

Entrepreneurial Orientation Research: from Establish Perspective to New Horizons

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Abstract. This study aims to examine the results of researchers' studies regarding the factors that influence employee religiosity and their impact on performance, so that research that has been carried out and future research opportunities can be mapped. The approach used in this research is exploratory qualitative, reviewing 35 articles that discuss factors related to employee religion and their impact on employee performance published in the last 8 years. The reviewed articles are then grouped into research dimensions that have similarities in a comprehensive conceptual framework. Three dimensions of research were identified, namely: macro dimension, meso dimension, and micro dimension. From these three dimensions, it was found that most of the researchers conducted studies on the micro dimension and most of the approaches used were qualitative approaches. This article contributes to the enrichment of literature by grouping articles into a comprehensive conceptual framework and identifying future research opportunities. Several further research topics on each dimension are discussed in this article.

Keywords: entrepreneurial orientation, new business creation, firm performance, training, economic development

1 Introduction

In this competitive era, every organization is competing to improve its performance to survive. An important element in the process of economic development in developing countries is the growth rate of new businesses (1). One way to promote the growth of new businesses in developing countries is by providing access to financing and business development resources (2,3). It is essential to recognize that access to financing and business development resources is not enough. In many developing countries, entrepreneurs face additional challenges such as limited infrastructure, political instability, and a lack of skilled labor. To address these challenges, it is necessary to implement comprehensive policies that promote entrepreneurship and support the growth of small and medium-sized enterprises (SMEs). These policies may include providing training and education programs, improving access to markets, and encouraging public-private partnerships to invest in infrastructure development. By addressing these broader challenges, it is possible to create an enabling environment for new businesses to thrive in developing countries.

Another effective strategy to support the growth of new businesses in developing countries is by offering training and education programs that focus on entrepreneurship and business management skills (4). These programs can help entrepreneurs gain the knowledge, skills and attitudes they need to start and grow successful businesses especially entrepreneurial orientation, which can in turn stimulate economic growth and job creation in their communities (5). In addition to providing educational resources, these programs also offer networking opportunities for entrepreneurs to connect with mentors, investors, and other like-minded individuals, further increasing the chances of success for their businesses.

Additionally, governments and organizations can also provide mentorship and networking opportunities to connect entrepreneurs with experienced business leaders and investors, who can offer valuable advice and support (6). By offering a comprehensive range of resources and support, we can help new businesses in developing countries overcome the challenges they face and achieve their full potential. Furthermore, by providing access to financial assistance and business development programs, we can empower new businesses in developing countries to build strong foundations and thrive in today's competitive global market.

Entrepreneurial Orientation (EO) is a critical factor for new business success because it encapsulates the strategic posture of an organization that is innovative, proactive, and willing to take risks (7,8). These characteristics are essential for businesses, especially startups, to navigate competitive markets and achieve sustainable growth. EO influences not only the success of large firms in specific industries, such as the Thai property industry, where it positively affects project sustainability and business success, but also plays a significant role in the performance of small businesses (8).

2 Literature Review

Identification of the literature in this study is focused on articles that discuss the factors that influence entrepreneurial orientation and its consequences. According to research Wales et al, 2013, regarding entrepreneurial orientation can be grouped into three dimensions (9). The first is research on the factors that influence entrepreneurial orientation on the macro dimension. The scope of research on this dimension includes business environment, culture, and behavior of firm (10,11)

The second is the meso dimension which explores the factors that influence entrepreneurial orientation at the organizational and team level. Based on the literature, the scope of research on this dimension explores firm performance, team attribute, and knowledge management. The literature review also suggests that the research on this dimension could be expanded to include other relevant factors such as organizational culture, leadership style, and employee engagement. These factors may have significant impacts on firm performance, team dynamics, and knowledge management practices within an organization (12).

The third dimension is the micro dimension. The scope of research on this dimension includes risk taking, proactiveness, and competitive aggressiveness (13). The study also examines the relationships between these dimensions and other variables, such as innovation and entrepreneurialism, to gain a comprehensive understanding of their impact on organizational success.

3 Research Method

Due to the wide range of sub-topics related to entrepreneurial orientation, researchers often employ multiple keywords such as entrepreneurial orientation, individual entrepreneurial orientation, entrepreneurial intent, entrepreneurial intention, firm performance, team, leadership, networking, group, organization learning, culture, and productivity when searching for relevant articles. The article was obtained by researchers by searching journals published between 2007-2022 in several databases such as Google Scholar, Scopus and World of Science. After carefully reviewing the title, article keywords, and abstract, 35 articles were found that discussed the factors that influence entrepreneurial orientation.

The collected articles consist of topics related to organizational, personal, leader EO factors, knowledge transfer, proactive values, strategy, knowledge management. To identify groups of articles, the researcher examines each article in detail and collects them based on the research topic. Furthermore, the group of articles is reviewed and regrouped so that the theme of the group of articles can be formulated. After reviewing and regrouping the articles, the researchers were able to formulate a clear theme for each group, providing a comprehensive understanding of the topics under investigation.

