Their role in fostering innovation and promoting regional development cannot be overlooked.

Risk-taking propensity refers to the willingness of entrepreneurs to take calculated risks to achieve their business objectives. These risks encompass financial investments, market uncertainties, technological disruptions, and competitive challenges (Okeke & Uche, 2021). Successful entrepreneurs often demonstrate a balanced approach, weighing potential rewards against potential losses.

Statement of the Problem

Despite the growing numbers and potential for contributing to economic development, SMEs in the region face several challenges that may hinder their risk-taking propensity and, consequently, their entrepreneurial success.

Limited Access to Finance:

SMEs in Rivers State encounter significant difficulties in accessing adequate financing to start or expand their businesses. The lack of access to affordable credit and the stringent collateral requirements from financial institutions pose major obstacles. This limited access to finance restrains SMEs from taking calculated risks and investing in innovative projects, leading to missed growth opportunities and reduced competitiveness (Ejiofor & Onuoha, 2020).

Infrastructure Deficiencies:

The inadequate infrastructure in Rivers State, such as unreliable power supply, transportation inefficiencies, and limited access to technology, affects SME operations and profitability. These deficiencies increase operational costs, disrupt supply chains, and create uncertainties in business planning. As a result, entrepreneurs may be hesitant to take risks and explore new markets or adopt innovative technologies due to the unpredictable and challenging business environment (Abdullahi & Musa, 2019).

Regulatory and Administrative Burdens:

SMEs in Rivers State often encounter complex regulatory processes and bureaucratic red tape when starting or running their businesses. The burden of compliance with multiple government agencies and licensing requirements consumes time and resources, diverting the attention of entrepreneurs from strategic risk-taking endeavors (Johnson, 2020). Cumbersome regulations can discourage innovation and limit the ability of SMEs to seize emerging opportunities swiftly.

Market Volatility and Uncertainty:

The market dynamics in Rivers State are influenced by both local and global economic factors, resulting in uncertainty in demand, supply, and consumer behavior (Okafor & Nwosu, 2017). SMEs may find it challenging to predict and adapt to these fluctuations, leading to risk aversion. The fear of market uncertainties may prevent entrepreneurs from investing in new ventures or expanding their product offerings, hindering entrepreneurial growth and stifling economic diversification.

Skills and Talent Gap:

The success of SMEs depends on the availability of skilled and qualified human capital. However, Rivers State faces a skills and talent gap, where the labor force may lack the necessary expertise required by growing businesses (Smith & Williams, 2019). The shortage of skilled employees can limit SMEs' capacity to innovate and adopt new technologies, impeding their ability to take risks and compete effectively in the market.

Limited Entrepreneurial Support Ecosystem:

A lack of robust support systems for SMEs in Rivers State may deter risk-taking behavior among entrepreneurs. The absence of mentorship programs, business development initiatives, and access to relevant networks hampers SMEs' ability to make informed decisions and mitigate potential risks. The absence of a vibrant entrepreneurial ecosystem may lead to missed opportunities for growth and hinder the overall development of SMEs in the region (Adekunle & Okoro, 2018).

Addressing these challenges is critical to foster a conducive environment for risk-taking among SMEs in Rivers State. Policymakers, industry stakeholders, and financial institutions must collaborate to

implement targeted interventions that address the issues of access to finance, improve infrastructure, streamline regulations, bridge the skills gap, and establish a supportive ecosystem for SMEs. By overcoming these obstacles, Rivers State can unlock the full potential of its SME sector, boost entrepreneurial success, and fuel sustainable economic growth in the region.

Theoretical Framework

The theoretical framework for studying the relationship between risk-taking propensity and entrepreneurial success of SMEs in Rivers State can be based on several economic and entrepreneurship theories. One of the most relevant theoretical approaches is the "Resource-Based View" (RBV) and the "Entrepreneurial Orientation" (EO) theory. Additionally, the "Prospect Theory" can help in understanding risk perception and decision-making among entrepreneurs.

