

## Investor Awareness and Financial Literacy: Its Role in Shaping Investment Preferences in North India

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### ABSTRACT

Entrepreneurial orientation (EO) has emerged as a central strategic position of firms, which must have competitiveness and survive particularly in the emerging markets characterized by institutional instability, resource scarcity and rapid consumer-markets. The empirical evidence is inconclusive, even after the rich body of research on the EO-firm performance relationship that has been done up to now, and the findings made in emerging economies remain patchy and context-dependent. This paper is filling this gap by redefining the role of entrepreneurial orientation on the definition of firm performance in emerging economies.

The core objective of the research is to investigate the impact of entrepreneurial orientation dimensions (innovativeness, proactiveness and risk-taking) on the performance of firms operating in the emerging economies. The study will also add to current knowledge on the role of EO towards a competitive advantage in an ever-changing and consumer focused market.

The quantitative research design was the one used to gather data in the form of a structured survey that was sent to the firms in the sampled emerging economies. The researchers employed good scales of measurement and employed powerful statistical techniques like regression and reliability analysis to test the hypotheses.

The findings indicate that the entrepreneurial orientation has a positive and significant impact on the performance of firms, yet innovativeness and proactiveness are more influential than risk-taking. These results confirm the value of strategic entrepreneurial behaviour in times of uncertainty and foster performance outcomes.

The theoretical implications of the study are also interesting because it expands the body of EO-related literature to the situation in emerging economies and creates value implications to managers and policymakers interested in building entrepreneurial promise and sustainable firm development

**Keywords:** Entrepreneurial orientation; firm performance; emerging economies; innovation capability; risk-taking; proactiveness..

### 1. INTRODUCTION:

relevance to describe how firms achieve competitiveness, flexibility and sustainability, particularly in emerging economies. EO means the strategic location of a company that shows willingness to innovate, risk and act on the market. The firms in an emerging economy tend to operate when there is institutional uncertainty, scarcity of resources and fluctuating consumer preference. These issues require strategic flexibility and innovation, and entrepreneurial orientation is a critical process of opportunity discovery, response to turbulent market conditions, and structural barriers. The role of EO in emerging economies is of great concern to both scholars and practitioners because of the rising influence of these economies in the world total economic growth.

One of the aspects of organisational success and competitiveness in the market is performance. It is not merely the financial outcomes such as profitability and sales growth but also the non-financial element such as the market share, customer satisfaction, brand recognition. The companies are facing the pressure of the local and foreign competitors in the new markets that are consumer oriented and highly competitive. To provide high

performance therefore requires more than operational efficiency, it requires strategic capabilities which will enable businesses to forecast market trends, innovation at all times and differentiation. Entrepreneurial orientation has thus been cited as a strategic resource that can enhance performance of firms by facilitating opportunity identification, facilitation of innovation and proactive market behaviour.

Despite the widespread research done on entrepreneurial orientation and firm performance, there exist a variety of limitations in existing literature. Empirical findings are usually not consistent with research findings that indicate a positive, weak or context dependent relation. Moreover, much of the old literature has focused on developed economies and therefore is not applicable to emerging markets that have different institutional environments and market dynamics. Financial performance measures are also effective in most research and overlook a broader performance aspect, which is particularly relevant in the emerging economy.

The existing gaps are what make the study have to be conducted. The emerging economies have a unique environment where entrepreneurial orientation may not be functional due to uncertainty and institutional gaps in

environment and shifting consumer behaviour. This paper aims at providing some context-specific insights into the performance implications of entrepreneurial orientation by focusing on the firms within the emerging economies and exploring EO as multidimensional construct. Specifically, it will explore the influence of innovativeness, proactiveness and risk taking on the performance outcomes in firms thereby creating theory and practice in dynamic and competitive emerging markets.

Research questions employed in the study are as follows:

What extent is the effects of entrepreneurial orientation on the performance of firms in emerging economies?

Which are the aspects of entrepreneurial orientation that have the greatest effect on the performance of the firm?

How are entrepreneurial orientation and firm performance related to the emerging economy?

