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INDIVIDUAL DIMENSIONS OF ENTREPRENEURIAL ORIENTATION (EO) CONSTRUCT, RESOURCES AND FIRM GROWTH: EVIDENCE FROM INDIAN SMALL & MEDIUM ENTERPRISES (SMES) (SUMMARY)

Rakesh Gupta

Delhi University, guptark123@rediffmail.com

Prashant Gupta

International Management Institute (IMI)

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≈ SUMMARY ≈

**INDIVIDUAL DIMENSIONS OF ENTREPRENEURIAL ORIENTATION
(EO) CONSTRUCT, RESOURCES AND FIRM GROWTH: EVIDENCE
FROM INDIAN SMALL & MEDIUM ENTERPRISES (SMES)**

Rakesh Gupta, Delhi University, India

Prashant Gupta, International Management Institute (IMI), India

Principal Topic

The term “entrepreneurial orientation (EO)” has been used to refer firm’s strategic approach or the processes or styles of firms that engage in entrepreneurial activities. Miller (1983) articulated firm level entrepreneurship as the display of firm’s innovative, pro-active and risk-taking approach where these dimensions co-vary. Lumpkin & Dess (1996) argued that EO Construct comprises five dimensions, which act independently. There has been ongoing debate about the dimensional nature of EO Construct whether it comprises three dimensions in a uni-dimensional construct or five dimensions in a multidimensional construct. Most studies highlight that firms with higher entrepreneurial orientation (EO) perform better. But the empirical evidence about EO-Firm Performance relationship has been weak or inconsistent. There can be number of reasons behind these inconclusive and at times contradictory findings. This research explores two of the possible reasons, one about dimensional nature of EO Construct comprising five dimensions which vary independently. Further many scholars have argued the role of various external and internal factors moderating EO-Firm Performance relationship. Very few studies have examined the role of resources with some prominent scholars highlighted the need to integrate EO and Resource Based View (RBV). This study examines the moderating influence of resources on individual EO dimensions as this can lead to better utilization of resources by allocating them only on those dimensions of EO Construct which contribute to firm performance.

Method

Keeping these objectives in mind, this study empirically examines the multidimensional nature of EO Construct comprising five independent dimensions and the moderating influence of resources on each dimension of EO using contingency approach. The study used a random sample of 223 small and medium enterprises (SMEs) from Delhi and National Capital Region (NCR) of India in a cross-sectional research design using hierarchical regression method.

Results and Implications

The findings of this research make several contributions to EO literature; first it advances the cause of examining the dimensional nature of EO Construct through five independent dimensions arguing that it better captures the entrepreneurial nature of firm. Secondly by examining the moderating influence of resources on individual EO dimensions, this study makes an attempt to integrate the EO Construct with RBV, which can lead to better utilization of limited resources by small firms. It captures firm performance through measuring firm growth using indicators of sales and employment growth and makes an attempt to study EO-Firm Growth relationship in the context of emerging markets.

CONTACT: Rakesh Gupta; guptark123@rediffmail.com; (T): 91-9313999520; Delhi University, India, 110007.