

**MICRO ENTREPRENEURSHIP: A STUDY OF  
STRATEGIC ORIENTATION AND BUSINESS  
PERFORMANCE**

Thesis Submitted For the Award of the Degree of

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**In**

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**LOVELY PROFESSIONAL UNIVERSITY**  
**PUNJAB**  
**2024**

## **DECLARATION**

I, hereby declared that the presented work in the thesis entitled “Micro Entrepreneurship: A Study of Strategic Orientation and Business Performance” in fulfillment of degree of **Doctor of Philosophy (Ph.D.)** is outcome of research work carried out by me under the supervision of Dr. Harpreet Singh Bedi, working as Professor, in the Mittal School of Business of Lovely Professional University, Punjab, India. In keeping with general practice of reporting scientific observations, due acknowledgements have been made whenever work described here has been based on findings of other investigator. This work has not been submitted in part or full to any other University or Institute for the award of any degree.



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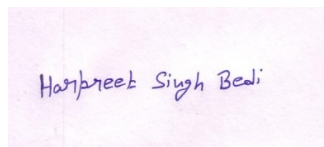
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## **CERTIFICATE**

This is to certify that the work reported in the Ph.D. thesis entitled “Micro Entrepreneurship: A Study of Strategic Orientation and Business Performance” submitted in fulfillment of the requirement for the reward of degree of **Doctor of Philosophy (Ph.D.)** in the Mittal School of Business, is a research work carried out by Ms. Heena, 41900034, is bonafide record of his/her original work carried out under my supervision and that no part of thesis has been submitted for any other degree, diploma or equivalent course.

A rectangular box containing a handwritten signature in blue ink that reads "Harpreet Singh Bedi".

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## **Abstract**

MSMEs (Micro, small and medium sized enterprises) have been acknowledged as vital component of economic growth. MSMEs are crucial for the expansion of GDP, employment generation with reduced capital cost, poverty eradication, and creation of income and reassuring self-sufficiency with minimal means.

Before independence, entrepreneurship was confined to religious, social and cultural severities. Independence brings a significant move in micro entrepreneurial segment. Different entrepreneurial development programmes were conducted to encourage people at that time (Bhovi, 2016; Swetha et.al, 2013). Later on, many researchers put their efforts to know the problems in micro entrepreneurship.

In the era of globalization where every small firm wants to perform globally, the heightened competition pose a great threat for micro entrepreneurs and restricts them to expand their business worldwide (Haapaniemi, 1998). An entrepreneur has to compete aggressively to maintain its position in the market (Dash & Kaur, 2012; Raeesi et al., 2013; Mahiuddin et al., 2015).

Different researchers in their study summed up a variety of barriers. The main constraints' faced in micro entrepreneurship are a lack of capital, business information, technology, and skilled labour, challenges in procuring raw materials, marketing and distribution challenges, and government policy and regulations. These restrictions might be different in different regions, sectors, or type of enterprises (Tambunan, 2011; Nishanth & Zakkariya, 2014).

Strategic orientation could be a solution to various problems of MSMEs. Strategic orientation is basically related with the process of defining strategy (Mintzberg, 1973). The constructs of strategic orientation includes innovativeness, proactiveness, competitiveness and risk taking which leads towards contextual firm's performance (Lumpkin & Dess, 1996; Covin & Slevin, 1989; Miller, 1983; 2011, Kreiser & Davis, 2010; Grünhagen et al., 2014). Strategic orientation of firm is a significant indicator of its performance.

Literature reveals benchmarks to measure the performance of an enterprise which includes financial and non-financial standards, technical and operational

measures, objective and subjective yardsticks (Combs et al., 2005; Globerson, 1985; Hoffman et al., 1991; Kreiser et al., 2002; Clercq et al., 2010). Scholars approved that growth of a firm is governed by its age. They claimed that the chances of survival of the firm increases with the age and its hazard rate drops with time. New firms are not supposed to be able to attain economies of scale for the reason of their insufficient managerial resources and proficiency.

Micro entrepreneurship is contributing significantly to the expansion of the economy but it is found that micro entrepreneurship is relatively a less researched area in entrepreneurship literature. Micro enterprises are facing many problems in diverse areas. Although government has taken numerous initiatives, there is still a low level of awareness among entrepreneurs. So there is a need to access the level of awareness of these micro enterprises.

There is a need to know what type of problems they are facing and why these enterprises find it incompetent to move to the next level. Strategic orientation related to micro entrepreneurship has also received very limited attention of academicians and researchers. There is also need to study their strategic orientation and how their strategic orientation impacts the business performance. Hence the objectives of the study are:

1. To identify the challenges faced in micro entrepreneurship.
2. To assess the degree of awareness of micro enterprises regarding the promotional schemes of Government of India for micro enterprises.
3. To study the effects of strategic orientation of micro enterprises on the performance of their business.
4. To study the role of the age of the firm in strategic orientation- business performance relationship.

## **Research Methodology**

The study is primarily descriptive. The current study has been conducted using a cross-sectional design. Research instrument has been developed and the data from micro entrepreneurs has been collected through survey method. Quota and convenience sampling technique has been adopted to ensure the true representation of the population.

## **Sample Design**

The reports of Government of India, Development commissioner (Micro, small and medium enterprises), Ministry of MSME has been referred. There are 18,229 organizations registered with DCMSME as micro enterprises. These enterprises define the population of the study. This is a firm level study. The promoters of the enterprises will be considered as respondents for the study. A sample of 545 firms that are registered with Government of India, Development Commissioner (Micro, small and medium enterprises), Ministry of MSME has been collected through a personal survey for the said purpose of study. During the data verification process, some responses were found incomplete or inconsistent. In the end, 500 firms were chosen for the purpose of the study.

## **Data analysis tools**

Descriptive statistics have been used in this study to analyze the data. Bi-variate and multi variate analysis tools through software packages like SPSS and PLS-SEM have been used. Confirmatory factor analysis has been used to validate the challenges in micro entrepreneurship. Variations in different challenges have been assessed with respect to maturity of firms. ANOVA and Robust Tests of Equality of Means with Welch and Brown-Forsythe have been applied to examine the effect of firm's age on degree of challenges faced by MSMEs. For multi-comparison of different challenges, Games-Howell test has been used. To assess the degree of awareness of different promotional schemes, mean and standard deviation has been used. To determine the relationship between strategic orientation and business performance SEM and smart PLS has been used. For Moderation analysis, age of the firm has been used as a moderator to compute the relationship between strategic orientation and business performance and to compute the effect Hayes Macro has been used.

## **Findings of the study**

The study identifies finance, HR, Marketing, operations and leadership as a key challenge area for MSMEs. Among five different types of challenges, micro entrepreneurs were facing maximum marketing challenges due to inadequate access to market linkages and market intelligence. The results reveal that firms of different age do differ in respect to the kind of challenges these firms face. Data reveals that young firms face financial challenge, marketing challenge and leadership challenge more than that of matured firms whereas HR challenge and operational challenges are faced by matured firms more than young firms.

The data analysis with regard to the awareness of micro enterprises with respect to the government initiatives and promotional schemes reveals the limited awareness among micro enterprises about promotional schemes. Study concluded the highest average value of 3.550 for the awareness regarding sufficient training programs being provided by DC-MSME for micro entrepreneurs. Majority of entrepreneurs responded in favour of skeptical attitude of regulatory bodies. When they were asked about credit facilities, micro entrepreneurs responded that they rely on their personal money or bank loans.

The study describes strategic orientation as a higher order construct having innovativeness, proactiveness, risk taking and competitiveness as its attributes. The mean score for Innovativeness is found maximum i.e. 4.0325, it means that the selected micro enterprises are innovative in introducing new products and services. These enterprises are keen in finding out creative and novel solutions. Respondents are found proactive in collecting and evaluating information on technological developments as they believe these changes can create new opportunities in the market place. Third highest mean score is 3.3904 which show the competitiveness ability of micro enterprises. This construct ensures that the respondents always try to be a leader of the market and adopts an aggressive attitude towards its competitors. The mean score of 2.4520 for risk taking dimension of strategic orientation shows that respondents hesitate in taking bold and necessary actions. They accepted that they vacillate in taking risk before its competitors.

Standard deviation for all the dimensions is acceptable which shows the closeness of overall data with the mean value. For checking the variations in the

collected data, coefficient of variations is found out very low for all the constructs. Hence we can conclude that respondents have more consistent reactions and data has very less variations.

Business performance is a tool for determining whether or not an organization makes good use of its resources. Financial, Customer, Internal Process, and Learning and Growth are the four perspectives that have been suggested for balanced scorecard's measurement of the relative business performance of micro enterprises through subjective indicators.

The mean score for Internal Business Process perspective is maximum i.e. 3.8808, it means the performance of respondent's firm with the perspective of internal business process is more satisfactory in comparison to other's perspective whose mean score is below this dimension. Although the mean values of different perspectives of business performance does not vary so much; but from interpretation point of view it can be said that respondent's learning and growth perspective of business performance reported more satisfactory response over customer and financial performance

The relationship between strategic orientation and business performance reveals that there is a positive relationship of Innovativeness with three attributes of business performance i.e. Customer, financial performance and learning and growth. With the relationship of the dimension of innovativeness with the dimension of internal business process turns insignificant which implies that it rarely impact on internal business process. Results do not find any association of proactiveness with financial performance and learning and growth. The study finds weaker association of competitiveness with Customer perspective of Performance. All four perspectives of a company's performance are shown to be impacted by an entrepreneur's propensity to take risks.

Andrew F. Hayes technique has been adopted for moderation analysis. Age of the firm is taken as moderator. Interaction effect of age and innovativeness is found highly significant on financial performance and internal business process. The interaction effect of proactiveness on learning and growth is found highly insignificant, on the other hand the interaction effect and conditional effect of proactiveness on internal business performance is found highly significant. The

interaction effect of risk taking on financial performance and internal business process is found highly significant whereas it is found insignificant with customer and learning and growth. Interaction and conditional effect of competitiveness on financial performance, internal business process and learning & growth is found highly significant whereas it is found insignificant with customer perspective of business performance.

## **Conclusion**

The study attempts to identify the challenges faced in micro entrepreneurship and the extent of their awareness with respect to promotional schemes introduced by Government of India for micro enterprises. The study also examines the relationship between strategic orientation and business performance. The study applies moderation analysis to assess the role of firm's age on the relationship between strategic orientation and business performance. The findings are based upon the convenience sample of 500 micro entrepreneurs from Haryana State.

The study reveals that micro entrepreneurs of Haryana state are facing marketing challenges more in comparison to other challenges followed by operational, leadership, financial and HR challenges. Next, study has been done to check the awareness level of Haryana state micro entrepreneurs towards promotional schemes being run by DC-MSME. Results depicted that micro enterprises are not able to take the full advantage of various promotional schemes being run by Government of India for the growth and development of micro entrepreneurship. This is due to insufficient knowledge of micro entrepreneurs about the schemes.

Next, the association of strategic orientation and business performance depicts the result that the constructs of strategic orientation has connection with the different aspects of business performance. Risk taking ability of an entrepreneur results in better performance in all the aspects. Innovativeness leads to better financial performance, learning and growth and customer satisfaction and wide market share. Competitiveness ability of an entrepreneur results in better financial performance, better learning and growth and internal business process. Proactiveness has a

relationship with internal business process and customer perspective of business performance.

Interaction and conditional effects of different constructs of strategic orientation on perspective of business performance concludes that moderator plays a very important role in defining the connection among strategic orientation and business performance.

## **Implications**

The results of the study have vital implications for policy makers, academicians and practitioners. Researchers can study and address the specific challenges faced by micro enterprises, with particular emphasis on marketing, customer complaint handling, market linkages, and intelligence. There is a clear need for academic institutions to develop training programs targeted towards micro enterprise leaders, focusing on areas like marketing strategies, customer complaint management, and financial planning. Government policies can be designed to address the specific challenges identified, with a focus on supporting micro enterprises in areas like marketing, access to market linkages, financial planning, and HR practices. Encouraging and supporting micro enterprises in adopting formal systems for customer complaint handling, financial planning, and controlling can enhance their operational efficiency and sustainability. Policymakers can work towards providing easier access to formal sources of funding for micro enterprises, reducing their dependence on local moneylenders. Supporting micro enterprises can contribute significantly to local economic growth by creating job opportunities and fostering entrepreneurship. Initiatives aimed at facilitating access to modern technology can help micro enterprises overcome operational challenges and improve their competitiveness in the market.

Policy makers can focus on exploring effective channels for disseminating information about government schemes and programs tailored specifically for micro enterprises. Further research need to delve into understanding the factors influencing the perception of micro entrepreneurs towards government officials and regulatory bodies. There is a clear need for government agencies to launch targeted awareness

campaigns to ensure that micro entrepreneurs are well-informed about the various schemes available. This could include workshops, seminars, and user-friendly informational materials. Policymakers can work on simplifying the process for micro entrepreneurs to avail benefits from different schemes. . Civil society organizations and advocacy groups can work towards influencing policy changes that improve the accessibility and effectiveness of government schemes for micro enterprises. Society can contribute to changing perceptions of micro entrepreneurs and regulatory bodies by fostering a culture of support and recognition for their contributions to the economy.