These questions will enable the research to contribute to the body of knowledge on entrepreneurial orientation and provide practical implications to firms seeking to optimize performance in new, competitive, and dynamic emerging economies.

## 2. Literature Review

### 2.1 Concept of Entrepreneurial Orientation

This is the concept of entrepreneurial orientation, which is defined as follows (p.1).

Entrepreneurial orientation (EO) is widely accepted as a strategic concept, which explains entrepreneurial pose and behavioural disposition of a company. EO is grounded in the literature in strategic management and entrepreneurship and means that firms are involved in entrepreneurial activities but not that they are participants. Theorised to a large extent, it is a multidimensional construct that comprises of innovativeness, proactiveness, and risk-taking. The dimensions collectively define how businesses seek and utilize opportunities in uncertain and competitive conditions.

Anwar, Clauss, and Issah (2022) have defined innovativeness as the tendency of a company to make new ideas, experimentation, and creative processes that result in the development of new products, services, or technological process. The very innovative companies invest in research and development, encourage innovativeness and willing to go off-track. Innovativeness is particularly applicable in emerging economies, as firms are likely to be resource endowed and faced with institutional inefficiencies requiring innovative solutions and adaptive innovation rather than radical technological breakthroughs.

Busru, 2021, says that proactiveness is the manifestation of a progressive attitude of a company and the ability to anticipate and act on the changes in the market. The first-mover advantages that proactive firms seek are to introduce new products or venture new markets earlier than their competitors. Consumer-led markets are proactive, which makes companies respond swiftly to the changes in consumer preferences and the changing consumption habits. Proactiveness in emerging markets

enables companies to capture emerging opportunities and minimize environmental uncertainty because of dynamic market and rise of competition.

Hughes et al (2022) define risk-taking as willingness of firms to allocate significant resources in what they cannot be sure of the result. This includes exploration of new markets, exploration into new technology or launching of new products whose demand is not very familiar. Even though taking risks may be associated with the possibility of losses, it also contributes to achieving growth and competitive advantage. The unstable institutional environments and absence of access to finance may influence risk-taking behaviour in the emerging markets, and the key factor is strategic risk evaluation.

The EO within the consumer-driven and emerging market is vital in the firm behaviour and performance. Consumers in these markets are increasingly sophisticated and digital savvy and value oriented and require that firms never stop innovating and adapting. EO is a strategic perspective that enables companies to align entrepreneurial behaviour to consumer needs to enable sustainable development and competence in the market.

### 2.2 Firm Performance in Emerging Economies

As Susanto et al (2023) argue, firm performance is a compound concept which determines the level to which an organisation has achieved strategic and operational objectives. Performance has been traditionally measured using financial indicators such as profitability, revenue growth, return on investment and market share. The measures provide objective information on the economic performance of a firm, and they are largely used in the empirical studies. The use of financial indicators in the emerging economies can however be an incomplete measure of firm performance due to market volatility, informal ways of doing business and lack of financial transparency.

Yin et al (2023) suggest that result, non-financial performance measures have been increasingly studied in the literature. These are customer satisfaction, brand loyalty, innovation outcomes, employee engagement and reputational strength. These non-financial measures are particularly effective in the emerging markets where firms are interested in long-term survival, market penetration, and relationship-building, as opposed to short-term profitability. Consumer trust, service quality and brand recognition are the determinants of success of firms in such situations.

Consumer orientation is closely linked to the firm performance in the emerging economies. Competitive advantage is more likely to develop in companies that learn and take action proactively on consumer needs and stay in business. Consumer behaviour in emerging markets has also evolved radically due to rapid urbanisation, increased disposable income and digital transformation requiring customised products and better service experiences. Business organizations that align performance strategies to consumer expectations can guarantee improved financial and non-financial performance outputs.

Market forces in emerging economies also complicate performance measurement. The large competition, uncertainty in regulations and technology disruption causes firms to be agile and responsive. Flexibility, learning skills and the capacity to innovate is increasingly being coupled with performance. This dynamic perspective highlights strategic orientations, such as entrepreneurial orientation, as important factors in firm performance based on the traditional financial metrics.