4 Result and Discussion

Initially, studies on entrepreneurial orientation were carried out at the company level (14) and related to company performance (15). According to Todorovic et al. (2011) the construct of entrepreneurial orientation is rooted in the thinking of Mintzberg (1973) and Miles & Snow (1978). Mintzberg identified three types of strategies carried out by companies, namely, entrepreneurship, planning, and adaptation (16). Miles & Snow (1978) put forward the term prospector company, which is an opportunity-seeking company and the use of an entrepreneurial approach to business strategy (17). This strategy is used when the company faces a choice to decide which product to offer or which market to enter.

Referring to the use of an entrepreneurial approach in corporate strategy, Miller (1983) developed the concept of an entrepreneurial orientation by explaining each of its components consisting of a proactive attitude, the courage to take risks, and an innovative attitude. Miller (1983) states that these three components are important entrepreneurial aspects in business (14).

The operationalization of the concept of entrepreneurial orientation formulated by Miller (1983) was carried out by Covin & Slevin (1989) by developing an Entrepreneurial Strategic Posture (ESP) model at the company level (18). In addition to developing the model, Covin & Slevin (1989) also developed a measurement instrument and has been used extensively in research on entrepreneurial orientation at the company level (19).

Initially the orientation of the concept of entrepreneurial orientation developed by Miller-Covin-Slevin was used to define entrepreneurial behavior, but Lumpkin & Dess (1996) redefined the concept to be an act of creating new businesses (20). Lumpkin & Dess (1996) reviewed and then developed the concept of entrepreneurial orientation formulated by Covin & Slevin (1989). The aim is to clarify the differences in the concepts of entrepreneurial orientation and entrepreneurship (20). The results of a study conducted by Lumpkin & Dess (1996) stated that what is in entrepreneurship is explained by the creation of new businesses, while entrepreneurial orientation explains how to manage the creation of new businesses (21).

To expand upon the description and differentiation of key entrepreneurial processes, Lumpkin and Dess (1996) included two additional dimensions of entrepreneurial orientation, resulting in a total of five dimensions. The five dimensions are: a) autonomy; b) tendency to innovate; c) the courage to take risks; d) proactive attitude; and e) aggressive attitude in competition. These five dimensions are independent dimensions that can be used to explain the success of creating new businesses (20).

Based on the literature review conducted, there are eight definitions of entrepreneurial orientation developed by researchers in the period 1983 to 2009. The definitions of entrepreneurial orientation vary and can be categorized based on attitudes and processes. The diversity of definitions, categorizations, and levels of entrepreneurial orientation perspectives can be seen in table below.

Table 1.1. Definition of Entrepreneurial Orientation

Study	Definition	Category	Levels
Miller (1983)	Doing risky business, which comes with an innovative attitude that is carried out proactively to beat competitors.	Process	Meso
(18)	Strategic shape and top management to take risks, encourage innovation, and to proactively seek opportunities	Attitude	Meso
(21)	Decision-making processes, practices, and activities, including intentions, that drive entry into new markets.	Process	Meso
(22)	Process, structure, and/or behavior that can be described as aggressive, innovative, proactive, risk-taking, or autonomous.	Process	Meso
(23)	Organizational strategic orientation which includes entrepreneurial aspects of style, methods, and practices in decision making.	Attitude	Meso
(24)	Willingness to innovate, take risks, and take independent action, as well as be proactive and aggressive beyond competitors to opportunities that exist in the market.	Attitude	Meso
(15)	The process of devising a strategy that provides the basis for entrepreneurial decision-making and action for the organization.	Process	Meso
(25)	Individual attitudes towards entrepreneurial behavior, both within the company and the creation of new businesses.	Attitude	Micro

Source: data processing, 2023

Table 1.1 illustrates that there are four definitions that fall into the process category, namely those developed by Miller (1983), Lumpkin & Dess (1996), Lyon et al. (2000), and Rauch et al. (2009). There are four definitions that fall into the attitude category, definitions developed by Covin & Slevin (1989), McKelvie (2006), Li et al. (2009), and Wu (2009).

A meta-analytic study conducted by Rauch et al. (2009) on 51 studies regarding entrepreneurial orientation revealed the fact that 37 studies stated that entrepreneurial orientation was unidimensional and 14 studies stated it was multidimensional (15). The meaning of the unidimensional nature is that every construct of an entrepreneurial orientation must be seen as a unified whole and does not stand alone. Some researchers such as Covin & Slevin (1989) and Knight (1997) support the unidimensional nature on the grounds that each dimension has a relationship with entrepreneurial performance in the same way (18,26).