Academicians can continue to refine the concept of strategic orientation, recognizing it as a higher-order construct consisting of innovativeness, proactiveness, risk-taking, and competitiveness. Further research can explore the interplay and relative importance of these attributes. Future researchers can adopt the balanced scorecard approach for assessing the business performance of micro enterprises. This approach provides a holistic view, encompassing finance, internal processes, learning and growth, and customer perspectives. Researchers may delve deeper into understanding the nature of the relationships between strategic orientation attributes and performance dimensions. Policymakers can design programs and initiatives that encourage and support entrepreneurs in taking calculated risks. This can have a positive impact on all aspects of business performance. Policies may encourage micro enterprises to adopt proactive strategies, as this dimension of strategic orientation is found to positively influence customer satisfaction and internal business processes. Society can support micro enterprises by creating an environment that fosters innovation. This includes providing access to resources, mentorship, and platforms for collaboration. Encouraging a culture that embraces calculated risk-taking can lead to more vibrant and dynamic micro-enterprise sectors, ultimately benefiting the economy.

Researchers can incorporate age as a moderating factor when studying the relationship between strategic orientation and firm performance. This approach provides nuanced insights into how the impact may change over time. The study highlights the dynamic nature of the relationships between strategic orientation dimensions and firm performance as age changes. Policymakers can design support

programs that cater to the specific needs and challenges faced by firms at different stages of maturity. For example, providing targeted resources for young firms may differ from those needed by established enterprises. Given the significant interaction effect between innovativeness and financial performance in younger firms, policies can encourage and incentivize innovation, particularly in the early stages of a firm's lifecycle.

## **Preface**

The primary purpose of the study is to identify the challenges faced in micro entrepreneurship and to study the effects of strategic orientation of micro enterprises on the performance of their business. Chapter I defines entrepreneurship and its various types. Further it explains the conceptualization of micro entrepreneurship from global perspective as well as Indian perspective. Chapter II presents a bibliometric review of the Scopus database and a review of literature, provides the background of the topic and identifies the need for the study. In particular, the literature on micro entrepreneurship, challenges faced in micro entrepreneurship, government initiatives and level of awareness among micro entrepreneurs, strategic orientation, business performance, relationship of strategic orientation and business performance and the moderating role of age of the firm defining relationship among constructs of strategic orientation and dimensions of business performance has been explored to identify the need for the study along with research gap. Chapter III is dedicated to research methodology which consists of research design, objectives, hypotheses, models and scope. It provides the steps followed for the development of research instrument. This chapter also consists of sample profile, data analysis tools and limitations of the study. Chapter IV presents the kinds of challenges for micro enterprises. It also provides the assessment of descriptive statistics, factor structure and measurement validation of proposed operationalization of the various kinds of challenges for micro enterprises. The variations of challenges with respect to maturity of firm have also been described in this chapter. This chapter also presents the degree of awareness of micro entrepreneurs about various schemes of DC-MSME. Chapter V measures and validates the constructs of strategic orientation and business performance and draws out the relationship between two. Chapter VI studies the association of strategic orientation with the age of the firm and access the role played by age of firm in strategic orientation-business performance relationship. Chapter VII presents the findings, conclusions, implications and recommendations. It also discusses the scope for future research.

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**Ms. Heena**

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## **List of Abbreviations**

<b>S.No.</b>	<b>Abbreviation</b>	<b>Expansion</b>
1	MSME	Micro, Small and Medium Enterprises
2	GDP	Gross Domestic Product
3	OCED	The organization for Economic Cooperation and Development
4	MSMED	Micro, Small and Medium Enterprises Development
5	HR	Human Resource
6	DC-MSME	Development Commissioner- Micro, Small and Medium Enterprises
7	CLCSS	Credit Linked Capital Subsidy Scheme
8	MDA	Market Development Assistance
9	SIDBI	Small Industries Development Bank of India
10	FD	Fixed Deposits
11	MFI	Micro Finance Institutions
12	NGOs	Non-Governmental Organizations
13	MSME-DI	Micro, Small and Medium Enterprises- Development Institutes
14	CFC	Common Facility Centers
15	DPR	Detailed Project Report
16	EET Projects	Energy Efficient Projects
17	MoMSME	Ministry of micro, small and medium enterprises
18	MSEs	Medium and Small Enterprises
19	MNCs	Multi National Companies
20	HRM	Human Resource Management
21	R&D	Research & Development
22	BRICS	Brazil, Russia, India, China, and South Africa
23	GEI	Global Entrepreneurship Index
24	MIWE	Master card Index for Women Entrepreneurs

25	IN	Innovativeness
26	CO	Competitiveness
27	PR	Proactiveness
28	RT	Risk Taking
29	SO	Strategic Orientation
30	B.PER	Business Performance
31	A.F.	Age of the Firm
32	FC	Financial Challenges
33	MC	Marketing Challenges
34	HRC	Human Resource Challenges
35	OC	Operational Challenges
36	LC	Leadership Challenges
37	PS	Promotional Schemes
38	FIN	Financial Challenges
39	IBP	Internal Business Process
40	LAG	Learning and Growth
41	CUST	Customer
42	SPSS	Statistical Package for the Social Sciences
43	PLS-SEM	Partial Least Squares Structural Equation Modeling
44	ANOVA	Analysis of Variance
45	MIN	Minimum
46	MAX	Maximum
47	CFA	Confirmatory Factor Analysis
48	EFA	Exploratory Factor Analysis
49	AVE	Average Variance Extracted
50	CR	Composite Reliability
51	Df	Degrees of Freedom
52	P-Value	Probability Value
53	FP	Financial Performance
54	LLCI	Lower Limit Confidence Interval
55	ULCI	Upper Limit Confidence Interval

# CHAPTER-1

## Introduction

### 1.1 Introduction

Economic expansion is fueled by entrepreneurial activity. It emphasizes the nation's financial capabilities and provides solutions to numerous economic issues such as unemployment, poverty, scarcity of resources, hunger and disparity of income. According to Anokhin and colleagues (2008), entrepreneurship leads to economic development of a nation. Clark (2004) has described entrepreneurship as an important factor of production which enhances the productivity of other factors. According to Holcombe (1998), the quantum and pace of growth of startups in an economy defines the tempo of economic growth of any nation. Entrepreneurship not only results in the new products, services, methods, techniques, procedures and business model but it enhances the credibility of a nation in the global economy.

In the language of economist, "Entrepreneurship is the capability of an individual to modernize and to transmute an idea into action and achievement." It defines a set of procedures that are responsible for fluctuations in economic structure by seizing opportunities and keeping an eye on subsequent actions (Miller, 1983; Covin & Slevin, 1989; Lumpkin & Dess, 1996). Courage and optimism on the part of the entrepreneur are often been described as the basic ingredients of entrepreneurship. Capability to take risks, self-assurance and the ability to deal with unexpected situations are all part of being an entrepreneur (Fayyaz et al., 2009).

In the literature of business management *Entrepreneur* has been defined as a person who takes initiative, assumes risk, introduces necessary funds and combines all the other factors of production. Lumpkin and Dess (1996) has described entrepreneur as a "New Routes Pioneers". The person is not an entrepreneur who only replaces his business but he is the person who does his job in a unique way. He introduces new product, arranges raw material, searches for new markets and examines new methods and techniques (Schumpeter, 2000).

Stevenson defined entrepreneur as "a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do

so.” Healthy competition is created amongst the prevailing commercial units with the entry of fresh entrepreneur (Lumpkin & Dess; 1996; Antoncic & Hisrich, 2004).

## 1.2 Definitions- Entrepreneur

In the literature of business management, the term entrepreneurship has been defined varyingly by different authors. Some researchers paid attention on who the entrepreneur is and other researchers focused on what an entrepreneur does.

According to Schumpeter (1934), an entrepreneur is an innovator. *Innovators* are those persons who have new ideas and they also have ability to convert them into operational businesses (Schumpeter, 1934). Literature also describes entrepreneurs as *Hustlers* - someone who always work hard to achieve something big. Their ambitions drive them most rather than other motivating factors (Walker et al., 2009). Entrepreneurs are called *imitators* when they copy someone’s idea. They make their products by just modifying the existing product. In this way they gain upper hand in the industry/market with the modified product (Louis Kok, 2007).

Entrepreneurs are called as *Fabian* entrepreneurs when they already have their business but they don’t want to adopt any new method. These entrepreneurs are scared to take bold steps. That is the reason they follow the set patterns, customs and traditions (Clarkson, 1953). *Ecopreneurs* focuses on green or eco-friendly products and services (Bennett, 1991; Berle, 1991). Entrepreneurs are termed as *Drone entrepreneurs* when they are not ready to accept new methods or techniques. That’s why they usually struggle to stay alive (Louis Kok, 2007). *Agricultural entrepreneurs* are associated with direct agricultural activities that are helpful in production, marketing and sale of the output (Seuneke, 2013).

Entrepreneurs are labeled as *Induced entrepreneurs* when they enter into entrepreneurship only after motivating through the different schemes, grants and assistance given by government for entrepreneurial activities (Cantillon, 1755). *Portfolio entrepreneurs* have many micro and small businesses (Westhead, 2005). When couples jointly run their business and share professional commitment and responsibilities with personal relationship (Cole & Johnson, 2007; Fitzgerald & Muske, 2002; Rutherford, 2006) are titled as *Copreneurs*. *Novice entrepreneurs* are

those who have the experience of working in an industry but they don't have the experience of establishing and running new venture (Birley & Westhead, 1993).

Entrepreneurs are termed as *pure entrepreneurs* when they commence their business as a hobby just for their personal satisfaction and to achieve some status (Jean-Baptiste Say, 1836). *Non-technical entrepreneurs* are associated with only marketing, sale and distribution of products and services (Drucker, 1985). *Technical entrepreneurs* implement ideas using technology like development of various computer apps, mobile apps, games, websites etc. (Drucker, 1985). Entrepreneurs are termed as *serial entrepreneurs* when they implement their ideas with the passage of time. Just like in serials, twists come in every new episode, these entrepreneurs also present their innovations in different intervals of time (Branson, 2008). *Habitual entrepreneurs* are those who have the experience of running many successful businesses (Birley & Westhead, 1990). One more term in the context of entrepreneurship is *professional entrepreneurs* who are trained in their respective field like lawyers, doctors, accountants, engineers etc.(Drucker, 1985).

Though there exists no common demarcation of entrepreneurship and entrepreneur (Davidsson, 1991; Williams et al., 2010; Huang & Wang, 2013) still this study attempts to bundle the diverse thoughts of different authors into two different perspectives:

1. Traditional approach
2. Modern approach

### **1.2.1 Traditional Approach**

This approach summarizes the contribution of renowned economists such as Richard Cantillon, Alfred Marshall, Jean Baptiste Say etc. and describe entrepreneur as one of the important factor of product.

Entrepreneur is “a person who pays a certain price for a product to resell it at an uncertain price.” (Richard Cantillon, 2015). According to Jean-Baptiste Say (1836), “An entrepreneur is a person who shifts economic resources out of an area of lower productivity into an area of higher productivity and greater yield.” Alfred

Marshall (1930) added that an entrepreneur requires the skills of acquaintance with people and also entails the expertise to find prospects to curtail expenses and to grow.

Casson (1982) defines an entrepreneur as “Someone who specializes in taking judgmental decisions about the coordination of so scarce resources.” Okpara (2007) supplemented that a person, who inaugurate firm for the welfare of society instead for his personal advantage, is entrepreneur. He has a visualization and aptitude to start and run his establishment.

According to Harbison (1956), “an entrepreneur is not an innovator but an organization builder or one who has the skill to build an organization and who must be able to harness the new ideas of different innovators to the best interest of the organization.” Kilby (1971) describes entrepreneur as one, Who executes various jobs like acquiring inputs, identifying opportunities, searching of new markets, making strategies to beat competitors, maintaining relationship with supplier and customers, controlling production activities, managing finance, acquiring new technology and upgrading existing product quality.

### **1.2.2 Modern Approach**

Modern approach defines entrepreneurs as innovators. As per Joseph Schumpeter (1934), “Entrepreneur is an innovator who introduces change within markets to stimulate the process of economic development.” According to Schumpeter, an entrepreneur is a person who embraces innovative product, new markets and novel construction technique. Similarly, Webrich and Koontz (1972) describe, “Entrepreneur as a person who focuses on innovation and creativity and who transforms a dream or an idea into profitable venture.” Peter F. Drucker (1985) defines, “Entrepreneur is one who always search for changes, respond to it and exploits it as an opportunity.” He explains entrepreneurship as the formation of an enterprise with the belief of generating worth for contributors. New establishment may not become lucrative but by constructing the establishment, one may come in the paradigm of entrepreneurship.

