

Linking entrepreneurial orientation with organisational performance of Christian entrepreneurs in Udupi district, Karnataka: An empirical inquiry

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ABSTRACT

Entrepreneurship plays a vital socio-economic role in employment generation, resource utilisation and overall economic growth. The entry of new entrants creates healthy competition among existing players. With the Indian government launching various schemes to promote entrepreneurship in India, enterprises have been growing all over the country, with many start-ups making considerable impacts on the economy in the past few years. However, due to the pandemic, enterprise growth has witnessed a slowdown. Entrepreneurial orientation is the reflection of the strategic orientation of an organisation. This study examines the entrepreneurial orientation among Christian entrepreneurs in the Udupi district and its effect on enterprise performance. The study surveyed 73 entrepreneurs through personal interviews. The study concludes that only three dimensions of entrepreneurial orientation out of five, such as innovativeness, risk-taking, and autonomy, influence organisational performance. While the competitive aggressiveness and pro-activeness did not show any effect on organisational performance.

Keywords: Entrepreneurship, Christian, organisational performance, Udupi

1. INTRODUCTION

Entrepreneurship is the capability of an individual to innovate. An entrepreneur sees opportunities in a given situation, where others see none and has the composure to transform an idea into a reality [1]. The conception of entrepreneurship as 'enterprise conduct' has been a notable development in the entrepreneurial literature [2]. The entrepreneurial actions continue even after the enterprise's initiation [3]. Researchers have

widely acknowledged the potential contribution of entrepreneurship to developed and developing countries [4-5].

Entrepreneurial orientation is the reflection of the strategic positioning of a firm. Therefore, it deals with the manner of entrepreneurial conduct [6]. According to Jantunen *et al.* (2005), entrepreneurial behaviour, as characterised by entrepreneurial orientation, is aimed to constitute "a potential source of competitive advantage" [7]. Lumpkin & Dess (1996)

described innovativeness, competitive aggressiveness, risk-taking propensity, autonomy and pro-activeness as the five dimensions of entrepreneurial orientation [8]. In addition, entrepreneurial orientation persuades organisational performance amid environmental uncertainty [9]. Prior investigations on entrepreneurship literature reveal a positive relationship between entrepreneurial orientation and business performance [10-11]. Entrepreneurial orientation is essential to better performance and outsmarts rivals in all types of businesses [12]. However, the antecedents of entrepreneurship and associated performance "depend on contextual circumstances and may vary very significantly in intensity across locations" [13].

Entrepreneurial orientation

Entrepreneurial orientation has gained considerable attention among researchers and has become a significant area of inquiry for academicians and practitioners. It has frequently been described as the extent to which an organisation exhibits innovativeness, reveals pro-activeness, favours risk-taking, shows competitive aggressiveness and supports autonomy [8, 14-17]. Scholars in the field of entrepreneurship opine that individual behaviour linked to entrepreneurial orientation determine organisational performance. Entrepreneurial orientation is the inclination of entrepreneurs ability to assume risk, exhibit creative thinking, and display pre-emptive and competitive aggression [18]. Entrepreneurial orientation is a comprehensive organisation concept and comprises several facets of a

company's culture and value system [19]. The entrepreneurial orientation is a combined measure of innovativeness, risk-taking and pro-activeness, signifying the firm's strategic orientation [15]. Also, it is a construct that exhibits the entrepreneurs' techniques, practices, and decision-making styles [8]. Ireland *et al.* (2003) described entrepreneurial orientation as an opportunity-seeking behaviour [20].

It is vital to understand the effect of various strategic approaches of the organisation according to the dynamic environment [21]. The literature survey reveals multiple views on entrepreneurial orientation. Few studies consider entrepreneurial orientation a one-dimensional concept, while others argue that various entrepreneurship components have contrasting influences on an organisation's performance. While all five dimensions of entrepreneurial orientation, such as innovativeness, pro-activeness, risk-taking, competitive aggressiveness and autonomy, are essential for an organisation's success are shown to influence business performance.