### 2.3 Entrepreneurial Orientation and Firm Performance Relationship

As Amer and Bonardi (2023) note, the relationship between entrepreneurial orientation and performance of firms has been a heated research topic in entrepreneurship and strategic management. According to empirical evidence, EO positively influences the performance of the firms by way of innovation, identification of opportunities, and taking the initiative to participate in the markets. High entrepreneurial oriented companies are better positioned to adapt to environmental changes and exploit new opportunities, and improved performance.

However, there is not an unanimity in empirical data of the EO-performance relationship. The majority of studies indicate that the relationship is positive and significant, but some studies indicate weak, insignificant or negative effects. The inconsistent findings imply that the contextual influences of EO on performance may include industry, firm size, environmental turbulence and institutional conditions. These contextual factors are particularly applicable in emerging economies due to imperfect competition and uncertainty due to regulatory conditions.

Saiyed, Tatoglu, Ali and Dutta (2023) mention that some studies investigate the individual aspects of EO and the dissimilar effects on performance. The beneficial effect of innovativeness and proactiveness tends to be more intense and more durable as it substantially supports market responsiveness and differentiation. On the other hand, risk-taking has not been conclusive, as some researchers claim that excessive risk-taking may negatively affect performance in unstable situations.

Also, the EO-performance studies are primarily concentrated on developed economies and cannot be applied to developing markets. The new markets present various opportunities and challenges, which may rearrange the strength and course of the EO-performance relationship. This highlights the need to have empirical studies that are transparent enough; attend to new situations and consider financial and non-financial aspects of performance.

### 2.4 Research Gap and Hypotheses Development

Fariha, Hossain and Ghosh (2022) note that despite the wealth of literature regarding entrepreneurial orientation, some gaps are evident in the literature. First, the literature lacks localized analysis of emerging economies where institutional forces and the market forces differ significantly compared to the developed markets. Second, there are also limited studies that have examined the results of financial and non-financial performances as pertaining to EO. Third, the mediating effects of EO

dimensions on performance of companies in emerging markets have not been well studied.

To remedy these gaps, the paper examines the relation between entrepreneurial orientation and performance of firms in emerging economies particularly the individual dimensions of EO. The proposed research aims to provide a more comprehensive perspective of the contribution of entrepreneurial orientation towards firm success in complex market environments through a multidimensional approach to performance.

The hypotheses are as follows according to the literature review:

**H1:** The entrepreneurial orientation has a positive and significant effect on the performance of firms in emerging economies.

**H2:** There is a positive effect of innovativeness on firm performance within the emerging economies.

**H3:** Proactiveness positively affects the performance of firms in emerging markets.

**H4:** Risk-taking has a significant influence on the performance of new economy firms.

The hypotheses are the foundation of the following empirical analysis that informs the study of entrepreneurial orientation as a strategic source of firm performance.

### 3. Theoretical Framework and Conceptual Model

The study is informed by the Resource-Based View and Dynamic Capabilities theory because the two theories provide a good foundation of examining the relationship between entrepreneurial orientation and firm performance in emerging economies. Resource-Based View holds that the outcome of valuable and difficult to imitate resources is the sustainable competitive advantage. Entrepreneurial orientation is a major intangible resource that constitutes organisational behaviour and strategic judgement (Caputo and Ayoko, 2021).

Dynamic Capabilities theory of an extension to the RBV aims at the ability of a firm to integrate, develop and redesign both internal and external competencies on the basis of a rapid environmental change. The hallmark of the emerging economies is high uncertainty, institutional instability, and changing consumer preferences and the only solution is the dynamic capabilities that will keep the business alive. Entrepreneurial orientation helps in developing the dynamic capabilities through unremitting innovation, vigilant opportunity seeking and risk taking. Under these processes, firms can adapt to environmental fluctuations, capture new market opportunities, and remain competitive (Iriani et al., 2024).