### 1.3 Entrepreneurship

Nelson (1997) defines entrepreneurship as a course where entrepreneur repetitively scan the possibilities prevailing in his surroundings and lastly transform these prospects in concrete accomplishments. Stevenson and Gumpert (1985) labeled entrepreneurship as “the creation of value by people and organizations, working together to implement an idea through the application of creativity, drive and a willingness to take what might commonly be seen as risk.” In this perspective Nielsen et al. (2002) have suggested that this job demands inclination, courage and proficiencies from the capitalist to generate value. Entrepreneur needs to be alert for different types of social, financial, political and psychological risks. According to Kreiser and Davis (2010), vital basics of entrepreneurship is seeking the prospects and then presenting fresh goods with the hope of upcoming demand of products ahead of competition.

Stevenson and Jarillo (1990) enlighten this concept by outlining *why* entrepreneurship arises? And *how* entrepreneurship is commenced? Hisrich and Peters (1989) defines this concept with four ideologies i.e. the formation of innovative standards, commitment of time and energies, attentiveness for risks and personal earnings or financial gains. Covin and Slevin (1991) focused on the strategic orientation of the entrepreneurs.

Kraus (2012) also illuminate the dimensions of strategic orientation. He explicated how innovation, Proactiveness, risk taking capabilities and competitiveness provides great worth to makers and users. Miller (1983) described an entrepreneurial firm as a firm which “engages in product market innovations, undertakes somewhat risky ventures, first to come up with proactive innovations and beating competitors to the punch.”

## 1.4 Theories of Entrepreneurship

The terms entrepreneurship, entrepreneur and strategic orientation have been demarcated by several authors. Predominantly, two prime schools of thoughts have progressed in describing entrepreneurship. First approach which focuses on individuals and their disposition only is *Trait oriented approach*. The studies (Stevenson & Gumpert, 1985; Stevenson & Sahlman, 1986; Garner et al., 1992) were criticized on the grounds of the importance given on only one aspect i.e. unique personality characteristics of an entrepreneur. Then the studies of second approach (Miller, 1983; Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003; Kresier & Davis, 2010; Kraus et al., 2012), emphasizes on behavioural characteristics of capitalists named as *Behavioural theory of entrepreneurship*. According to this approach an entrepreneur performs various functions like scanning of environment, introduction of novel goods, keeping an eye on the opportunities and grabbing those opportunities before their competitors etc. As per this theory an entrepreneurial behaviour is considered as dominant factor of all entrepreneurial happenings. It can be clinched that one theory (Trait) focuses only who the entrepreneur is? And other theory (Behavioural) emphasizes the concept of what entrepreneur does? i.e. efforts of entrepreneur for establishment.

Next one is push and pull theories of entrepreneurship. There are various factors which forces an individual to enter into entrepreneurship. These factors can be categorized in two ways: one is push factors and another one is pull factors. Push factors are those factors which forces a person to enter into entrepreneurship due to some adverse situations. Insecurity of job, unemployment, lesser opportunity of growth in job, family responsibility, and death of spouse etc. are examples of push factors. Pull factors are positive attractions which attracts an individual to become an entrepreneur. Independence, personal development, awards, recognition, financially soundness are few examples of pull factors.

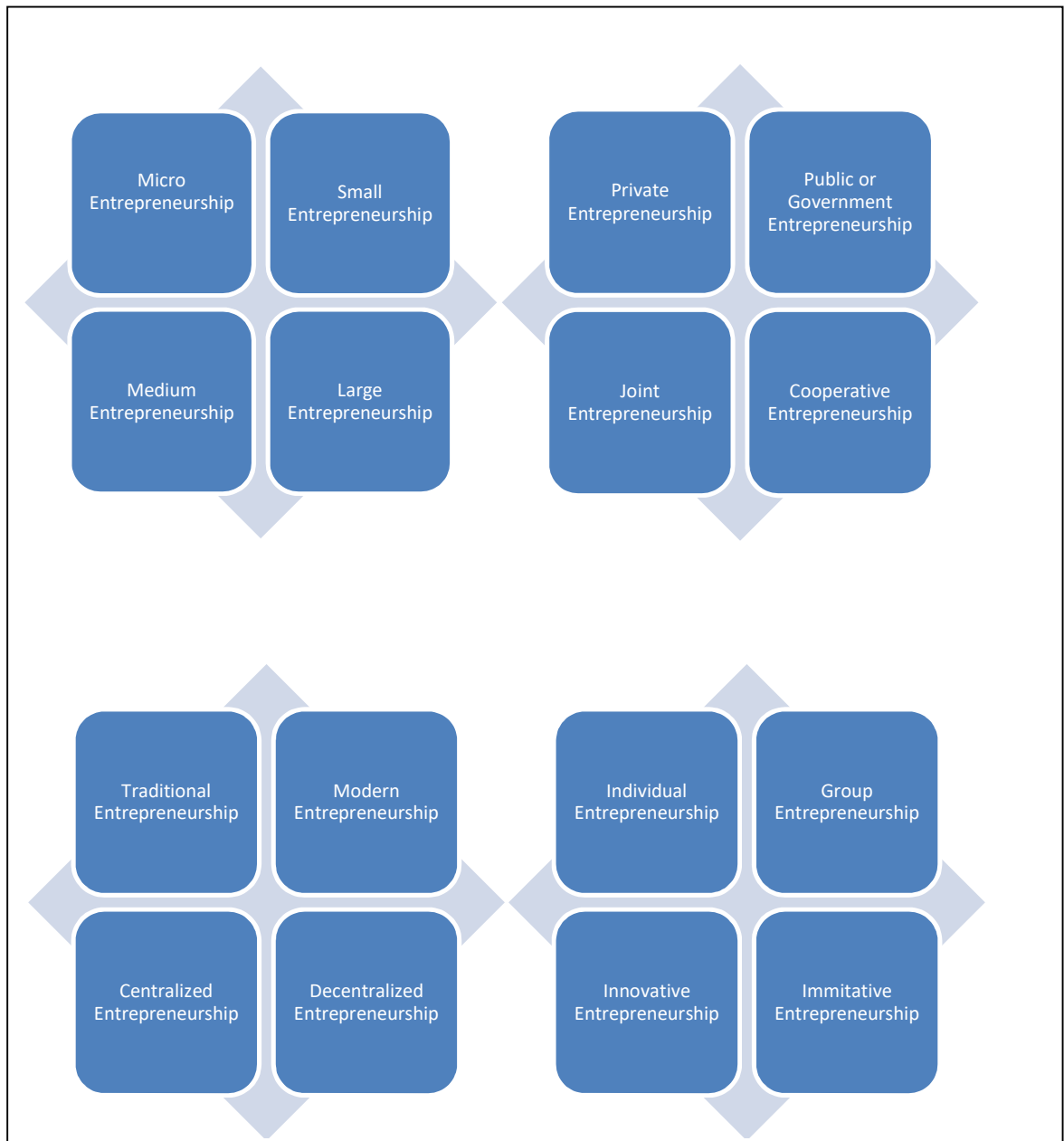
In gist, new entry is the main parameter in entrepreneurship but only a few players are intelligent enough to take their enterprise to the heights. Scholars admitted that for the success of enterprise, strategic orientation is one of the crucial determinants.

## **1.5 Types of Entrepreneurship**

The notion of entrepreneurship has cherished from risk taker (Cantillon, 1734); to manager (J. B. Say, 1836); to a pioneer (Schumpeter, 1934) and an entrepreneur (Lumpkin & Dess, 1996). However, it is interesting to note that in the literature of business management the term entrepreneurship has been defined as a contextual phenomenon. The context not only defined the nomenclature for entrepreneurship but also describe its scope. Based upon the investment, the enterprises can be classified as Micro, Small, Medium and Large enterprises. The entrepreneurship where the requirement of finance is very low is defined as micro entrepreneurship. In this type of entrepreneurship business is run at local level by the family members. That's why there is less need to hire anyone from outside (Yunus, 1999). Individuals involve in diverse production, trading and service undertakings like manufacturing of scientific goods, micro devices, wood works, steel fabrications, crockery, optical, clothes, electronics, interior designing materials, kitchenware goods, personal and household item repairs, as well as auto repair and maintenance, transportation services and telecom services etc. comes in this type of entrepreneurship.

Small entrepreneurship refers to a system where capital investment and number of workers required is relatively less (Bates, 1975; 2022). This entrepreneurship is also labour intensive. Local people get advantage of employment opportunities in this entrepreneurship. Medium entrepreneurship requires relatively more capital and workers. The entrepreneurship in which entrepreneur can afford latest know-how which helps in producing huge quantity is termed as large entrepreneurship. These enterprises are generally responsible for monopoly activities (Bates, 1975; 2022).

The type of ownership is often considered to describe an enterprise as Private enterprise, Government venture and a Joint entity. Private enterprise is a form of entrepreneurship where individual or his family members own more than 51% stake in the business. These businesses are essential to the growth of an economy. In public enterprise more than 51% stake is in the hands of government. The main purpose of this type of entrepreneurship is welfare of public.



**Figure 1.1 Types of Entrepreneurship**

Joint entrepreneurship is the process by which the private and public sectors collaborate to boost the economy. Achievement of goals, easy availability of finance and industrial development are the benefits of combined efforts of private sector and government (Bellone & Goerl, 1992). When a number of individuals start working jointly and later on establish an enterprise is termed as cooperative entrepreneurship (Skurnik et al., 1999).

The entrepreneurship in which traditional methods and outdated techniques are used is termed as traditional entrepreneurship. In this type of entrepreneurship, entrepreneur does not accept changes very quickly and pay less attention on

innovations. On the contrary, modern entrepreneurship is revolutionary, where entrepreneur is ready to take risk by involving himself in innovations (Schumpeter et al., 2000).

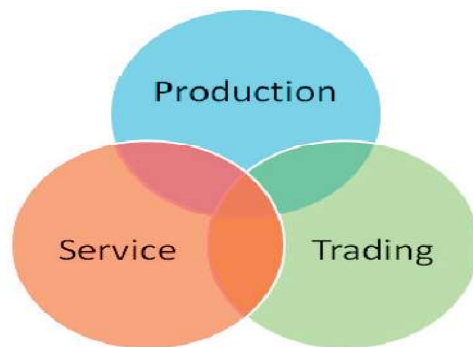
The enterprise which tends to be established at one place due to accessibility of basic facilities in that particular area is named as centralized entrepreneurship. Opposite of this, decentralized entrepreneurship aims at the development of different areas which are establish at several regions of the country. Government also offers several grants and amenities to these types of enterprises (Rossi et al., 2003).

In an entrepreneurship, where all the functions are accomplished by sole individual is Individual entrepreneurship (Schumpeter, 1930). Entrepreneur himself takes all decisions related to production and control. In large enterprises, group entrepreneurship is tracked, where all burdens is not born by individual (say, 1836). Responsibility for different works is shared by group of persons. Another type of entrepreneurship is innovative entrepreneurship, which includes searching of new ideas and implementing it in innovative manner (Schumpeter, 1934). On the contrary where entrepreneurs only imitate the successful entrepreneurs is termed as imitative entrepreneurship (Louis Kok, 1939).

## 1.6 Micro Entrepreneurship

MSMEs (Micro, small and medium sized enterprises) have been acknowledged as vital sector and central organs of emerging economies. These sectors are crucial to an economy's expansion in terms of GDP, employment generation with reduced capital cost, poverty eradication, and creation of income and reassuring self-sufficiency with minimal means. Now government is more concerned for the development of these enterprises as these enterprises provide employment and help the economy grow. As population increases day by day, there is a dearth of jobs in the economy; these enterprises help to bridge the gap.

In general, Businesses that require very little capital are referred to as micro enterprises. The volume of production is generally low. These firms cater to their



local markets. Micro entrepreneurs have their presence in all types of the business organizations. They have their existence in manufacturing, trading and service sectors.

**Production** comprises manufacturing of scientific goods, micro devices, wood works and steel fabrications etc. **Trading** consists of sale of produced goods like crockery, optical, clothes, electronics, interior designing materials, kitchenware goods etc. **Services** by micro enterprises encompass personal and household item repairs, as well as auto repair and maintenance, transportation services and telecom services etc.

## **1.7 Conceptualization of Micro Enterprises:**

### **1.7.1 Global Perspective**

MSMEs are responsible for innovation, self-employment, increase in GDP, job creation and economic growth. In spite of many difficulties in the form of obtaining credit, market availability and availability of new technology; these enterprises are contributing to the society in a significant manner. It is noteworthy that in the literature of business studies there is no consensus about the conceptualization of micro enterprises. However, these enterprises have their wide spread presence and can be seen in all possible business verticals i.e. production, trading and service. The conceptualization of MSMEs varies from country to country. According to World Bank (1978), “Microenterprises can be defined differently, depending on country’s stage of development, policy objectives and administration”.

In different nations, MSME are differentiated on a variety of grounds, such as the number of employees they employ or the amount of capital they require for plant and machinery and equipment or on the basis of amount of turnover. In Europe, OCEC (The organization for Economic Cooperation and Development), Malaysia, UAE, South Africa, Kenya and India; basis of differentiation is turnover. Micro enterprises in Philippines, South Korea and in the countries of Brazil and Mexico have been defined solely by the number of employees.