Resource-Based View (RBV):

The RBV is a widely accepted theory in strategic management that emphasizes the role of resources and capabilities in achieving competitive advantage and superior performance. In the context of SMEs in Rivers State, the RBV would focus on analyzing the unique resources and capabilities possessed by entrepreneurs and their ventures (Barney, 1991). The theory suggests that firms with valuable, rare, inimitable, and non-substitutable resources are more likely to achieve sustainable competitive advantage. Entrepreneurs with a higher risk-taking propensity might be more inclined to invest in and develop such resources, enabling them to seize opportunities, innovate, and adapt to market changes, leading to higher entrepreneurial success (Wernerfelt, 1984).

Entrepreneurial Orientation (EO) Theory:

The EO theory examines the entrepreneurial orientation of a firm, which represents its tendency to engage in entrepreneurial activities (Lumpkin & Dess, 1996). The theory identifies five dimensions of entrepreneurial orientation: proactiveness, risk-taking, innovativeness, competitive aggressiveness, and autonomy. In the context of Rivers State SMEs, the focus would be on the risk-taking dimension. Entrepreneurs with a higher EO, particularly with a greater willingness to take calculated risks, are more likely to pursue growth opportunities, invest in research and development, and explore new markets, which can positively influence their entrepreneurial success.

Prospect Theory:

Prospect Theory, developed by Daniel Kahneman and Amos Tversky, describes how individuals make decisions under risk and uncertainty (Tversky & Kahneman, 1992). According to this theory, people tend to be risk-averse when it comes to gains but risk-seeking when facing potential losses. In the context of SMEs, this theory suggests that entrepreneurs might be more cautious about taking risks when they perceive potential gains (e.g., market expansion, revenue growth). However, they may be more willing to take risks to avoid potential losses (e.g., market share erosion, becoming irrelevant). Understanding how entrepreneurs perceive risks and their risk preferences can shed light on their decision-making processes and the implications for entrepreneurial success (Kahneman & Tversky, 1991).

Combining these theoretical frameworks can provide a comprehensive understanding of risk-taking propensity and its impact on the entrepreneurial success of SMEs in Rivers State. By exploring the unique resources and capabilities of SMEs, analyzing their entrepreneurial orientation, and considering the prospect theory's implications, researchers can identify critical factors influencing risk-taking behavior and the subsequent outcomes on business performance. This theoretical approach can help policymakers, business support organizations, and entrepreneurs themselves

develop strategies to foster a more conducive environment for risk-taking, innovation, and entrepreneurial growth in Rivers State.

Risk-Taking Propensity

Risk-taking propensity refers to an individual's or organization's inclination to take risks when making decisions or pursuing opportunities (Mohammed & Ahmad, 2016). In the context of entrepreneurship and business management, risk-taking propensity plays a crucial role in determining the level of risk an entrepreneur or organization is willing to undertake to achieve their objectives.

Entrepreneurs and business leaders with a high risk-taking propensity are more likely to embrace uncertainty and take calculated risks to seize opportunities and achieve their goals (Schumpeter, 1934). They are willing to invest resources, time, and effort in innovative ventures, new markets, and unexplored territories, even though the outcomes may not be guaranteed. Risk-taking propensity is not about being reckless; rather, it involves carefully assessing potential rewards against potential losses and making informed decisions based on the available information.

Characteristics of High Risk-Taking Propensity:

Visionary Leadership: Entrepreneurs with high risk-taking propensity are often visionary leaders who can see the potential of new ideas and opportunities. They are driven by the desire to create something new and innovative.

Adaptability: High-risk takers are adaptable and open to change (Knight, 1921). They understand that entrepreneurship involves uncertainties and are willing to adjust their strategies when necessary.

Innovation: Risk-takers are more likely to engage in innovation and experimentation. They are not afraid to challenge the status quo and seek out disruptive ideas (Sarasvathy, 2001).

Long-term Focus: Although risk-taking involves uncertainty, entrepreneurs with high risk-taking propensity often have a long-term vision. They understand that some risks may take time to yield results and are patient in pursuing their goals.

Resilience: Risk-takers are resilient in the face of failures or setbacks. They view failures as learning opportunities and are determined to bounce back stronger.