According to this theoretical framework, entrepreneurial orientation is positively related to the performance of firms, and all EO dimensions influence the performance outcomes independently (Adnan et al., 2025). This model provides a clear description of empirical testing and how entrepreneurial orientation works as a strategic capability within emerging economies which drive firm performance.

### 4. Research Methodology

#### 4.1 Research Design

This paper suggests a quantitative research design to investigate the relationship between entrepreneurial orientation and firm performance in emerging economies. The cross-sectional survey is used due to the possibility to collect data concerning a large number of firms simultaneously and the prevalence in the study of entrepreneurship and strategic management (Nasution et al., 2021). The quantitative design is suitable to test the hypothesised relationship and guarantee objectivity and generalisation of the results. The research is based on deductive method, where theories are applied to generate hypotheses and available empirical literature applied to formulate hypothesis, and hypothesis tested with statistical instruments.

#### 4.2 Sample and Data Collection

Structured questionnaire is used to collect primary data that are collected online and through mail. The questionnaire will consist of 12 closed ended measures on five-point likert-scale to capture the perceptions of 80 respondents on the entrepreneurial orientation and firm performance. The respondents include owners, founders, senior managers, who are aware of their organisations strategic practices and performance outcomes (Gomes et al., 2022).

Reminders are done on follow up to enhance the response rates and the subjects will be assured of anonymity and confidentiality. A pilot study is conducted prior to the actual survey to refine the questionnaire, to test the clarity and reliability of the measurement items. Minor adjustments are done based on the pilot findings to improve the wording of the items and consistency. The 80-sample size is adequate to the minimum statistical power of a regression analysis and is equal to sample size limits generally applied in entrepreneurship and small-scale empirical research.

#### 4.3 Variables and Measurement Techniques

The study design is quantitative where the variables of interest are quantified by use of a structured questionnaire. Entrepreneurial orientation is an independent variable that is operationalised on three scales, that is, innovativeness, proactiveness, and risk-taking (Saleh and Manjunath, 2023). The dependent variable is the performance of the firm which is measured in non-financial and financial performance. This data is collected using 80 participants by 12 closed-ended questions on a five-point Likert scale. To get reliability and construct validity, all measurement items are founded on the earlier study validation. The composite scores are the mean items responses of each construct and which will enable a strict statistical test of relationships between the entrepreneurial orientation and the firm performance.

#### 4.4 Data Analysis Techniques

The correlations of the study variables are discussed with the aid of the Microsoft Excel. To begin with, the descriptive statistics like the mean, standard deviation and frequency distributions are used to summarise participant characteristics and key variables (Lopez-Lopez, Iglesias Antelo and Sousa, 2021). The direction and strength of the relationships between the dimensions of entrepreneurial

orientation and firm performance are then assessed using correlation analysis. Finally, the above research questions are tested through a series of regression analysis to determine the predictive value of innovativeness, proactiveness, and risk-taking on firm performance.

#### 4.5 Ethical Considerations

Ethics are maintained in the course of research. The respondents will participate voluntarily and informed consent will be obtained. The responses are anonymous and confidential, and the data are not used in practice. It conforms to institutional and international research ethics to uphold integrity, transparency and responsibility in the research process. Ethical factors took center stage during the research design and data collection, analysis and reporting of findings. The research study conformed to universal ethical standards such as respect to humans, beneficence, justice, and upheld the rights and well-being of all the subjects (Pinheiro, Daniel and Moreira, 2021).

The data collection was preceded by ensuring the respondents were highly informed of the purpose of the study, the voluntary nature of the research and of their right to withdraw any time without any negative consequences. All the respondents engaged in the survey with informed consent. They were not required to provide any personal identifiable data in keeping with the anonymity requirement and the responses were collected in an aggregated manner. The approach minimized the potential threats to the participants and encouraged genuine and honest responses (Andersen, 2021).