**Table 1.1: Country-wise criteria of Micro Entrepreneurship**

<u>Countries</u>	<u>Sectors</u>	<u>Turnover</u>	<u>No. of employees</u>	<u>Balance Sheet total</u>	<u>Investment in plant and machinery</u>
<b>Europe</b>		Less than equal Euro 2mn	Less than 10	Less than equal Euro 2mn	
<b>OCED</b>		Should not exceed Euro 2million	Less than 10 employees	Should not exceed Euro 2 million	
<b>Malaysia</b>	(a)Manufacturing and agro based sectors	Less than 250000	Fulltime less than 5		
	(b)Services, Primary agriculture and ICT	Less than 200000	Fulltime less than 5		
<b>Philippines</b>			1 to 9		
<b>South Korea</b>	(a)Manufacturing		Less than 10		
	(b)mining, construction, and transportation		Less than 10		
	(c)Fishing, Film, wholesale		Less than 5		

	(d) Rental and Hotel		Less than 5		
	(e) Other sectors		Less than 5		
<b>UAE</b>	(a) Trading	<=9 million	<=9		
	(b) Manufacturing	<=10 Million	<=20		
	(c) services	<=3 Million	<=20		
<b>Brazil</b>			0 to 9		
<b>Mexico</b>	Manufacturing and services		Less than 10		
<b>South Africa</b>		Less than 0.20 million	Full time less than 5		
<b>Kenya</b>		Not exceeding KSh5000000	Less than 10 people		Not exceeding KSh10 million

Source: Export-Import bank of India, March 2012

### 1.7.2 Indian Perspective

As per MSMED Act 2006, the definition of micro, small and medium enterprises was based on the investment ceiling in plant and machinery.

#### Definition of micro, small and medium enterprises on the basis of investment ceiling in plant & machinery

*Table 1.2: Definition of MSMEs on the basis of investment*

Type of enterprises	Micro	Small	Medium
Manufacturing	Must not exceed Rs. 25 lakh	Above Rs. 25 lakh but must not exceed Rs. 5 crore	Above Rs. 5 crore but must not exceed Rs. 10 crore
Service	Must not exceed Rs. 10 lakh	Above Rs. 10 lakh but must not exceed Rs. 2 crore	Above Rs. 2 crore but must not exceed Rs. 5 crore

Source: Micro, small and medium enterprises development act, Government of India, 2006

Government has changed the above ceilings in 2020 and this revised classification is applicable with effect from 1st July 2020. The amended definition is categorized in two parts i.e. investment in plant and machinery or equipment and second is based on turnover.

**Table 1.3: New Definition of MSMEs**

Classification		Micro	Small	Medium
Manufacturing enterprises and enterprises rendering services	Investment in Plant and Machinery or Equipment	Not more than Rs. 1 crore	Not more than Rs. 10 crore	Not more than Rs. 50 crore
	Annual Turnover	Not more than Rs. 5 crore	Not more than Rs. 50 crore	Not more than Rs. 250 crore

[https://msme.gov.in/sites/default/files/MSME\\_gazette\\_of\\_india.pdf](https://msme.gov.in/sites/default/files/MSME_gazette_of_india.pdf)

As per the new definition, in this study those enterprises are considered as micro enterprises if their investment in plant and machinery do not exceed 1 crore and their annual revenue do not exceed 5 crore.

## **1.8 Challenges in Micro Entrepreneurship**

The different types of enterprises face numerous kinds of challenges. Different researchers in their study summed up a variety of barriers. A micro entrepreneur has to face financial, operational, HR, leadership and marketing challenges (Finnerty & Krzystofik, 1985; Kouriloff, 2000; Franke & Lüthje, 2004; Mubaiwa, 2013; Stamboulis & Barlas, 2014; Sesen & Pruett, 2014; Uddin et al., 2015). Though entrepreneurship itself requires courage and ability to face a lot of problems but rather it is more difficult to guarantee the firm's growth and survival. An entrepreneur has to compete aggressively with his rivals to keep up with his venture's situation on the lookout (Dash & Kaur, 2012; Raeesi et al., 2013; Uddin et al., 2015).

In this study, challenges have been classified into five different categories i.e. financial challenges, marketing challenges, HR challenges, leadership challenges, challenges related to operations etc.

Financial challenges represent the complexities in arranging funds for day to day operations and a lack of funds to pay out the obligations. Many entrepreneurial analysts believe that a lack of financial capital is one of the most significant issues confronting small business owners in developing countries (Peel & Wilson, 1996; Cook, 2001; Hussain & Yaqub, 2010; Gray et al., 1997; 2013). Inadequate availability of funds from the financial institutions is pain area of micro entrepreneurs (Nishanth & Zakkariya, 2014). The key issues confronting these enterprises are banks' unwillingness to lend credit to micro entrepreneurs, high rate of interest, an inability to provide sufficient protection and margin capital, and a tight repayment period (Rao & Ganesh, 2011; Nishanth & Zakkariya, 2014). Marketing challenges depict the issues in concern with product development, promotion, distribution management, market linkages, customer satisfaction and competitors' strategies. In India, the primary issue MSMEs are facing is ineffective marketing strategies (Shiralashetti, 2012; Nishanth & Zakkariya, 2014). According to Chaston (1996), retaining customers is a biggest challenge for micro enterprises.

HR challenges describe the problems with regard to human resource practices and address problems like inadequate training, retention of talent, performance evaluation and payroll system. Micro Entrepreneurship usually consists of informal recruitment system due to the availability of less employees, non-repetitive training

modules and unstructured incentives (Kotey & Slade, 2005). There is a dearth of research about HR practices adopted by micro enterprises (Heneman et al., 2000, Howard, 2001; Hornsby & Kuratko, 2003; Cardon & Stevens, 2004). Micro entrepreneurs are facing the issue of non-availability of efficient workforce. If professionals are available, it is quite difficult to retain them in the business. Giving them extra incentives and participation in decision making may solve the above issue to some extent (Daynard, 2015).

Operation challenges include those issues that may affect the profitability of an enterprise. They cause exhaustion of energy and resources and can affect the operational performance. It may include dominance of suppliers, production techniques and traditional processes. Lack of formal planning of various tasks and inefficient controlling techniques hinders the operational activities of an enterprise (Churchill & Levis, 1983; Mount et al., 1993). Leadership challenges include the challenges related to leader's competency, professional education and his visionary nature. Because of deficiency in formal education, the enterprise's leader is unable to foresee shifts in the environment, resulting in their inability to elevate the enterprise to a higher level (Schoemaker, 1991; Wack, 1985; Slevin & Covin, 1998; Schoof, 2006).

## **1.9 Government Initiatives**

The ministry of micro, small and medium enterprises has implemented a variety of programs to assist aspiring entrepreneurs. These schemes have been designed by the government keeping various problems of MSME in mind. There are different and numerous schemes for micro entrepreneurs. It is interesting to note that in spite of various schemes of the government, micro enterprises are not able to take the full advantage of various promotional schemes of Government of India which has been introduced for the growth and development of micro entrepreneurship. The study attempts to access the degree of awareness of micro enterprises about the promotional schemes and the functioning of DC-MSME.

### **Development Commissioner (DC-MSME) Schemes**

To uphold the growth of the microenterprises in India, Government of India has introduced various schemes like Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation, MSME Market Development Assistance (MDA), Micro Finance Programme, Technology and Quality Upgradation Support to MSMEs, Micro & Small Enterprises Cluster Development Programme, National Awards and Marketing Assistance Scheme. The features of these schemes are:

***Credit Guarantee Scheme*** is being launched by the ministry to provide loans without collateral upto the limit of Rs. 50 Lakh for MSEs. The Credit Guarantee Fund Trust is being established by Small Industries Development Bank of India and the Ministry of MSMEs as part of this program. Any person who qualified the eligibility criteria can approach financial institutions and banks for collateral free loans.

***Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation*** offers MSEs a 15% upfront capital subsidy to facilitate technology advancement.. This subsidy is being provided on the institutional finance availed by them for initiation of technologies. Here technology upgradation means any step

which is taken to fix the present technology with the updated one. The purpose behind the upgradation of technology is either improvement of environmental conditions or product quality or both. This scheme is also applied on fixing of anti-pollution or energy conservation machinery. Subsidy for replacement of any technology with the same technology or traditional technology is not granted under this scheme.

The rate of subsidy has been raised from 12% to 15% as a result of the amendments, and the ceiling on loans has been raised from Rs 40 lakh to Rs 1 crore.

***Micro Finance Programme*** has been launched by Union Government. This scheme is started mainly for under-served districts. Under this scheme, Government of India provides resources to SIDBI which is called 'Portfolio Risk Fund'. SIDBI accepts FD in the amount of 10% of the loan amount. MFIs and NGOs contribute 2.5% of credit amount, or 25% of the security deposit and the remaining 7.5% or 75% of the security deposit, is being adjusted using reserves provided by the Indian Government.

The ***MSME Market Development Assistance (MDA) Scheme's*** primary objective is to increase the participation of MSME units in international fairs or exhibitions. Encouragement for the use of global standards in bar-coding is also one of the objectives of this scheme. MSME entrepreneurs can receive upto 75% of the cost of their round-trip air fare in exchange for their participation in international fairs. They just need to send the application for this to the office of DC-MSME.

Under ***Marketing Assistance Scheme***, entrepreneurs are encouraged to use bar-codes. Under this scheme, they receive financial assistance for reimbursement of 75% of the one-time registration fee. Additionally, businesses that successfully utilize bar codes are eligible to receive a reimbursement of 75% of the annual recurring fee for first three years. They just need to fill the application form (available on MSME website or can be collected from Director, MSME-DI) for claiming the reimbursement on bar code.

***Micro & Small Enterprises Cluster Development Programme*** promotes formation of different clusters. Clustering of units enables the service providers to deliver their amenities economically, resulting in improvement in technology with reduced cost. The other objectives of this programme include formation of self-help groups, upgradation of infrastructural facilities and setting up of common facilities centres for training. This program also focuses on various production processes and testing the final products. Assistance under this program is being given for:

- I) Conducting various seminars, workshops and different awareness programs.
- II) Diagnostic studies which would help in mapping of business activities.
- III) Setting up of CFCs for various business activities.
- IV) Infrastructural development in new or existing industrial areas.

The ***Technology and Quality Up gradating Support to MSMEs*** program encourages manufacturing companies to employ energy efficient technology. Efficient technology results in lesser production cost and enhanced output. The motive behind this scheme is to set up of carbon credit aggregation centers, to implement energy efficient technologies and to encourage MSMEs to acquire product certification and licenses from national or international bodies. Under this scheme, monetary assistance of:

- (i) Seventy-five percent for various awareness programs, up to a maximum of Rs. 75,000 for each program.
- (ii) 75% of actual cost of conducting an energy audit at the cluster level and creating a model DPR.
- (iii) 50 percent of actual costs, up to a maximum of Rs.1.5 lakh per DPR, will be used to prepare subsequent detailed project reports for MSMEs on EET Projects.
- (iv) Seventy-five percent of the actual costs, up to a maximum fifteen lakh rupees, to establish Carbon Credit Accreditation Centers.
- (v) 75 percent grant to manufacturing MSMEs for product licensing in accordance with national and international standards; is being provided as part of this plan.

Ministry of micro, small and medium enterprises (MoMSME) announced the scheme of ***National Awards*** to spot the hard work of MSME units and to appreciate them for their inputs given in their respective areas. This award is presented by ministry on annual basis to the selected entrepreneurs. The entrepreneurs are selected on the criteria of innovation, progress in terms of product development, exports, import substitutions and quality of production. First condition to apply for this award is permanent registration of their MSME with DC-MSME. Another condition to apply for this award is that they must be in continuous production or in service from at least last 3 years. Different awards for different categories are summarized below:

***Table 1.4: National Awards***

No.	Category	I National Award (Cash Prize Rs. 1.00 Lakh)	II National Award (Cash Prize Rs. 0.75 Lakh)	III National Award (Cash Prize Rs. 0.50 Lakh)	Special National Award for Women (Cash Prize Rs. 1.00 Lakh)	Special National Award to SC/ST Entrepreneur (Cash Prize Rs. 1.00 Lakh)	Special National Award to NER Entrepreneur (Cash Prize Rs. 1.00 Lakh)	Special Recognition Award to MSME scoring marks above 80% and 50% in case of NER (Cash Prize Rs. 0.20 Lakh)
1.	Outstanding efforts in Entrepreneurship in MSMEs							
	i) Outstanding efforts in Entrepreneurship in MSEs engaged in manufacturing	✓	✓	✓	✓	✓	✓	✓
	ii) Outstanding efforts in	✓	✓					✓

	Entrepreneurship in MSEs rendering services							
	iii) Outstanding efforts in Entrepreneurship in Medium enterprises engaged in manufacturing	✓	✓					✓
2.	Research & Development efforts in MSMEs							
	i) Research & Development efforts in MSEs	✓	✓					✓
	ii) Research & Development efforts in Medium enterprises	✓						✓
3.	Quality Products in MSEs in each selected product groups	✓						✓
4.	National Award for Entrepreneurship Services	✓						✓

These all are different schemes which are being offered by the Government to promote micro entrepreneurship. Different kinds of supporting services like Marketing Assistance, Technical Support and Counseling Sessions, Research and Development Assistance, Financial Support, different Training Programs and Infrastructural Support are being provided by DC-MSME. These services not only provide support and assistance to existing entrepreneurs but also encourage budding entrepreneurs to do extraordinary in the field of entrepreneurship and innovation.