Organisational Performance

Covin & Slevin (1991) presented an entrepreneurship model with organisational performance as the dependant variable [22]. Individual performance with autonomy is essential for performing business tasks efficiently [23]. Innovativeness indicates the entrepreneur's enthusiasm to discover new prospects and novel solutions to business problems [24]. Elevated levels of entrepreneurial orientation favour identifying

and pursuing the business prospects [25]. As an entrepreneurial dimension, pro-activeness contributes to the organisation performance based on the business context [8]. Although, if productivity is not enhanced, pro-activeness will not impact organisation's performance [25]. On the other side, competitive aggressiveness influence business performance [26].

Wiklund & Shepherd (2003) showed superior business performance due to entrepreneurial orientation [10]. On the other hand, Dess & Lumpkin (2001) noted poor business performance owing to entrepreneurial orientation [27]. In contrast, research by Covin *et al.* (1994) did not reveal any correlation between entrepreneurial orientation and business performance [28]. Thus, the present literature on entrepreneurial orientation and business performance contradicts each other. Moreover, the entrepreneurial orientation and related business performance of Christian entrepreneurs of Indian entrepreneurs are under-researched. Therefore, we presume dimensions of entrepreneurial orientation have varying impacts on organisational performance, viz. sales growth rate and market share. Consequently, we hypothesise:

H1: Entrepreneurial orientation affects the measure of organisational performance, sales growth rate

H2: Entrepreneurial orientation affects the measure of organisational performance, market share.

The institutional environment in India is in the midst of a large-scale transition. Currently, the Indian business environment is very conducive

to entrepreneurial activities. Moreover, the Indian government is stressing the need for promoting entrepreneurship as a solution to unemployment and economic growth. Against the above backdrop, it is pertinent to analyse the orientation of Christian entrepreneurs and its impact on enterprise sustainability. Accordingly, this study is an effort to examine the effect of entrepreneurial orientation dimensions on organisational performance in the Udupi district, India.

2. METHOD AND MATERIALS

2.1. Research design

The study pursued a descriptive research design. District Industries Centre (DIC) membership list of the Udupi district served as the sample frame for identifying the respondents. As the study focuses on minority entrepreneurship, Christian entrepreneurs operating their businesses in the Udupi district are deemed appropriate for the study. A structured questionnaire was prepared for the collection of data.

2.2. Participants

Christian entrepreneurs operating their business currently in the Udupi district constitute a population of 90 were considered sample elements.

2.3. Data collection and analysis

Entrepreneurs' responses were obtained through personal interviews using a structured questionnaire was used for this study. Using Slovin's formula, sample size

$$n = \frac{N}{(1+Ne^2)} \quad \dots eq. 1$$

Where:

n = sample size,

N = population size,

e = margin of error

the sample size estimated was 73 entrepreneurs. A structured questionnaire was prepared for the collection of data. The questionnaire consists of three sections: demographic and business profile, entrepreneurial orientation, and business performance. A pilot study to test the content validity, construct validity, and criterion validity before administering the questionnaire to the respondents. The data collected were interpreted using percentage and multiple regression analysis.

3. RESULT AND DISCUSSION

The study examined the demographic factors such as gender, age and sect of the entrepreneurs. In addition, the business profile provides the age and nature of the unit.

The sample consists of 72.60% male respondents and 27.40% female respondents. Most of the respondents (68.49%) are in the age group 41-50, 17.81% are from 31-40, while no respondents were available in the 21-30 age group. The majority of the respondents (72.60%) belong to Roman Catholic, 13.70% belong to Protestants, 8.22% are Syro Malankara, and 2.74% are Syro Malabar and New life. The majority (97.26%) of the

entrepreneurs are from the nuclear family, while only a few respondents (2.74%) are from joint families. Four Taluks were surveyed in the Udupi district. Most of the respondents (58.90%) were from Udupi Taluk, 27.40% from Karkala and 13.70% from Kundapura. Most of the respondents (68.50%) in the Udupi district own a Manufacturing unit.

Among the five entrepreneurial dimensions considered in table 2, innovativeness ($\beta = 0.304$, $p = 0.008$), risk-taking ($\beta = 0.288$, $p = 0.041$), and autonomy ($\beta = 0.313$, $p = 0.004$) are found significantly influencing the measure of organisational performance, sales growth rate. While dimensions such as proactiveness and competitive aggressiveness did not show any influence on the organisational performance.