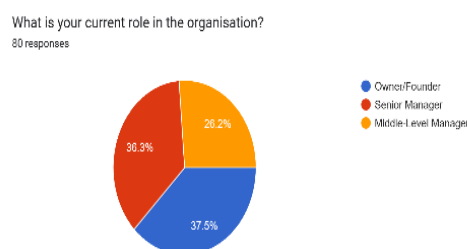
The paper also offered scholarly integrity in that it did not create, falsify or omit findings. The whole analysis was carried out in an objective manner and the results were exposed regardless of their response to the postulated hypotheses. Existing literature were properly cited and referenced thus preventing plagiarism and protecting intellectual property rights.

Overall, the ethical standards enhanced the study with credibility, reliability, and trust, thereby the study contributes to theoretical knowledge and practical inputs of entrepreneurial orientation and performance of firms in a responsible manner.

### 5. Results

#### Demographic result

##### Question 1



**Figure 1: Result of Question 1**

(Source: MS-Excel)

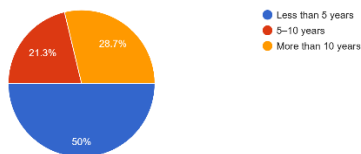
The sample is well distributed between managers and the owners/founders (37.5%) and the senior managers



(36.3%) make the majority which gives reliable and informed answers to study entrepreneurial orientation and firm performance.

## Question 2

How long has your organisation been in operation?  
 80 responses



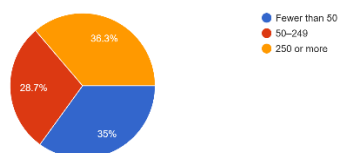
**Figure 2: Result of Question 2**

(Source: MS-Excel)

The results indicate that half of the organisations are rather young, less than five years old, and a large proportion are established businesses, which makes it possible to study different life-cycle stages of the organisation.

## Question 3

What is the size of your organisation in terms of number of employees?  
 80 responses



**Figure 3: Result of Question 3**

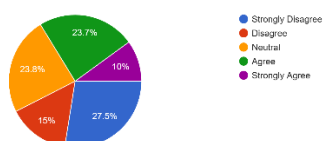
(Source: MS-Excel)

The sample reflects the distribution of the organisational size because it has small, medium sized and large firms and one can analyse sound the entrepreneurial orientation and performance at various organisational sizes.

## Variable analysis

## Question 4

Does your organisation frequently introduce new or improved products or services to the market?  
 80 responses



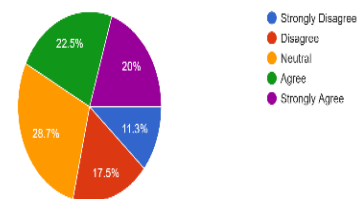
**Figure 4: Result of Question 4**

(Source: MS-Excel)

The results reveal ambivalent practices in innovation with high degree of agreeableness of presenting new or better offerings, with a high degree of neutrality and disagreement to show that not all organisations are equally innovative.

## Question 5

Does your organisation encourage creativity and experimentation in business processes?  
 80 responses



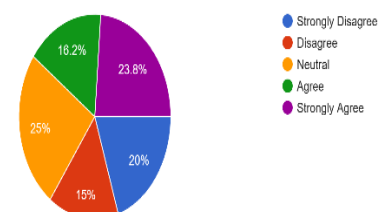
**Figure 5: Result of Question 5**

(Source: MS-Excel)

The findings imply that there are moderate support of creativity and experimentation with many of the respondents agreeing, a high level of neutrality and some disagreement that culture of innovation is not always embedded in organisations.

## Question 6

Does your organisation invest in innovative ideas or technologies ahead of competitors?  
 80 responses



**Figure 6: Result of Question 6**

(Source: MS-Excel)

The results indicate a cautious investment in high-agreement innovation in some of the organisations, high-neutral-disagreement reflecting varying strategic commitment to investing before competitors.