### **1.10 Strategic Orientation and Business Performance**

Strategic orientation signifies the way that where an enterprise should move in future. This defines the opportunities and threats expected to come in the coming years. Strategic orientation includes strategic planning, defining clear vision and mission for an enterprise, formulating such goals that help in gaining competitive advantage. Strategic orientation not only includes the process, policies or methods but also reflects entrepreneurial behaviour of an entrepreneur (Lumpkin & Dess, 1996). In this study, the constructs of strategic orientation examined are *innovativeness, proactiveness, competitiveness and risk taking* which leads towards contextual firm's performance (Lumpkin & Dess, 1996; Covin & Slevin, 1989). Strategic orientation is nothing but defines behaviour that always seeks opportunities; which is the quality of an effective leader (Ireland et al., 2003). It depicts the operational activities of the firm and its strategic posture while defining its mission and vision.

Business performance is one of the most frequently used construct in entrepreneurship and strategic management research. It is a tool for determining whether or not an organization makes good use of its resources. The adoption of balance scorecard approach has been recommended for the said purpose. Financial, Customer, Internal Business Process, and Learning and Growth are the four perspectives that have been suggested for the balanced scorecard's measurement of relative business performance of micro enterprises through subjective indicators.

*Financial Perspective* identifies how the enterprise appears to its shareholders. From this point of view, the metrics include asset utilization, improved shareholder value, and return on investments. *Customer Perspective* reveals the enterprise's image to its clients. This section examines the aspects related to customer satisfaction and

relation of enterprise with its customers. The perspective of *Internal Business Processes* spots the degree with an enterprise performs its day-to-day operations. *Learning and Growth Perspective* comprises the variations in the capabilities of employees and improvement in information system.

### **1.11 Motivation to Study**

Micro entrepreneurship is contributing significantly to the expansion of the economy. It has also been observed that most of the literature in context of micro entrepreneurship is available in global context. The evidences in Indian context are lagging. Micro enterprises are facing many problems in diverse areas. Although government has taken numerous initiatives, there is still a low level of awareness among entrepreneurs. So there is a need to access the level of awareness of these micro enterprises.

There is a need to know what type of problems they are facing and why these enterprises find it incompetent to move to the next level. Strategic orientation related to micro entrepreneurship has also received very limited attention of academicians and researchers. There is also need to study their strategic orientation and how their strategic orientation impacts the business performance.

### **1.12 Objectives of the Study**

1. To identify the challenges faced in micro entrepreneurship.
2. To assess the degree of awareness of micro enterprises regarding the promotional schemes of Government of India for Micro Enterprises.
3. To study the effects of strategic orientation of micro enterprises on the performance of their business.
4. To study the role of the age of the firm in strategic orientation- business performance relationship.

### **1.13 Significance of the Study**

Micro Entrepreneurs are the backbone of any developing country. It has been observed that the countries having good entrepreneurs gain significantly in terms of innovation, competition and performance.

The dynamics of micro entrepreneurship is very different from medium and large scale organizations. Micro entrepreneurs face more difficulties for acquiring financial resources. Lack of education hinders technology absorption. A very small scale of operations restricts them in adopting an aggressive approach for marketing. These organizations face more challenges in applying quality control techniques. The scope of automation is very limited. The present study would also help the micro enterprises to work on the key challenges they are facing in terms of Finance, Marketing, Human Resources, Operations and Leadership.

In the era of industrialization, government is also giving stress on entrepreneurship development. Numerous schemes have been introduced by the government. The research aims to explore the awareness level of micro entrepreneurs for such schemes. This would help the government to evaluate their own policies. It has also been observed that most of the enterprises started by micro entrepreneurs are not able to make it to the next level. There is a need to study their entrepreneurial behaviour.

Moreover, the study discusses about strategic orientation of micro enterprises. Strategic orientation has been proved imperative for a firm to expand and maintain its market position. The study of impact of strategic orientation on business performance would help the entrepreneurs to know the connection between former and later.

### **1.14 Plan of the Study**

The proposed study aims to explore the intricate dynamics of micro entrepreneurship, focusing particularly on the challenges encountered by micro entrepreneurs, the role of government initiatives in mitigating these challenges, and how strategic orientation influences the business performance of micro enterprises. Chapter I explains the conceptualization of micro entrepreneurship from global perspective as well as Indian perspective. Further in chapter II, the research commences with a comprehensive literature review to establish a theoretical framework. This review encompass academic articles, reports, and policy documents related to micro entrepreneurship, small business challenges, government interventions, and strategic management theories. By synthesizing existing knowledge, this phase provide insights into the key concepts, trends, and gaps in the current understanding of the subject matter.

Following the literature review, Chapter III proceeds with the data collection through questionnaire filled up by a representative sample of micro entrepreneurs. Chapter IV presents the kinds of challenges for micro enterprises. It also provides the assessment of descriptive statistics, factor structure and measurement validation of proposed operationalization of the various kinds of challenges for micro enterprises. This chapter also presents the degree of awareness of micro entrepreneurs about various schemes of DC-MSME. Chapter V measures and validates the constructs of strategic orientation and business performance and draws out the relationship between two. Chapter VI studies the association of strategic orientation with the age of the firm and access the role played by age of firm in strategic orientation-business performance relationship. Finally, Chapter VII presents the findings, conclusions, implications and recommendations. It also discusses the scope for future research.

## **CHAPTER- 2**

### **Review of literature**

Since the focus of the study is **Micro Entrepreneurship: A Study of Strategic Orientation and Business Performance**, this chapter is set up to demonstrate the summary of the reviews given by various eminent researchers. A bibliometric analysis has been done to streamline the concept of micro entrepreneurship and strategic orientation. The bibliometric analysis in this study is restricted to Scopus publications. For bibliometric analysis, researcher has considered the publications of eminent researchers. Top cited journals of various countries have been reviewed. Bibliometric analysis has been done for the years till 2021. This chapter has been made to present the reviews as per the objectives set by the scholar. Following are the sections to present the reviews done in the past.

#### **2.1 Entrepreneurship**

The concept of entrepreneurship, originating from the French term ‘Entreprendre’ means “to undertake”, “to pursue opportunities” or “to fulfill needs and wants through innovation and starting businesses.” Richard Cantillon first discussed entrepreneurship in 1730, defining an entrepreneur as someone willing to take on financial risk of a business venture. Later, in 1800, French Economist Jean- Baptiste Say coined the term ‘Entrepreneur’. Over time, various individuals contributed their perspectives on entrepreneurship.

Schumpeter, often regarded as the father of entrepreneurship, expanded on the concept, viewing entrepreneur as economic actor who disrupt static states to drive economic development. Today, entrepreneurship is widely acknowledged as a key driver of economic growth. Numerous scholars had confirmed that entrepreneurship is a driving force which is necessary for economic development of any nation (Schumpeter, 1934; Hisrich and Peters, 1989; Gorman et al., 1997; Seelos et al., 2005).

Entrepreneurship plays a pivotal role in generating employment, particularly in developed countries (Michael et.al, 1997). When a nation fosters entrepreneurship,

it can address issues like poverty and unemployment. The economic prosperity of a country is directly linked to the growth of new enterprises (Nafukho, 1998; Gavron, 1998). It is recognized as a factor of production, uniting land, labour and capital (Kirschoff et.al, 1989; Keeble et.al, 1990; Audretsch et.al, 1991).

In our rapidly evolving society, entrepreneurship has emerged as a powerful force, exhibiting complex and multifaceted behaviour (Muzyka et al., 1997). It encompasses processes such as innovativeness, risk taking, self employment, competitiveness, self motivation and independence (Hisrich et al., 2002; Agarwal et al., 2018). Successful entrepreneurs excel in goal pursuit, displaying vision, action-oriented approaches, competence and independence (Dejardin, 2000; Friar & Meyer, 2003).

Contrary to the old belief that entrepreneurs are born, it is now understood that entrepreneurship can be nurtured through carefully designed Entrepreneurship Development Programmes (EDPs) (Saini et al., 1996; Daniel F. Muzyka, 1997). These programs equip individuals with the skills to formulate plans and mobilize resources, contributing to the surge in self-employment trends.

Stevenson et al (1997) paid attention on understanding the nature of entrepreneurs and Kets de Vries (1985) focused on the psychology of entrepreneurs. Factors influencing entrepreneurship can be categorized as push and pull factors. Factors which negatively motivate a person are called push factors. These factors create pressure on a person to enter into any venture like issues related to family, responsibility of family, non- availability of job, difficulty in finding job etc. in contrast, pull factors are positive factors which positively motivates a person to think out of their capacity (Sundin et.al, 1991). Desire for high standard of living, better working environment, freedom of expression, hike in salary and designation etc. are the examples of pull factors.

Researchers now emphasize the link between economic development and entrepreneurial growth, recognizing entrepreneurs as essential catalysts for change (Brockhaus, 1982). The pursuit of entrepreneurship extends beyond profit making; it serves society (Mellett et.al, 2018). Ecopreneurs, in particular, prioritize green values from the inception of their businesses, contributing to sustainable practices and a greener economy (Issak 2002; Walley et.al, 2002; Kirkwood et.al, 2010).

In conclusion, entrepreneurship is a dynamic force in economic development, driven by individuals who take calculated risks to pursue innovative ventures. It not only drives financial successes but also serves as a means to benefit society and promote sustainable practices.

## **2.2 Micro entrepreneurship**

This section corresponds to a review of micro entrepreneurship. In the first section, bibliometric analysis of micro entrepreneurship is explained. Later on the definitions and different views of authors have been discussed which aims to investigate the growth on the precise research area. Then evolution of same term is discussed.

Bibliometric is the use of statistical analyses to look at booklet patterns that provides irreplaceable contribution to the prevailing research of the field (Gomes et al., 2015). Bibliometric analysis can be either descriptive or evaluative. Descriptive analysis encompasses the number of articles posted by an organization. Evaluative analysis, on the other hand, studies how the ones articles motivate subsequent research by means of others. “Bibliometric overall performance indicators permit giant improvement of the peer overview based evaluation by presenting new factors in terms of goal evaluation of research output and impact.” (Van Raan, 1996). The interest of researchers in bibliometric analysis arose in 20<sup>th</sup> century. The use of bibliometric analysis by some scientists and mathematicians was initially for the purpose of developing models through comparison with the existing ones. However interest in the topic waned over time, but it has recently gained popularity among researchers.

In this study analysis is restricted to Scopus (created by publisher Elsevier in 2004) published articles and research papers. Scopus is most comprehensive database of more than 20 million papers and more than 2,00,000 books, more than 25,000 journals with a variety of streams that are multidisciplinary and peer-reviewed (Falagas et al. 2008); includes social sciences (Business, Arts, Accounting, management, organization, economics, psychology, finance), health sciences (Medicine, Veterinary, Nursing), physical sciences (Computer science, material science, energy, mathematics, chemical engineering, astronomy), life sciences

(Biochemistry, Agriculture, biological sciences, molecular biology, micro biology, nuclear science, pharmaceuticals, toxicology) (Goodman, 2005; Bar-Ilan, 2010; Leydesdorff, 2012).

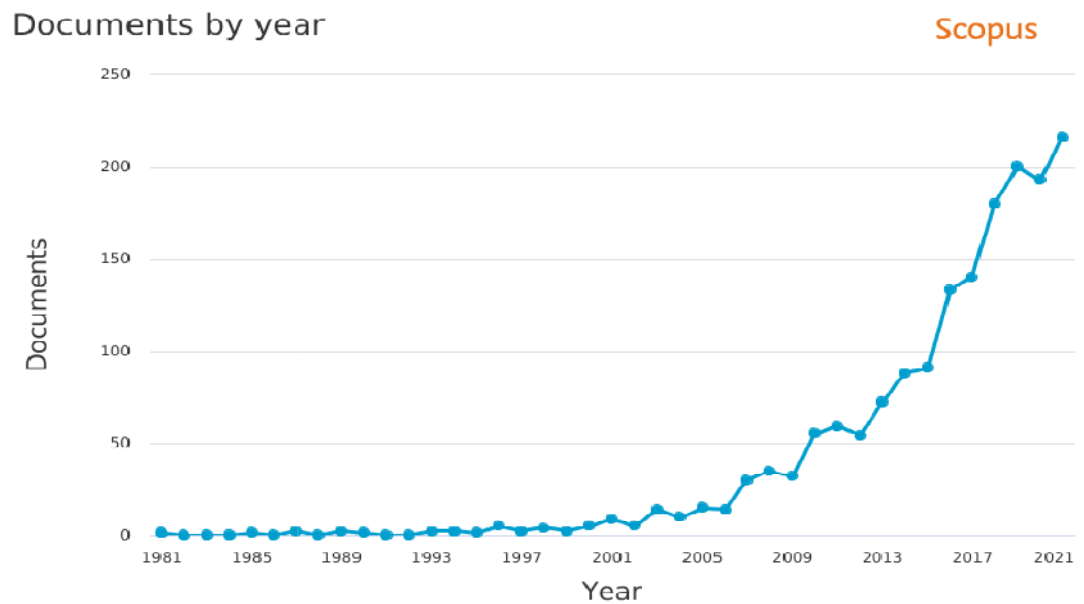
The main motive of the researcher to select Scopus database for the study is that it transmits primary data with high quality references and representative samples. This database with high quality publications in peer-reviewed journals, having representative samples and with 69 million high quality references is advantageous for bibliometric and citation analysis.