Proactiveness: Entrepreneurs with high risk-taking propensity are proactive in identifying and seizing opportunities. They do not wait for opportunities to come to them but actively seek them out.

Importance of Risk-Taking Propensity in Entrepreneurship:

Risk-taking propensity is a fundamental trait of successful entrepreneurs and is closely linked to entrepreneurial success and growth. Here are some reasons why risk-taking propensity is essential in entrepreneurship:

Seizing Opportunities: Taking calculated risks allows entrepreneurs to capitalize on emerging opportunities that others might overlook.

Innovation and Creativity: Risk-takers are more likely to foster innovation and creativity in their businesses, driving them to think outside the box and come up with unique solutions (Miller, 1983).

Market Leadership: Risk-takers who successfully navigate uncertainties can gain a competitive advantage and establish themselves as market leaders.

Adaptation to Change: In rapidly changing markets, risk-taking propensity enables entrepreneurs to adapt quickly and stay ahead of the competition.

Business Expansion: Entrepreneurs with a high risk-taking propensity are more likely to expand their businesses into new markets or product lines, leading to growth and diversification.

Risk-taking propensity is a vital aspect of entrepreneurship that determines an individual's or organization's willingness to take calculated risks in pursuit of opportunities. Entrepreneurs with high risk-taking propensity often drive innovation, achieve growth, and establish themselves as leaders in their respective industries. While risk-taking involves uncertainties, it is an essential characteristic for entrepreneurial success and can lead to significant rewards when managed effectively.

Entrepreneurial success

Entrepreneurial success refers to the achievement of predetermined goals and objectives by entrepreneurs or their ventures, resulting in sustainable business growth, profitability, and market impact. It is a multifaceted concept that goes beyond financial gains, encompassing various aspects of business performance and personal satisfaction for the entrepreneur.

Key Components of Entrepreneurial Success include:

Financial Performance: Financial success is a critical aspect of entrepreneurial success. It involves generating profits, positive cash flow, and a healthy return on investment. A financially successful entrepreneur can reinvest profits into the business, fueling further growth and expansion.

Business Growth: Entrepreneurs aim to grow their ventures over time, expanding their market presence, customer base, and product or service offerings. Sustainable growth is a key indicator of entrepreneurial success, demonstrating that the business is meeting market demands and creating value.

Market Impact: A successful entrepreneur's venture has a significant impact on the market it operates in. This impact could be in the form of introducing disruptive innovations, changing consumer behavior, or creating new market niches.

Innovation and Adaptation: Successful entrepreneurs are often innovative and adaptable. They continuously seek out opportunities to improve their products or services, stay ahead of competitors, and respond to changes in the business environment.

Customer Satisfaction: Satisfied customers are a cornerstone of entrepreneurial success. A successful entrepreneur focuses on understanding customer needs, delivering value, and building strong relationships with their clientele.

Employee Engagement: Entrepreneurial success also includes fostering a positive work culture and maintaining high employee engagement. Engaged employees are more motivated, productive, and committed to the success of the business.

Social Impact: Some entrepreneurs measure success not only by financial gains but also by the positive impact they have on society or the environment. Socially responsible entrepreneurship can lead to improved brand reputation and customer loyalty.

Factors Influencing Entrepreneurial Success:

Vision and Strategy: Successful entrepreneurs have a clear vision and a well-defined strategy to achieve their goals. They set specific objectives and develop actionable plans to attain them.

Risk-Taking Propensity: As mentioned earlier, a willingness to take calculated risks is crucial for entrepreneurial success. Taking risks can lead to new opportunities, innovation, and growth.

Persistence and Resilience: Entrepreneurship is full of challenges and setbacks. Successful entrepreneurs exhibit persistence and resilience in the face of obstacles, learning from failures and pushing forward.

Market Knowledge: Understanding market dynamics, customer preferences, and industry trends is essential for making informed business decisions and staying competitive.

Networking and Collaboration: Building a strong network of contacts and collaborating with partners, suppliers, and industry experts can provide valuable support and opportunities for growth.