## Correlation Results

Does your org frequently introduce new or improved products or services to the market?	Does your org encourage creativity and experimentation in business processes?	Does your org invest in innovative ideas or technologies ahead of competitors?	Does your org frequently introduce new or improved products or services to the market?	Does your org encourage creativity and experimentation in business processes?	Does your org invest in innovative ideas or technologies ahead of competitors?	Does your org frequently introduce new or improved products or services to the market?	Does your org encourage creativity and experimentation in business processes?	Does your org invest in innovative ideas or technologies ahead of competitors?	
Does your	1								
Does your	-0.06798	1							
Does your	0.044213	-0.11429	1						
Does your	-0.0022	0.150728	-0.0397	1					
Does your	0.03329	0.15832	-0.18908	0.23564	1				
Does your	-0.02501	-0.1217	-0.08867	0.003794	0.130193	1			
Is your org	-0.02512	0.143626	-0.16251	0.059565	0.184643	0.004275	1		
Does your	-0.22499	-0.09993	-0.02899	0.01249	0.118074	0.292952	0.074375	1	
Is your org	-0.00923	0.104024	0.197613	0.208071	0.022177	0.007926	0.005369	-0.17862	1

**Figure 7: Result of Correlation**

(Source: MS-Excel)

The correlation table presents an idea of the relationship between the 9 items of entrepreneurial orientation that portrays innovativeness, proactiveness and risk-taking. Overall, the correlation coefficients are low to moderate, indicating that items do not overlap or are redundant but indicate various dimensions of entrepreneurial orientation

(Khan et al., 2021).

Introducing new products, promoting creativity and investing in innovative technologies are weak and even negative in the innovativeness dimension. This means that innovation practices may not be concurrent in organisations. Other firms may introduce new products without having effective internal creativity systems but others may encourage experimentation but spend sparingly on advanced technologies.

There are moderate positive relations in case of proactiveness. Response to competitive pressure ( $r \approx 0.24$ ) and aspiration to become a first mover are positively correlated with the future customer need anticipation and demonstrate internal consistency in the dimension (Lomineishvili, 2021). These results indicate that active organisations that scan markets have a higher probability of being active and explore competitive leadership strategies.

There are inconsistent relationships between risk-taking dimension reports. Under uncertainty, risk-taking may be positively associated with initiative and anticipating market trends, which means strategic foresight can add to the calculated risk-taking. However, the negative correlation between the introduction of new products and taking risks in case of possible failure ( $r \approx -0.22$ ) implies that there exist organisations that can take part in incremental innovation but are not risk-takers.

Subtle relationships also exist in cross-dimensional correlations. To explain the argument, proactiveness items are positively correlated with comfort in making strategy decisions in uncertain situations that further explain the argument that proactive companies are more confident in uncertain situations. Conversely, weak or negative correlations are also present, meaning that entrepreneurial orientation dimensions may not represent a single behaviour (Expósito, Sanchis-Llopis & Sanchis-Llopis, 2022).

Overall, the results of the correlation justify the decision to treat innovativeness, proactiveness, and risk-taking as similar but different constructs. This warrants their inclusion as independent variables in the future regression analysis to determine their varying effect on firm performance.

### Descriptive Results

**Figure 8: Descriptive Results**

(Source: MS-Excel)

The descriptive statistics provide an overview of the perception of respondents on entrepreneurial orientation in three dimensions of: innovativeness, proactiveness and risk-taking. Overall, the average of all nine items is between 2.74 and 3.23 and, therefore, the entrepreneurial

orientation of sampled organisations is moderate. The average score is most common in business processes that promote creativity and experimentation ( $M = 3.23$ ), in other words, the majority of organisations promote internal creativity. The lowest mean ( $M = 2.74$ ) in the introduction of new or better services or products is a sign of a relatively conservative product innovation among firms.

Most items take the median of 3 (the neutral position of most respondents) and modes depend on questions, indicating the heterogeneity of organisational behaviours. The standard deviations range between 1.27 and 1.45, which shows moderate dispersion and reflects variations in the use of entrepreneur practices across organisations (Elgarhy and Abou-Shouk, 2023). It is particularly prominent with the products that are related to first-mover behaviour and investment in new technology, when a higher dispersion means unequal strategic investment (Hughes et al., 2021).