## 2.2.1 Bibliometric Analysis and Literature Review of Micro Entrepreneurship

The bibliometric review of micro entrepreneurship is done by using “Micro Entrepreneurship” keyword under “Article Title, Abstract, Keywords” under search option. The search found 1675 publications till the year 2021. Detailed analysis of these publications is shown beneath:

### 2.2.1.1 Year-wise Analysis of Micro Entrepreneurship

While analyzing the publications, less research work is reported in initial years in comparison to recent data. Publication ranges from only 1 publication in the year 1981 to 10 publications in the year 2004. After this year an upward trend is noticed. Exponential enlargement has been observed during the period ranging from the year 2011 with 59 documents in a single year to the year 2021 with 216 publications.



**Figure 2.1: Year wise trend of publications on Micro Entrepreneurship**

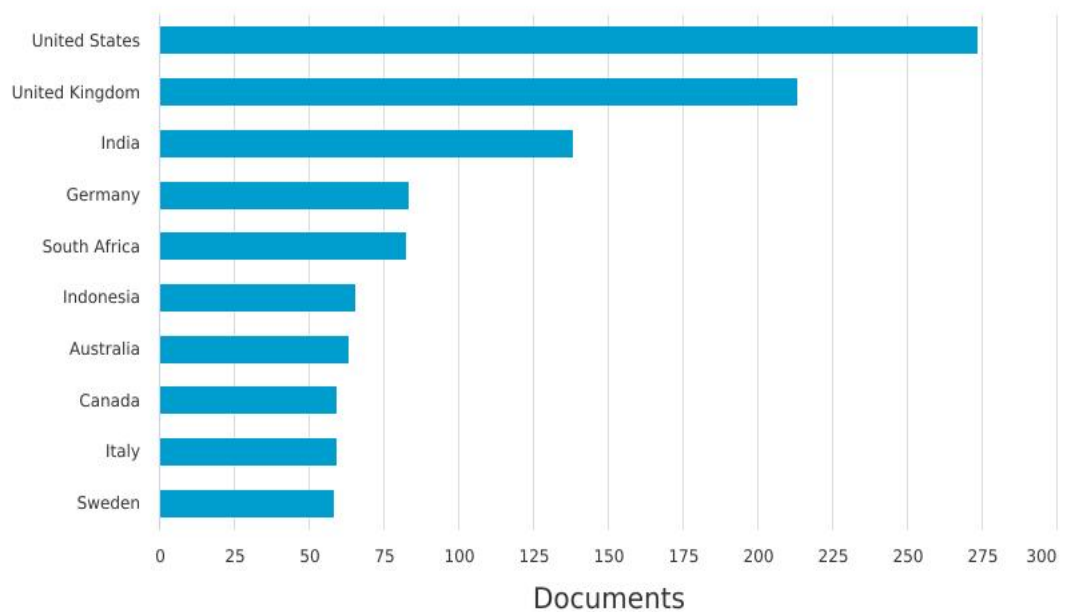
### 2.2.1.2 Country wise Analysis of Micro Entrepreneurship

Micro entrepreneurship has engrossed the attention of government and researchers across the world. The study examines the data till 2021 years on country basis and found maximum research work in United State. *Figure 2* shows the data of 10 countries where the highest publications are reported on this sheer topic. 273 research articles are reported in United State followed by United Kingdom and India with 213 publications and 138 research documents. Germany placed the fourth position with 83 articles followed by South Africa with 82 articles, Indonesia and Australia have 65 and 63 publications. In this tenure 59 publications are reported in Canada and Italy and 58 publications in Sweden.

#### Documents by country or territory

Scopus

Compare the document counts for up to 15 countries/territories.



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**Figure 2.2:** *Country wise trend of publications on Micro Entrepreneurship*

### 2.2.1.3 Author wise Analysis of Micro Entrepreneurship

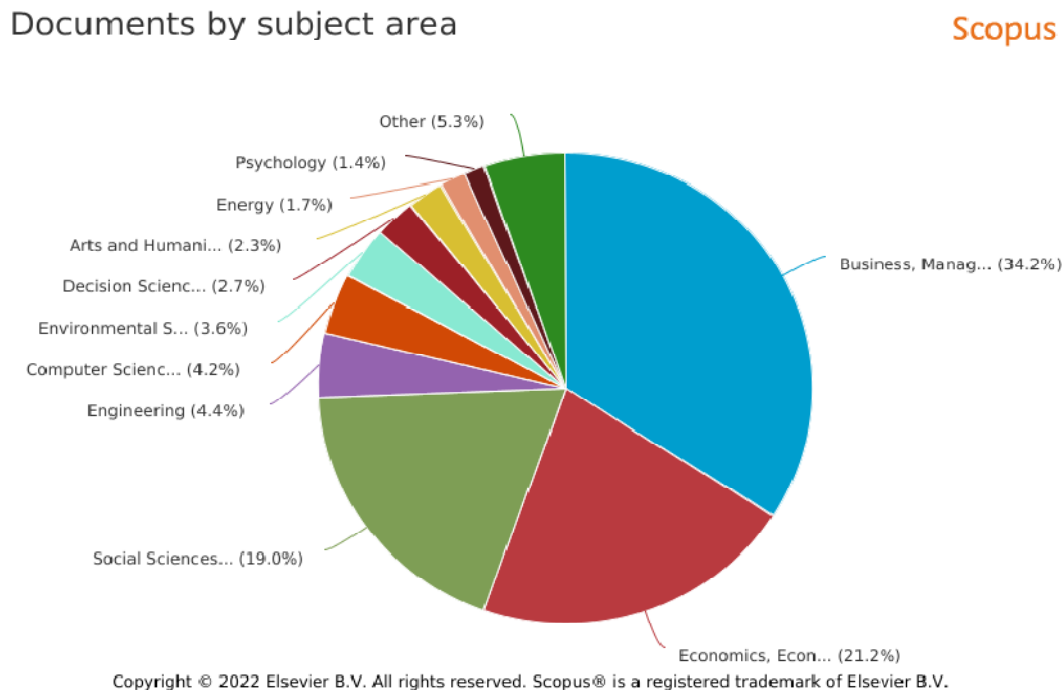
Table 2.1 represents the names of top authors with their number of publications on micro entrepreneurship. Their citations overview on the same publications is also depicted in this table. 10 publications are in the credit of Author Bogenhold, D. with 78 citations. Muhos, M. begged second position with 9 publications and 11 citations followed by Schott, T. with 6 publications and 84 citations. Mahadea, D., Nijkamp, P., Paoloni, P. and Williams, C.C. have same number of publications but Williams, C.C. blocked first rank in the counting of citation with 158 citations.

*Table 2.1 Publication Wise List of Top authors and citations on Micro Entrepreneurship*

<b>Author Name</b>	<b>Publications</b>	<b>Citations</b>
Bogenhold, D.	10	78
Muhos, M.	9	11
Schott, T.	6	84
Mahadea, D.	5	43
Nijkamp, P.	5	80
Paoloni, P.	5	45
Williams, C.C.	5	158

### 2.2.1.4 Subject area analysis of Micro Entrepreneurship

The concept of micro entrepreneurship has not grabbed the attention of researchers of one discipline only but scholars from different disciplines are attracted towards this concept. Figure 2.3 reported 1050 documents related to business, management and accounting, 652 related to economics, econometrics and finance, 584 to social sciences, 134 to engineering, 128 to computer sciences, 110 to environmental science, 84 to decision sciences, 72 to arts and humanities, 52 to energy, 43 to psychology, 34 to earth and planetary sciences, 26 to agricultural and biological sciences, 21 to mathematics, 17 to medicines, 12 to materials science, 12 to physics and astronomy, 9 to biochemistry, genetics and molecular biology, 9 multidisciplinary, 8 related to chemical engineering, 8 to chemistry, 5 to pharmacology, toxicology and pharmaceuticals, 2 to health professions and 1 document is related to nursing. 75 % of total publications are covered by 3 disciplines i.e. business, management and accounting, economics, econometrics and finance and social sciences. Rest 25 % is



covered by other disciplines.

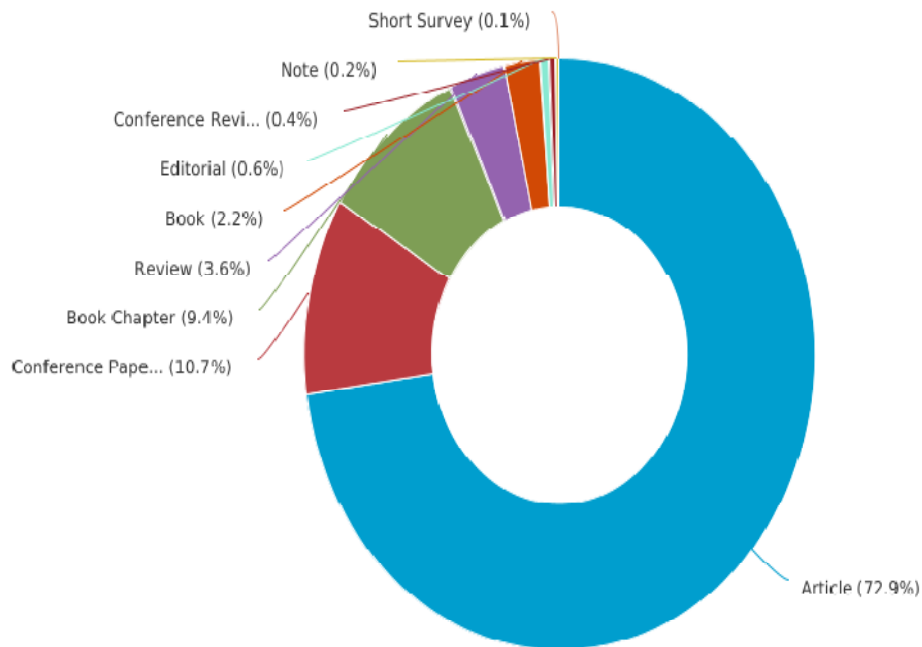
**Figure 2.3 Subject wise analysis of Micro Entrepreneurship**

### 2.2.1.5 Analysis: Type of Publication on Micro Entrepreneurship

The documents on Micro Entrepreneurship construct have been published in the form of articles, book chapters, conference papers, review, book, editorial, conference review, note and short survey. 1675 studies holds 1221 articles, 179 conference papers, 157 book chapters, 60 reviews, 37 books, 10 editorials, 7 conference reviews, 3 notes and 1 short survey. Out of total publications, 72.9 % are in the form of articles.

Documents by type

Scopus

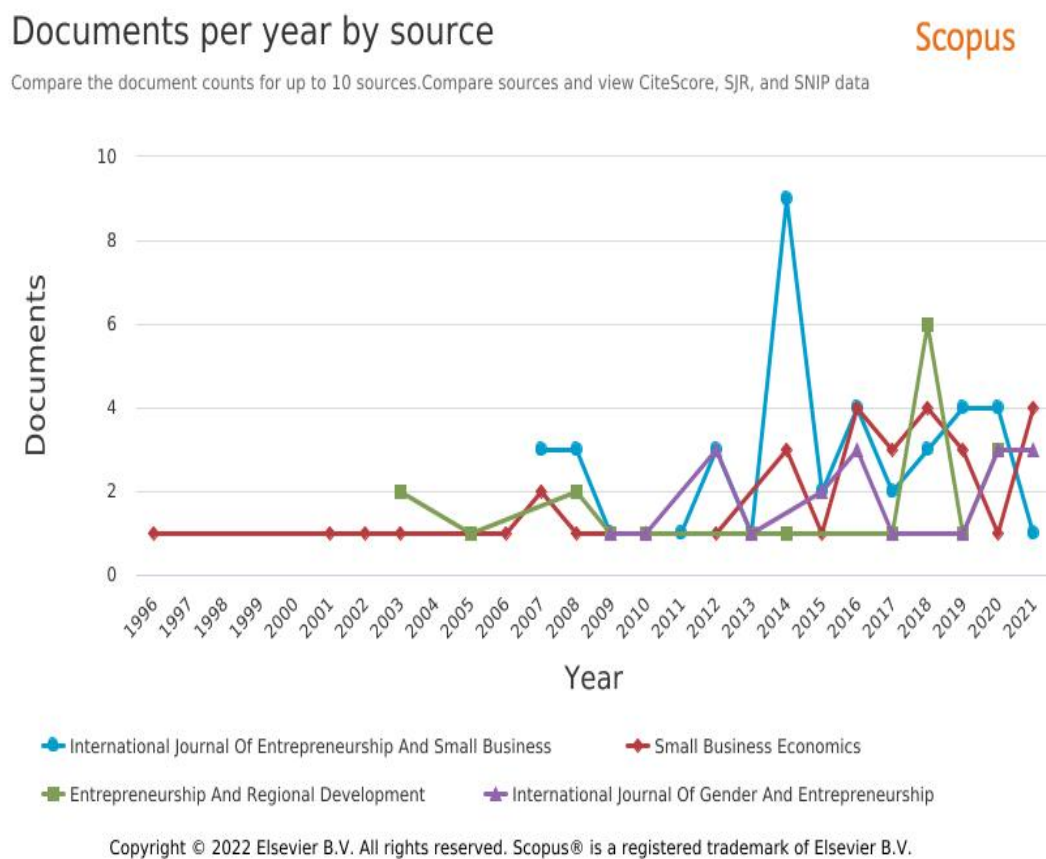


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**Figure 2.4 Analysis on the basis of types of publication on Micro Entrepreneurship**

### 2.2.1.6 Journal wise analysis of Micro Entrepreneurship

While analyzing 1675 documents, researcher observed 41 published documents in International Journal of Entrepreneurship and Small Business, 34 in Small Business Economics, 25 in International Journal of Entrepreneurial Behaviour and Research, 20 in Entrepreneurship and Regional Development, 19 in International Journal of Gender and Entrepreneurship and 18 publications in Journal of Enterprising Communities.