Leadership and Management: Effective leadership and efficient management of resources, including finances, personnel, and time, are crucial for driving entrepreneurial success (Shane & Venkataraman, 2000).

Customer-Centric Approach: Putting customers at the center of the business model and ensuring their satisfaction leads to repeat business and positive word-of-mouth referrals.

In addition, entrepreneurial success is the realization of desired goals and outcomes by entrepreneurs and their ventures. It encompasses financial performance, business growth, market impact, innovation, customer satisfaction, and social responsibility. Achieving entrepreneurial success requires a combination of strategic vision, risk-taking propensity, perseverance, market knowledge, and effective leadership. By focusing on these factors and continuously adapting to changes, entrepreneurs can increase their chances of building successful and sustainable businesses.

Risk-Taking Propensity and Entrepreneurial Success of SMEs in Rivers State

The entrepreneurial landscape of Rivers State is marked by a growing number of SMEs that play a vital role in fostering economic development and job creation. However, the success of these ventures depends significantly on the risk-taking propensity of the entrepreneurs behind them (Gartner, 1985). Entrepreneurs with a high risk appetite are more likely to seize opportunities, even in uncertain and challenging times, by investing in new technologies, exploring uncharted markets, and venturing into innovative product lines.

Innovation is a key driver of entrepreneurial success, and risk-takers are at the forefront of this drive. They are more willing to challenge the status quo, think creatively, and disrupt traditional business models to meet evolving customer needs (Hisrich & Peters, 1992). This inclination towards innovation positions risk-taking entrepreneurs as industry leaders, allowing them to capitalize on first-mover advantages and gain a foothold in emerging markets.

Market expansion and diversification are also critical for SME success. Risk-takers are more open to expanding their reach beyond local markets, entering regional or international territories. By diversifying their customer base and revenue streams, SMEs can reduce dependence on a single market and mitigate risks associated with market fluctuations. This strategic approach to growth contributes to the long-term sustainability of the business (Stevenson & Jarillo, 1990).

The ability to adapt and be resilient in the face of challenges is another hallmark of successful entrepreneurs with a high risk-taking propensity. In a dynamic and competitive business environment, uncertainties and setbacks are inevitable. However, risk-takers are more likely to view these obstacles as stepping stones rather than roadblocks (Barney, 1986). They are quick to reevaluate strategies, pivot when necessary, and emerge stronger from adversity.

Access to funding and resources is critical for SMEs to thrive, and risk-taking entrepreneurs are more likely to attract investors and secure financing. Investors are drawn to entrepreneurs who can demonstrate a clear vision, backed by a willingness to take calculated risks. Such entrepreneurs are perceived as having a greater potential for generating higher returns, making them more appealing investment prospects.

While risk-taking can lead to failures, successful entrepreneurs learn from their mistakes and view failures as valuable learning experiences. The ability to identify lessons, adapt strategies, and move forward with newfound knowledge is integral to entrepreneurial success (Covin & Slevin, 1989). Embracing risk-taking as part of the entrepreneurial journey encourages continuous improvement and a growth mindset.

To foster a culture of risk-taking and entrepreneurial success in Rivers State, policymakers, business support organizations, and educational institutions must collaborate to provide resources, mentorship, and training opportunities. Equipping entrepreneurs with the tools to manage risks effectively, backed by a supportive ecosystem, will empower SMEs to flourish and contribute significantly to the economic prosperity of Rivers State. By celebrating risk-taking and nurturing a culture of innovation, the region can become a thriving hub for entrepreneurial excellence and sustainable growth.

Methodology

Research Design:

The study will employ a quantitative research design to gather data on risk-taking propensity and entrepreneurial success of SMEs in Rivers State. A structured questionnaire will be used to collect data from the respondents.

Population and Sample:

The population for this study consists of SME owners and managers in Rivers State. Considering the practicality and resources available, a sample size of 200 respondents will be selected from the target

population. This sample size will provide a sufficient representation of the SME community in the region.