All skewness is close to zero indicating that the distribution is probably symmetric and that extreme response bias may not be present. Similarly, the negative kurtosis values of all items indicate comparatively flat distributions implying that the responses are not concentrated about the mean. The following distributional properties make it possible to conclude that the data may be employed in a parametric statistical test, such as correlation and regression.

The risk items like willingness to invest in uncertain project ( $M = 2.91$ ) and comfort with decision making in uncertain situation ( $M = 2.84$ ) also have low means compared to proactiveness related items, which means that organisations are conservative towards risk taking. Overall, descriptive results indicate that entrepreneurial orientation is moderate, and it is oriented more towards internal creativity and proactive awareness than aggressive innovation and risk-taking. This trend represents the realistic strategic behaviour that is characteristic of the emerging economy environment.

### Regression Results

SUMMARY OUTPUT									
Regression Statistics									
Multiple R	0.30333								
R Square	0.092009								
Adjusted R Square	0.003732								
Standard Error	1.270266								
Observations	80								
ANOVA									
	df	SS	MS	F	Significance F				
Regression	7	11.7725267	1.681789	1.042274642	0.408732253				
Residual	72	116.1774743	1.613676						
Total	79	127.95							
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%	
Intercept	2.894542	0.762136198	3.797932	0.000302024	1.375250917	4.413832	1.375251	4.413832	
Does your organisation invest in research and development?	-0.08968	0.104624661	-0.85718	0.394191595	-0.298247237	0.118884	-0.29825	0.118884	
Does your organisation actively seek new products or services?	0.087792	0.109506067	0.801713	0.425357077	-0.13050392	0.306089	-0.1305	0.306089	
Does your organisation typically introduce new products or services?	0.117101	0.116773959	1.002797	0.319317318	-0.115684096	0.349885	-0.11568	0.349885	
Does your organisation aim to be a market leader?	-0.11956	0.104010864	-1.06393	0.296919129	-0.31802031	0.066652	-0.318	0.066652	
Is your organisation willing to imitate others?	0.093514	0.103320786	0.905082	0.368440602	-0.11245243	0.29948	-0.11245	0.29948	
Does your organisation take bold risks?	-0.06737	0.111183982	-0.6059	0.546489823	-0.289007046	0.154275	-0.28901	0.154275	
Is your organisation comfortable with uncertainty?	0.079433	0.107059619	0.741949	0.460531994	-0.133986717	0.292852	-0.13399	0.292852	

**Figure 9: Regression Results**

(Source: MS-Excel)

Through the regression analysis, the effect of the selected dimensions of entrepreneurial orientation on firm performance is established depending on 80 respondents. The total model explains a low percentage of the variance in the dependent variable with  $R^2$  value of 0.092 meaning that about 9.2 percent of the variance in firm performance is explained by the predictors used. Adjusted  $R^2 = 0.004$  shows that the model does not explain the number of

independent variables very well. According to the multiple correlation coefficient ( $R = 0.303$ ), there is a weak general dependence between the independent variables and the performance of the firms.

The results of ANOVA show that the regression model is not statistically significant ( $F = 1.04$ ,  $p = 0.410$ ) meaning the variables of the entrepreneurial orientation do not significantly predict the firm performance in the sample. This means other unobservable variables may be present with a significant influence on the performance results within the context of study.

At an individual level, the independent variables do not have a significant effect on firm performance because all the  $p$ -values exceed the traditional 0.05 threshold. Variable with respect to the prediction of customer needs and responding to threats of competition portrays positive coefficients and there is likelihood of positive relationship with performance though the relationship is weak and non-significant.

Conversely, the coefficients of innovative technologies, first-mover behaviour, and aggressive action regardless of the possible victory are negative, implying that aggressive innovation and risk-taking are not, in fact, positively correlated with performance in this sample (Oduro, 2023). The intercept, irrespective of the predictors, is significant and indicates minimum level of firm performance.

Overall, regression results show that, though the behaviours of entrepreneurial orientation can rest on the performance of firms, it does not do so directly in this instance. These findings justify the importance of contextual and moderating variables, particularly in new economies, in the analysis of the entrepreneurial orientation-performance relationship.