**Figure 2.5 Top journals on the basis of number of publications on Micro Entrepreneurship**

### 2.2.1.7 Article wise analysis of Micro Entrepreneurship

A total of 1675 articles on the concept of micro entrepreneurship are found till 2021. In this section all the 1675 documents are analyzed on the basis of their citations and table 2.2 presents top 10 cited documents.

**Table 2.2 Most Cited Documents on Micro Entrepreneurship**

Title	Authors	Year	Source title	Cited by
“Does entrepreneurial self-efficacy distinguish entrepreneurs from managers?”	Chen C.C., Greene P.G., Crick A.	1998	Journal of Business Venturing	1519
“What makes an entrepreneur?”	Blanchflower D.G., Oswald A.J.	1998	Journal of Labor Economics	1185
“A multidimensional model of venture growth”	Robert Baum J., Locke E.A., Smith K.G.	2001	Academy of Management Journal	907
“Women directors on corporate boards: A review and research agenda”	Terjesen S., Sealy R., Singh V.	2009	Corporate Governance: An International Review	722
“Bridging institutional entrepreneurship and the creation of new organizational forms: A multilevel model”	Tracey P., Phillips N., Jarvis O.	2011	Organization Science	542
“The Too-Much-of-a-Good-Thing Effect in Management”	Pierce J.R., Aguinis H.	2013	Journal of Management	541
“An evolutionary approach	Cantwell J.,	2010	Journal of	536

to understanding international business activity: The co-evolution of MNEs and the institutional environment”	Dunning J.H., Lundan S.M.		International Business Studies	
“At What Level (and in Whom) We Trust: Trust Across Multiple Organizational Levels”	Ashley Fulmer C., Gelfand M.J.	2012	Journal of Management	485
“Entrepreneurial opportunities and the entrepreneurship nexus: A re-conceptualization”	Davidsson P.	2015	Journal of Business Venturing	483
“The effect of education and experience on self-employment success”	Robinson P.B., Sexton E.A.	1994	Journal of Business Venturing	422

The construct of micro entrepreneurship has grabbed the attention of many academicians and researchers. Further, it is clearly evident that maximum research work on this topic has been done in United State followed by United Kingdom and India. From this, it can be concluded that this concept is getting popularity but there is a need to explore this concept in developing economies.

Till the year 2021, there are 1675 documents available on Scopus database related to the concept of micro entrepreneurship. The study disclosed that this concept is popular not in one area but its importance is noticed in diverse areas like social sciences, engineering, business, management and accounting, economics, econometrics and finance, energy, psychology, computer sciences, environmental science, decision sciences, arts and humanities, earth and planetary sciences, medicines, materials science, agricultural and biological sciences, mathematics, physics and astronomy, biochemistry, genetics and molecular biology, chemical engineering, chemistry, pharmacology, toxicology and pharmaceuticals, health professions and nursing.

## 2.2.2 Conceptualization of Micro Entrepreneurship

### 2.2.2.1 Definitions of Micro Entrepreneurship

In different nations, MSME is differentiated on different grounds such as the number of employees or as per the requirement of capital in plant and machinery and equipment or on the basis of amount of turnover. In Europe, OCED (The organization for Economic Cooperation and Development), Malaysia, UAE, South Africa, Kenya and India; basis of differentiation is turnover. Micro enterprises in Philippines, South Korea and in the countries of Brazil and Mexico have been defined solely by the number of employees.

*Table 2.3: Country-wise criteria of Micro Entrepreneurship*

Countries	Sectors	Turnover	No. of employees	Balance Sheet total	Investment in plant and machinery
<b>Europe</b>		Less than equal Euro 2mn	Less than 10	Less than equal Euro 2mn	
<b>OCED</b>		Should not exceed Euro 2million	Less than 10 employees	Should not exceed Euro 2 million	
<b>Malaysia</b>	(a)Manufacturing and agro based sectors	Less than 250000	Fulltime less than 5		
	(b)Services, Primary	Less than	Fulltime		

	agriculture and ICT	200000	less than 5		
<b>Philippines</b>			1 to 9		
<b>South Korea</b>	(a)Manufacturing		Less than 10		
	(b)mining, construction, and transportation		Less than 10		
	(c)Fishing, Film, wholesale		Less than 5		
	(d) Rental and Hotel		Less than 5		
	(e)Other sectors		Less than 5		
<b>UAE</b>	(a)Trading	<=9 million	<=9		
	(b) Manufacturing	<=10 Million	<=20		
	(c)services	<=3 Million	<=20		
<b>Brazil</b>			0 to 9		
<b>Mexico</b>	Manufacturing and		Less than 10		

	services				
<b>South Africa</b>		Less than 0.20 million	Full time less than 5		
<b>Kenya</b>		Not exceeding KSh5000000	Less than 10 people		Not exceeding KSh10 million

Source: Export-Import bank of India, March 2012

### **Indian Perspective**

As per MSMED Act 2006, the definition of micro, small and medium enterprises was based on the investment ceiling in plant and machinery.

### **Definition of micro, small and medium enterprises on the basis of investment ceiling in plant & machinery**

**Table 2.4: Definition on the basis of Investment**

Type of enterprises	Micro	Small	Medium
Manufacturing	Must not exceed Rs. 25 lakh	Above Rs. 25 lakh but must not exceed Rs. 5 crore	Above Rs. 5 crore but must not exceed Rs. 10 crore
Service	Must not exceed Rs. 10 lakh	Above Rs. 10 lakh but must not exceed Rs. 2 crore	Above Rs. 2 crore but must not exceed Rs. 5 crore

Source: Micro, small and medium enterprises development act, Government of India, 2006

Government has changed the above ceilings in 2020 and this revised classification is applicable with effect from 1<sup>st</sup> July 2020. The amended definition is categorized in two parts i.e. investment in plant and machinery or equipment and second one is based on turnover.

**Table 2.5: New Definition**

Classification		Micro	Small	Medium
Manufacturing enterprises and enterprises rendering services	Investment in Plant and Machinery or Equipment	Not more than Rs. 1 crore	Not more than Rs. 10 crore	Not more than Rs. 50 crore
	Annual Turnover	Not more than Rs. 5 crore	Not more than Rs. 50 crore	Not more than Rs. 250 crore

[https://msme.gov.in/sites/default/files/MSME\\_gazette\\_of\\_india.pdf](https://msme.gov.in/sites/default/files/MSME_gazette_of_india.pdf)

As per the new definition, in this study those enterprises are considered as micro enterprises if their investment in plant and machinery do not exceed 1 crore and their annual revenue do not exceed 5 crore.

### **2.2.2.2. Evolution of Micro entrepreneurship**

The MSME (Micro, Small and Medium enterprises) sector plays a crucial role in generating extensive employment, contributing significantly to the GDP and fostering inclusive economic growth. This sector has experienced rapid growth since post liberalization era, making substantial contributions to the Indian economy (Srinivas, 2013; Sharma, 2016). The concept of micro enterprise and micro finance was introduced by Muhammad Yunus in the year 1976, following a historical overview of entrepreneurship in the first half of the 20<sup>th</sup> century (Covin et al., 1988; Covin & Slevin, 1989; Dess et al., 1997). Micro and small enterprises are not confined to specific regions within the nation; they complement large industries and are dispersed throughout the country. MSEs play a vital role in mitigating regional disparities, promoting automation of rural areas, and ensuring equitable distribution of income and wealth.

When examining the conceptualization of micro entrepreneurship, it can be analyzed in two distinct phases: pre-independence and post-independence. Before independence, entrepreneurship was confined to religious, social and cultural severities. Factors such as limited knowledge, an unfavourable political environment, inadequate legal frameworks, and a lack of innovation hindered entrepreneurial endeavors. Despite these challenges, the appeal of the Swadeshi movement captured the interest of numerous individuals, marking a significant step towards economic startups. Over time, improvements in the education system and societal transformation led to a notable surge in entrepreneurial activity. The influence of East India Company was instrumental in shaping micro entrepreneurship, particularly in cities like Allahabad, Banaras, Puri and Mirzapur, where craftsmanship and artisans industries flourished. During this period, various regions gained prominence for specific goods, such as Bengal for corah, Banaras for metal wares, Nagpur for silk-boarded clothes, Ahmedabad for dupattas and dhotis and Kashmir for shawls. India held a prestigious position in global trade, earning the moniker “queen of universal trade”. Historical records indicate that the East India Company introduced significant changes by exporting raw materials and importing finished goods, making a pivotal moment in India’s industrial entrepreneurship. Noteworthy entrepreneurs like Parsis,

Lowjee-Nushirvan and Manjee Dhanjee established their enterprises in Surat and Mumbai. In the latter half of the eighteenth century, the introduction of textile, steel and cotton industries catalyzed further growth. However, this prosperity began to wane towards the end of eighteenth century due to factors such as the disappearance of Indian Royal Courts that supported the crafts, the mass production of inexpensive goods by the British, and the imposition of heavy duties on Indian product imports in England. Consequently, there was a surge in demand for foreign products among Indian consumers.

The entrepreneurial landscape experienced a significant transformation in the aftermath of the First World War, presenting abundant business opportunities in the ensuing decades. This period witnesses a broadening of societal perspectives towards the commercial class. Marwari Vaishyas and Gujaratis took up the mantle that was previously held by Parsis.

In the pre- independence phase, a distinct economic and social system governed the people. Urban areas were primarily centers for the exchange of goods and services, while various skilled workers, including carpenters, farmers, craft artists etc., operated in different capacities. Notable shifts occurred in the manufacturing sector with the introduction of coal mines, insurance and banking and railways by the British in 1853. These developments were pivotal in laying the foundation for entrepreneurship in the country (Bhovi, 2016; Swetha et.al, 2013).

Post-Independence, there was a marked shift in the micro entrepreneurial landscape. Economic growth and the imperative for employment underscored the significance of this sector. The government of India, in the immediate aftermath of independence, introduced the first industrial policy resolution on April 6, 1948. This policy aimed to foster the balanced development between private and public sector industries and on identify individuals with industrial potential. Various entrepreneurial development programmes were initiated to encourage this potential. Various entrepreneurial development programs were initiated to encourage this potential (Bhovi, 2016; Swetha et.al, 2013). While industrial policy was formulated, policies specifically focusing on entrepreneurship were not established during this period.

Subsequently, the government took several measures to promote a culture of micro entrepreneurship in the country. Policies were devised to bolster this sector, including the introduction of venture capital finance, the establishment of SME Export Promotion Council, the implementation of schemes tailored for women entrepreneurs, cluster development program for MSEs and the creation of Industrial Parks and warehouses. The introduction of venture capital proved to be a significant catalyst for the evolution of micro entrepreneurship, enabling numerous companies to elevate their establishments to new heights.

In 1976, when the concepts of micro enterprise and micro finance were introduced, the Grameen bank's primary objective was to provide small loans to women, empowering them to become self-sufficient. Micro businesses were defined as enterprises that employed very few individuals, often run by family members with only a small number of external employees. A micro enterprise was distinguished by its reliance on micro credit for financing, while a micro business operated without such financial support. The term micro finance refers to the provision of small scale credit or loans by financial institutions to establish very small business.

### **2.3 Challenges in Micro Entrepreneurship**

In the age of globalization, where small enterprises aspire to operate on a global scale, heightened competition poses a significant challenge for micro entrepreneurs, limiting their ability to expand their businesses worldwide (Haapaniemi, 1998). Some excel by leveraging their resources efficiently (Delaney, 2004; Strauss, 2004; Garnick, 2006), yet obstacles like inadequate infrastructure and insufficient private sector investment impede their progress (Singh et.al, 2008, 2012).