Table 3 indicate that the adjusted R-squared value for the business performance is $\beta = 0.330$, $p = 0.000$. Thus, 33 percent of the variation in business performance is caused by the three dimensions of the entrepreneurial orientation such as innovativeness, risk-taking and autonomy. Thus, hypothesis H1 is accepted.

Among the five entrepreneurial dimensions considered in table 2, innovativeness ($\beta = 0.264$, $p = 0.019$), risk-taking ($\beta = 0.289$, $p = 0.038$), and autonomy ($\beta = 0.313$, $p = 0.003$) are found significantly influencing the measure of organisational performance, market share. While dimensions such as proactiveness and competitive aggressiveness did not show any influence on the organisational performance.

Table 1. The demographic and business profile

		Frequency	Percentage
Gender	Male	53	72.60%
	Female	20	27.40%
	Total	73	100.00%
Age	20-30	0	0.00%
	31-40	13	17.81%
	41-50	50	68.49%
	51-60	10	13.70%
	Total	73	100.00%
Sect	Roman Catholic	53	72.60%
	Syro-Malabar	2	2.74%
	Syro-Malankara	6	8.22%
	Protestants	10	13.70%
	New life	2	2.74%
	Total	73	100.00%
Type of family	Nuclear Family	71	97.26%
	Joint Family	2	2.74%
	Total	73	100.00%
Talukas of the unit	Udupi	43	58.90%
	Karkala	20	27.40%
	Kundapura	10	13.70%
	Total	73	100.00%
Nature of the Unit	Manufacturing	50	68.50%
	Service	23	31.50%
	Total	73	100.00%

Table 2. Regression analysis to measure the effect of dimensions of entrepreneurial orientation on business performance: Sales growth rate

Coefficients ^{a,1}					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.297	0.612		0.484	0.630
Innovativeness	0.286	0.105	0.304	2.729	0.008*
Risk-taking	0.144	0.069	0.288	2.084	0.041*
Autonomy	0.160	0.053	0.313	3.002	0.004*
Proactiveness	-0.054	0.067	-0.107	-0.809	0.422
Competitive aggressiveness	0.028	0.055	0.067	0.510	0.612

*a. Dependent Variable: Business Performance: Sales growth rate

Table 3. Model summary

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.614 ^a	0.377	0.330	0.567

* a. Predictors: (Constant), Competitive aggressiveness, Autonomy, Innovativeness, Proactiveness, Risk-taking

Table 4. Regression analysis to measure the effect of dimensions of entrepreneurial orientation on business performance: Market share

Coefficients ^{a*}					
	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.131	0.629		0.208	0.835
Innovativeness	0.259	0.108	0.264	2.407	0.019*
Risk-taking	0.151	0.071	0.289	2.122	0.038*
Autonomy	0.167	0.055	0.313	3.048	0.003*
Proactiveness	-0.003	0.069	-0.006	-0.045	0.964
Competitive aggressiveness	0.023	0.057	0.053	0.409	0.684

*a. Dependent Variable: Business Performance: Market share

Table 5. Model Summary

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.629 ^a	0.395	0.350	0.582

a. Predictors: (Constant), Competitive aggressiveness, Autonomy, Innovativeness, Proactiveness, Risk-taking

Table 5 indicate that the adjusted R-squared value for the business performance is $\beta = 0.350$, $p = 0.000$. Thus, 35 percent of the variation in business performance is caused by the three dimensions of the entrepreneurial orientation such as innovativeness, risk-taking and autonomy. Thus, hypothesis H2 is accepted.

4. CONCLUSION AND RECOMMENDATIONS

The current study extends the literature through empirical evidence in support of entrepreneurial orientation. Furthermore, the survey shed light upon the entrepreneurial orientation among Christian entrepreneurs in the Udupi region. The research findings imply that three dimensions of entrepreneurial orientation, viz. innovativeness, risk-taking, and autonomy, positively influence organisational performance. We do not contend with the universality of results. However, the research has contributed more than one way.

Future research can explore the entrepreneurial orientation among other communities in Karnataka. Also, it will be worthy of ascertaining whether there exists a considerable difference in the entrepreneurial orientation among Christian entrepreneurs and other community entrepreneurs in India. The findings would help Government and Minority welfare departments in policy formulations and significantly improve entrepreneurial orientation among the Christian population.

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6. CONFLICT OF INTEREST

The authors have declared that there is no conflict of interest.

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NA

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