Sample Size Calculation:

To calculate the sample size, we can use a confidence level of 95% and a margin of error of 5%. The formula to calculate the sample size is:

$$n = (Z^2 * p * q) / (E^2)$$

Where:

n = Sample size

Z = Z-score corresponding to the desired confidence level (1.96 for 95% confidence level)

p = Estimated proportion of the population with the characteristic of interest (assumed to be 0.5 for maximum variability)

q = 1 - p

E = Margin of error (0.05)

Using the formula:

$$n = (1.96^2 * 0.5 * 0.5) / (0.05^2)$$

$$n = 384.16$$

Considering a non-infinite population correction (since the population is not very large), we can use the formula:

$$n' = n / (1 + (n/N))$$

Where:

n' = Adjusted sample size

N = Population size (assumed to be 200)

$$n' = 384.16 / (1 + (384.16/200))$$

$$n' = 384.16 / (1 + 1.92)$$

$$n' = 384.16 / 2.92$$

$$n' \approx 131.51$$

Therefore, the adjusted sample size is approximately 132 respondents.

Sampling Technique:

A stratified random sampling technique will be used to ensure a diverse representation of SMEs across different sectors and regions within Rivers State. The SME population will be divided into relevant strata, such as manufacturing, services, technology, and agriculture. From each stratum, a proportional number of respondents will be randomly selected to participate in the study.

Data Collection:

Data will be collected through a structured questionnaire designed to assess risk-taking propensity, innovative behavior, market expansion, financial performance, and other relevant factors related to entrepreneurial success. The questionnaire will be administered either in-person or electronically, depending on the convenience and preferences of the respondents.

Measurement Scales:

The questionnaire will use Likert scale items to measure risk-taking propensity, innovation, market expansion, and other constructs. Respondents will be asked to rate their agreement or disagreement on a scale, typically ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis

The collected data was analyzed using Pearson moment correlation which was applied to examine the relationships between risk-taking propensity and entrepreneurial success factors.

Ethical Considerations:

To ensure ethical research practices, the study will seek approval from relevant ethics committees or institutional review boards. Respondents will be informed about the purpose of the study, and their participation will be voluntary and confidential. Data will be anonymized and used only for research purposes.

Data Analyses and Findings

H0: Risk-Taking Propensity does not relate with Entrepreneurial Success of SMEs in Rivers State

Table 1. Correlation

		RTP	ES
RTP	Pearson	1	.624**
	Correlation		
	Sig. (2-tailed)		.000
	N	132	132
ES	Pearson	.624**	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	132	132

** . Correlation is significant at the 0.01 level (2-tailed).

RTP= Risk-Taking Propensity

ES = Entrepreneurial Success

The research hypothesis (H0) stated as "Risk-Taking Propensity does not relate with Entrepreneurial Success of SMEs in Rivers State" is rejected based on the correlation analysis presented in Table 1.

The correlation coefficient between Risk-Taking Propensity (RTP) and Entrepreneurial Success (ES) is 0.624, which indicates a strong positive correlation between the two variables. Additionally, the correlation is significant at the 0.01 level (2-tailed), meaning that the relationship between risk-taking propensity and entrepreneurial success is not likely due to chance.

The positive correlation suggests that as risk-taking propensity increases among SME owners and managers in Rivers State, their entrepreneurial success also tends to improve. This finding supports the notion that entrepreneurs who are more willing to take calculated risks are more likely to achieve success in their ventures.

Overall, the results of the correlation analysis provide evidence that risk-taking propensity is related to the entrepreneurial success of SMEs in Rivers State. However, it is important to note that correlation does not imply causation. Other factors and variables might also contribute to entrepreneurial success, and further research would be required to establish a causal relationship between risk-taking propensity and entrepreneurial outcomes in the context of Rivers State SMEs.

Summary of Findings

The study aimed to investigate the relationship between risk-taking propensity and entrepreneurial success of Small and Medium Enterprises (SMEs) in Rivers State, Nigeria. The findings from the correlation analysis are as follows:

Positive Correlation: The correlation analysis revealed a strong positive correlation ($r = 0.624$) between risk-taking propensity (RTP) and entrepreneurial success (ES) among SMEs in Rivers State. This indicates that as the propensity to take risks increases, the likelihood of entrepreneurial success also tends to improve.

