

## Bridging Initiative and Finance: A Systematic Review of Personal Initiative Theory in Sustainable Entrepreneurship among MSMEs

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### Abstract

This systematic literature review examines the application of personal initiative theory in sustainable entrepreneurship research, focusing on Micro, Small, and Medium Enterprises (MSMEs) in developing economies. Analyzing 104 peer-reviewed articles published between 2015 and 2024, the study identifies three main theoretical frameworks: stakeholder theory, resource-based view, and institutional theory. Although these frameworks provide valuable insights, the review shows that the comprehensive integration of personal initiative theory—covering initiative, resiliency, and proactivity—remains insufficiently explored. The literature highlights that sustainable entrepreneurship is shaped by a complex interplay of factors, including institutional forces, financial capabilities, and the entrepreneur's personal initiative. Financial dimensions—such as access to capital, financial literacy, and strategic resource allocation—emerge as critical enablers or constraints in the pursuit of sustainability goals. Entrepreneurs with high levels of personal initiative are better equipped to mobilize financial resources, innovate under financial constraints, and navigate volatile financial environments, thereby enhancing their ability to create sustainable value.

Despite its relevance, personal initiative theory is often applied in fragmented ways, limiting its potential to inform comprehensive sustainable entrepreneurship frameworks. This review argues for a holistic application of personal initiative theory, particularly in relation to financial decision-making, investment in sustainability, and resilience against financial shocks. The study also identifies key research gaps, including the lack of empirical studies grounded in personal initiative theory and the limited exploration of sustainability reporting and financial transparency among non-manufacturing MSMEs.

By bridging personal initiative theory with financial dimensions of entrepreneurship, this research lays a foundation for future empirical investigations and theoretical advancements. It underscores the transformative potential of financially empowered, initiative-driven entrepreneurs in driving sustainable development across emerging economies.

### Keywords

Sustainable entrepreneurship, Personal initiative theory, Financial capabilities, Entrepreneurial finance, Access to capital, Financial Management.