The multidimensional nature of the entrepreneurial orientation variable has the understanding that each dimension represents a different and independent aspect. Several other researchers such as Covin et al. (2006) and Lumpkin & Dess (2001) suggest that dimensions of entrepreneurial orientation can take the form of different combinations (multidimensional) (27,28). The consequence that arises is that each dimension has a relationship with entrepreneurial performance in a different way

Preliminary studies regarding entrepreneurial orientation tend to use multidimensional constructs. However, subsequent research found a pattern that each variable moves together in most research contexts (unidimensional) (29). Related to the concept of entrepreneurial orientation, a study conducted by Rauch et al. (2009) stated that most researchers tend to use the entrepreneurial orientation formula developed by Miller-Covin-Clevin. Therefore,

this study uses three dimensions developed by Miller-Covin-Clevin which are understood to have unidimensional properties.

Initially the concept of entrepreneurial orientation, developed by Miller (1983), was used as an organizational level construct to determine company performance (19,20). However, along with the development of research, several researchers such as Bolton & Lane (2012) and Rauch et al. (2009) stated that entrepreneurial orientation can also be used at the individual level. The reason is that several individual characteristics are often associated with the dimensions of entrepreneurial orientation, such as; innovative, proactive, and courage to take risks, competitive aggressiveness, and autonomy (30). To be different from the construct of entrepreneurial orientation at the company level, Bolton & Lane (2012) call this construct the name individual entrepreneurial orientation.

Based on the literature, the factors that influence entrepreneurial orientation at the individual level are the entrepreneurial orientation of the leader (31), personal characteristics and proactive values (32), recognition of opportunities, encouragement to be proactive, and the need for achievement (Wu, 2009) as well as political skills in entrepreneurship and the courage to take risks (33).

Factors that are a consequence of an individual's entrepreneurial orientation are decision making to create a new business at an international level (34), intention to become an entrepreneur (19,25), project success (31), individual performance (35), new business performance (33,36), innovative work behavior (37), firm performance (15,38), strategic learning capabilities (39), and commercialization of research results (40).

Schumpeter (1934) states that the tendency to innovate is an important element that is always present in the creation of new businesses. Shane & Venkataraman (2000) also stated that the tendency to innovate is an integral part of creating new businesses (41). This statement is similar to the opinion of Kropp et al. (2008) which states that this tendency to innovate is an important element for the success of new businesses (34).

Empirical study conducted by Azam et al. (2011) also revealed that religiosity has a major influence on the tendency to innovate (42). Conceptually, an innovative attitude is also an antecedent of creating new businesses and is a consequence of one's religiosity.

5 Conclusion and Recommendation

In general, it can be said that articles discussing entrepreneurial orientation provide logical arguments, but studies regarding the impact on groups or teams and organizations need to be carried out further. Some limitations have been found after conducting a literature review. Based on the analysis of the topic of the article, there are still identified research topics that have not been researched in each research area. We convey several recommendations for future research based on the findings from the review results.

Issues of definition and methodology

Understanding the factors that influence entrepreneurial orientation and their impact on work productivity in our literature review has not been proven empirically, this is because the approach used is mostly a qualitative approach and only a few have conducted quantitative research. The first issue that is generally agreed upon is entrepreneurial orientation is crucial aspect for new business creation success. The variety of conclusions and findings from the research that has been done shows the importance of formulating an operational definition of the research construct and its antecedents and consequences.

The research theme is relatively new and the nature of the research is exploratory, making most of the articles discussed in this literature review dominated by qualitative research, conceptual and case studies. In addition, almost all of the studies conducted used data that was most easily obtained from their social environment. Therefore the opportunity to use empirical methods is still open.

Development of theory and conceptual framework

From the results of the studies conducted, it can be said that only a few studies use established theories as the basis for analysis in their research. Not much research has developed a theoretical framework which can then generate hypotheses and then be tested. The studies that have been carried out are more of a critique of existing HRM theories, such as a study of different perspectives on motivation theory conducted by Ather et al., (2011).

Future research directions

A number of future research directions based on the results of the reviewed literature can be identified. Opportunities to develop research on factors that are still quite broad include the six research areas that are the focus of this research because the results and research points are still diverse. But specifically, we will explain research topics that have not been identified in this literature review and become opportunities for further research topics.

To end this article, we reiterate that this research aims to review articles that discuss the factors that influence entrepreneurial orientation and its impact on work productivity. In reviewing approximately 35 articles on this topic, we tried to organize it in a comprehensive framework which is expected to provide a basis for further discussion and research. The result of this study is that three dimensions of research regarding entrepreneurial orientation can be identified, namely; macro dimension, meso dimension, and micro dimension. Of the four dimensions, it was found that most researchers conducted studies on the micro dimension and most of the approaches used were qualitative approaches.

This article contributes to the enrichment of the literature regarding the factors that influence entrepreneurial orientation and their impact on work productivity by investigating research areas that have been carried out by previous researchers which are then formulated in a comprehensive framework so as to bring up views on research opportunities in the future. Several limitations appear in this article, namely the criteria for the article being reviewed are still general and do not include specific requirements. Further research can be carried out by selecting articles that use only an empirical approach so that the results can be even better. This research area is still relatively new, and requires a lot of additional research in the four research areas discussed in this article.

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