Significance: The correlation between risk-taking propensity and entrepreneurial success is significant at the 0.01 level (2-tailed). This means that the relationship between the two variables is not likely due to chance.

The results suggest that entrepreneurs in Rivers State who are more willing to take calculated risks tend to experience higher levels of entrepreneurial success. These risk-takers are more inclined to innovate, explore new markets, and adapt to changing business conditions, leading to improved financial performance, market impact, and overall growth of their ventures.

It is essential to acknowledge that correlation does not imply causation, and other factors may also contribute to entrepreneurial success. Therefore, while risk-taking propensity appears to be positively associated with entrepreneurial success in Rivers State SMEs, additional research and analysis are necessary to establish a causal relationship and identify potential moderating variables.

These findings have significant implications for policymakers and business support organizations in Rivers State. Encouraging a risk-taking culture, providing access to funding and resources, and fostering an environment that supports innovation and experimentation may contribute to the growth and sustainability of SMEs in the region. Furthermore, promoting entrepreneurship education and training could help entrepreneurs develop the skills necessary to manage risks effectively and enhance their chances of achieving entrepreneurial success.

Conclusion

The study explored the relationship between risk-taking propensity and entrepreneurial success of Small and Medium Enterprises (SMEs) in Rivers State, Nigeria. The findings from the correlation analysis demonstrated a strong positive correlation between risk-taking propensity and entrepreneurial success. This indicates that SME owners and managers in Rivers State who are more willing to take calculated risks tend to experience higher levels of entrepreneurial success, including improved financial performance, market impact, and business growth.

The results underscore the importance of risk-taking propensity as a key determinant of entrepreneurial success. Entrepreneurs who embrace innovation, explore new markets, and adapt to

changing business conditions are more likely to achieve sustainable growth and competitive advantage in the dynamic business landscape of Rivers State.

Recommendations

Based on the study findings, the following recommendations are proposed to foster a conducive environment for risk-taking and enhance entrepreneurial success among SMEs in Rivers State:

- i. **Promote Entrepreneurship Education and Training:** Encourage entrepreneurship education and training programs that emphasize risk management, innovation, and strategic decision-making. Equipping entrepreneurs with the necessary skills and knowledge can help them make informed decisions and navigate uncertainties effectively.
- ii. **Access to Finance and Resources:** Improve access to funding and resources for SMEs, especially for those with innovative and high-potential ideas. Financial institutions and investors should be encouraged to support risk-taking entrepreneurs by providing affordable credit and investment opportunities.
- iii. **Establish Supportive Ecosystems:** Create a supportive ecosystem that nurtures risk-taking behavior. Business support organizations, incubators, and accelerators can offer mentorship, networking opportunities, and access to industry expertise to guide entrepreneurs in their risk-taking endeavors.
- iv. **Foster a Culture of Innovation:** Encourage a culture of innovation and experimentation among SMEs in Rivers State. Recognize and celebrate successful risk-taking stories to inspire other entrepreneurs to take bold steps and embrace change.
- v. **Streamline Regulatory Processes:** Simplify and streamline regulatory processes to reduce bureaucratic hurdles for SMEs. A business-friendly environment can encourage risk-taking and promote entrepreneurial growth.
- vi. **Encourage Collaboration and Partnerships:** Facilitate collaborations and partnerships between SMEs, research institutions, and larger corporations. Such partnerships can foster innovation, share resources, and open new market opportunities for SMEs.
- vii. **Continuous Learning and Adaptation:** Encourage entrepreneurs to view failures as learning opportunities and to adapt their strategies based on feedback and market dynamics. A culture of continuous learning and adaptation can enhance resilience and contribute to long-term success.

By implementing these recommendations, policymakers, stakeholders, and entrepreneurs themselves can create an enabling environment that supports risk-taking and propels SMEs in Rivers State towards greater entrepreneurial success, contributing to economic growth and prosperity in the region.

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