## 6. Discussion

The purpose of this study was to examine the relationship between firm performance and entrepreneurial orientation dimensions in an emerging economy context. Despite the moderately high innovativeness, proactiveness and risk-taking in organisations, regression analysis revealed that the three variables were not significant determinants of firm performance.

The regression model predicted a fairly small percentage of performance of firms ( $R^2 = 0.092$ ) and the whole model was non-significant (Cheung et al., 2024). This means that the entrepreneurial orientation behaviours may not be sufficient to promote performance in the sampled organisations. The first reason could be that the entrepreneurial performance benefits of emerging economies may be eroded by the institutional constraints, limited access to finance, regulatory uncertainties and infrastructural constraints. Though companies can be active, or even innovative, external factors can impair their ability to translate such activity into performance gains.

The proactiveness-related behaviours, such as the necessity to foresee customer needs and react to competitive pressure, produced positive coefficients but were not statistically significant at the individual variable level (Hossain et al., 2022). This trend also suggests that forward-looking strategies may still play a role in

performance shaping, but other organisational competencies, such as market competence or operating effectiveness, may mediate its impacts.

However, the coefficients of variables that pertained to aggressive innovation and first-mover behaviour were interestingly negative. This finding conforms to the descriptive results which indicated cautious innovation practices and moderate risk taking among organisations. First-mover strategies based on high-technology may place firms in high levels of uncertainty and financial risk in emerging economies, undermining short-term performance (Yu, Wiklund and Perez-Luno, 2021).

The findings overall are that entrepreneurial orientation is not an overall performance driver and its effectiveness is highly contextual and organisational. This will help elucidate the findings of the past studies and justify the need of a more nuanced explanation of how the entrepreneurial behaviours work in the developing markets.

## 7. Implications

### 7.1 Theoretical Implications

The paper contributes to the literature on the existence of entrepreneurial orientation by showing that the EO firm performance relationship is contingent in the emerging economies. Although the literature on entrepreneurship suggests otherwise, the findings also indicate that the dimensions of entrepreneurial orientation may not necessarily result in high performance. This contradicts the assumption of a universally beneficial strategic stance of EO and promotes the views that rely on contingency (Rachmawati, Suliyanto & Suroso, 2022).

The research is a contribution to the existing theory in that it empirically shows an indirect and low-level direct effect of the entrepreneurial orientation to be that it is an enabling or supporting capability and not the driver of performance. The findings also support the necessity to research the aspects of EO individually since the effects are varied in direction and magnitude. It assists in conceptualising EO as multidimensional and invites future studies to add mediating and moderating variables, such as environmental turbulence, institutional support, and organisational capabilities (Elgarhy and Abou-Shouk, 2023).

In addition to this, the study gives empirical findings in an emerging economy context in a literature gap that has been dominated by developed markets studies. This contextual input makes the entrepreneurial orientation theory more generalisable and realistic.

### 7.2 Managerial and Practical Implications

The findings highlight to managers and entrepreneurs how they need to implement a context sensitive balanced entrepreneurial orientation. The proactive, innovative, and risk-taking are good but they should not be followed blindly (Makhloufi et al., 2021). Managers of emergent economies must consider a second time before they invest in aggressive innovation or first-mover strategies, to establish market, resource, and institutional preparedness.

The results show that, when uncertain, small-scale innovation and responsiveness of the market may be better

than the high-risk projects. Firms should encourage entrepreneurship using internal capabilities, which include market intelligence, operational efficiency and strategic planning. Long-term effects are still possible even with minimal short-term performance outcomes since organisational creativity and proactive thinking can be facilitated (Hashmi et al., 2025).

The findings to policy makers reveal the need to create positive ecosystems in which firms can convert entrepreneurial orientation to performance outcomes. The entrepreneurial strategies can be more effective with improved access to finance, reduced regulatory complexity, and better infrastructure on innovation, which can result in sustainable economic growth.

## 8. Conclusion

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