Various researchers have identified a range of barriers faced by micro entrepreneurs, encompassing cultural, political, economic, financial, operational, leadership, HR, marketing and psychological challenges (Finnerty & Krzystofik, 1985; Kouriloff, 2000; Franke & Lüthje, 2004; Mubaiwa, 2013; Stamboulis & Barlas, 2014; Sesen & Pruett, 2014; Mahiuddin et al., 2015; Johannisson, 1995; Rathna et al., 2016). These constraints' primarily revolve around limited access to capital, business intelligence, technology, skilled labour, raw materials procurement, marketing, distribution challenges, and government policy and regulations. These restrictions may vary across regions, sectors, or type of enterprises (Tambunan, 2011; Nishanth & Zakkariya, 2014).

In the entrepreneurial landscape, financial resources are often likened to the lifeblood of an enterprise, as they underpin essential activities. The dearth of funds gives rise to various challenges. Many experts in entrepreneurship contend that a prominent hurdle faced by small business proprietors in developing nations is the scarcity of financial capital (Levy, 1993; Peel & Wilson, 1996; Cook, 2001; Hussain & Yaqub, 2010; Gray et al., 2013). Procuring sufficient funds, especially in the early stages or before achieving the break-even point, can be an exceptionally demanding task for micro entrepreneurs (Xia et. al., 2010).

This predicament extends globally, with business owners in various countries grappling with the serious issues of limited access to financial services (Nishanth & Zakkariya, 2014) and seeking entry into capital markets (Hussain & Yaqub, 2010). A major challenge currently faced by micro business owners lies in the reluctance of banks to extend credit, an inability to offer adequate collateral and margin capital, and stringent repayment terms (Rao & Ganesh, 2011; Nishanth & Zakkariya ,2014).

As micro enterprises expand, they require more financial resources. However, monetary institutions often find it costly to extend capital to these small-scale ventures due to the high risk of them becoming financially distressed and defaulting on debts. While the capital needs of these enterprises are relatively modest, a shortage of working capital hampers their growth.

Micro entrepreneurs encounter a multitude of challenges that hinder their business operations. One significant issue stems from clients' reluctance to settle debts within specified timelines, leading to a depletion of working capital (Loveline et al., 2014). Accessing credit from banks proves to be a prolonged process. Entrepreneurs often face difficulties in securing adequate funds for their projects due to intricate and cumbersome procedures (Guerrero et al., 2020). The financial sector demands extensive documentation, exacerbating the time required for processing. Despite government policies, micro entrepreneurs struggle to meet their financial demands (Goel & Farooque, 2014). As a result, these entrepreneurs often resort to utilizing personal capital or seeking funds from relatives or high-interest money lenders (Smith et al., 2011; Shinnar et al., 2012; Dash & Kaur, 2012; Mubaiwa, 2013; Boateng et al., 2014; Katundu & Gabagambi, 2016).

The challenges persist when it comes to raising external funds. Micro, small, and medium enterprises (MSMEs) face hurdles in accessing loans from government agencies due to complex procedures. Moreover, bureaucratic inefficiencies, corruption, and unstable government policies obstruct entrepreneurial progress (Chu et al., 2007; Hussain and Yaqub, 2010). The rising levels of corruption within the country have further escalated the cost of doing business (Gray et al., 2013; Kiggundu, 2002; Hussain and Yaqub, 2010). According to a report by the Government of India in January 2010, one of the pivotal challenges faced by the MSME sector is the accessibility of sufficient and timely credit at a fair rate (Nishanth and Zakkariya, 2014). A majority of micro enterprises, particularly those in rural areas, struggle to secure credit from various government-sponsored programs (Tambunan, 2011; Nishanth and Zakkariya, 2014). Despite subsidies provided by the government to rural regions, high financing costs render these subsidies ineffective.

In addition to financial constraints, micro entrepreneurs encounter marketing challenges. They face stiff competition from established companies operating on a

larger scale. This intense competition, coupled with limited financial resources, hinders their ability to invest in sales promotion and advertising efforts. Consequently, micro entrepreneurs often experience a lack of demand for their products, leading to a dependency on middlemen for marketing. However, this reliance comes at the cost of significant profit margins, as middlemen purchase products at substantially lower prices than market rates.

Micro enterprises also grapple with quality and pricing challenges, as multinational corporations (MNCs) often provide high-quality products at lower prices. This is a difficult feat for micro units due to higher administrative costs and outdated technologies. Additionally, adopting costly distribution channels, effective advertising, and sales promotion techniques proves to be a challenging endeavor for these enterprises, resulting in reduced sales (Franke & Lüthje, 2004; Shinnar et al., 2009; Sandhu et al., 2011; Dash & Kaur, 2012). Issues related to transportation and storage further compound their marketing woes.

Furthermore, ineffective marketing strategies pose a significant challenge for MSMEs in India (Shiralashetti, 2012; Nishanth & Zakkariya, 2014). Micro units struggle with selecting appropriate marketing methods and identifying locations conducive to business growth (Kouriloff, 2000). Product management and marketing services must be innovative to meet customer expectations. With customers increasingly favoring branded goods, young entrepreneurs face difficulties in attracting buyers. Additionally, there are numerous obstacles to gaining traction and expanding market reach, including budget constraints for advertising and international competition (Yoganandan & Raj, 2017).

In summary, micro entrepreneurs confront a multitude of challenges, ranging from financial constraints to marketing difficulties and bureaucratic hurdles. These obstacles necessitate creative solutions and strategic planning to overcome. Despite these challenges, micro entrepreneurs play a crucial role in driving economic growth and innovation within their respective industries.

Micro entrepreneurship expansion faces a multitude of challenges, particularly in the realm of Human Resources (HR). This arises from the unique nature of micro enterprises, which tend to offer employment to individuals with limited prior experience. Consequently, there exists a considerable burden in terms of training.

Additionally, micro entrepreneurship grapples with the complexities of employee motivation, HR satisfaction, training provision, and the implementation of incentives like retirement benefits and paid vacations.

Formal HRM practices encompass recruitment, selection, training, compensation, and incentives. However, practices tailored for larger enterprises may not yield favorable results for micro units, given their smaller scale in terms of investment and turnover (Carsrud et al., 1987; Hill & Stewart, 2000; Kok & Uhlaner, 2001; Wagar, 1998). Consequently, micro entrepreneurship often adopts informal recruitment systems, characterized by fewer employees, non-repetitive training, and unstructured incentives (Kotey & Slade, 2005).

Entrepreneurs who prioritize growth tend to focus more on harnessing the capabilities and learning potential of their resources, rather than adhering strictly to traditional HR practices such as interviewing and staffing (Heneman et al., 2000; Mcgrath & Macmillan, 2000). The hiring and retention of competitive managerial professionals for micro enterprises can prove challenging, given the smaller employee base and the potential cost implications of appointing a separate HR manager (Ghassemieh et al., 2005, Hornsby & Kuratko, 2003). Entrepreneur/owner himself do all the practices which are required to manage HR.

However, there is a notable dearth of research on HR practices within micro enterprises (Heneman et al., 2000, Howard, 2001; Hornsby & Kuratko, 2003; Cardon & Stevens, 2004). The few studies available emphasize the critical importance of HR practices in determining the success or failure of a micro enterprise (Hornsby et al., 2001, Dun & Bradstreet, 2001; Shipton et al., 2006; Smilor & Sexton, 1996). Moreover, micro entrepreneurs often grapple with the challenge of securing and retaining skilled professionals in their employ. Offering additional incentives and involving employees in decision-making processes can help address this issue to some extent (Daynard, 2015).

In a competitive landscape, micro entrepreneurs must focus on training their employees to enhance their competitiveness. Skilled labor can significantly impact a firm's market position, making investments in training particularly valuable. One skilled labour who knows all the tact to maintain the position of firm in the market is more powerful than 10 unskilled workers who may be worried only for their salary

and benefits. (Williamson, 2000). To retain employees, it is imperative to provide them with fair compensation and incentives. Furthermore, employee motivation through education is key to a productive workforce.

Operational challenges are one of the other main challenges that micro entrepreneurs are facing nowadays. These encompass challenges related to planning, organizing, directing, coordinating and controlling various business activities. Effective formal planning and efficient control mechanisms are crucial to the success of an enterprise. Every business concern aims at profit and sales maximization that leads to an organizational growth (Covin & Slevin, 1997). Lack of formal planning of various tasks and inefficient controlling techniques hinders the operational activities of an enterprise (Churchill & Levis, 1983; Mount et al., 1993).

Micro entrepreneurship also faces operational hurdles related to production and planning, supplier dominance, reliance on traditional methods, limited access to modern techniques, and dependence on local suppliers (Ginsberg, 1988; Singh 1990; Manju & Geetha, 2018).

Legal challenges further compound the obstacles faced by entrepreneurs. Complex regulations, weak enforcement, and corruption can pose significant threats to micro enterprises. Non-registration of these enterprises in many developing countries deprives them of crucial government assistance programs (Franke & Lüthje, 2003; Franke & Lüthje, 2004; Lakovleva et al., 2011).

Addressing the inefficiencies in an enterprise's operations necessitates a strategic approach. Implementing changes in the organizational structure, alongside effective planning and robust control mechanisms, can significantly streamline operational processes and enhance overall efficiency.

The leadership qualities of an entrepreneur play a pivotal role in driving business growth and performance. A visionary leader possesses the ability to keenly assess potential opportunities and anticipate barriers that may impede the enterprise's progress. Moreover, a professionally educated and trained entrepreneur is equipped to identify and capitalize on untapped opportunities, while also demonstrating an understanding of employee concerns (Slevin & Covin, 1998). Such proficient micro entrepreneurs are poised to make impactful strides in their endeavors (Nirmala, 2015).

Entrepreneurs face numerous challenges if they are unable to fortify their enterprises both internally and externally. An enterprise may incur losses due to unforeseen behavior exhibited by its entrepreneur towards employees. Education is a pivotal factor in the success of an entrepreneur. Studies show that entrepreneurs in developed countries tend to have higher levels of education compared to their counterparts in developing nations. A deficiency in professional education may hinder the leader's ability to anticipate environmental shifts, potentially impeding the enterprise's progress (Schoemaker, 1991; Wack, 1985; Slevin & Covin, 1998). Leaders also encounter challenges related to employee retention.

Researchers underscore the importance of professional knowledge, which empowers entrepreneurs to comprehend socio-cultural factors, regional disparities, and administrative frameworks. Studies indicate that a trained entrepreneur finds it more manageable to inspire, retain, and instill a sense of self-control among employees. An entrepreneur must possess the knowledge and skills that enable effective leadership, as emphasized by Ulrich Schoof (2006). It is often an educated entrepreneur who has the capability to propel their enterprise to greater heights in a relatively short span of time.

In summary, the challenges faced by micro entrepreneurship encompass a wide spectrum, ranging from inadequate government support and difficulties in securing funding, to insufficient access to market networks, challenges in managing human resources, and a dearth of entrepreneurial leadership skills. These multifaceted hurdles underscore the complex landscape in which micro entrepreneurs operate.

## 2.4 Government Initiatives and Promotional Schemes

In the initial decade following independence, the literature indicates a lack of strategic planning in the realm of entrepreneurship. There was limited focus on achieving balanced growth between the private and public sectors, with attention primarily directed towards initiating assistance programs for entrepreneurs. Subsequently, the government recognized the imperative to enhance conditions for entrepreneurs, leading to the enactment of the Industrial Policy Resolution in 1956 (Vasuvedan, 1979).

During the late 1960s and 1970s, studies emphasized the development of tools and skills for entrepreneurs. A notable shift occurred in the 1980s, as the service sector's significance grew, driven by shortcomings in production management in Western countries. This underscored the rising importance of entrepreneurship, particularly activities driven by knowledge-based profitability over mere competitive advantage (Audretsch & Thurik, 2001).

With the evolution of industrial policy, the market transitioned from a seller-oriented to a buyer-oriented dynamic, resulting in increased risk and competition among entrepreneurs. To bolster micro entrepreneurs, a range of support and sustenance programs, both monetary and non-monetary, were introduced by both public and private sectors (Sarder et al., 1997). Unfortunately, in the past decade, some policies fell short of meeting entrepreneurs' requirements, compelling researchers to seek more effective solutions (Capelleras et al., 2008). Numerous researchers have consistently affirmed that entrepreneurship is a catalyst for economic growth. This motivated the government to introduce policies that foster entrepreneurial activity (Acs et al., 2004; Minniti et al., 2006).

Presently, government initiatives like "Make in India" and "Start-up India," among others, have been favorable to entrepreneurs. These programs encourage the entrepreneurial spirit within the country, characterized by risk-taking, innovation, and abundant creativity. The inner fortitude, capabilities, and remarkable skills of entrepreneurs constitute the essence of their entrepreneurial instincts. Entrepreneurs grapple with a diverse array of challenges in conceiving and sustaining their new

business ventures, spanning from inadequate training, limited knowledge, and financial constraints to a lack of awareness about government schemes (Raj, 2018).

To address the major challenges faced by micro entrepreneurs, the government has introduced various schemes encompassing areas such as finance, marketing, infrastructure, and advisory. This has elevated the confidence of entrepreneurs, fostering a greater enthusiasm towards their work and a commitment to learning new methods and techniques (Rajni & Mehta, 2018).

The literature validates the pivotal role of entrepreneurship, viewing entrepreneurs as a wellspring of human resourcefulness. Consequently, the government has introduced numerous schemes across different five-year plans to inspire budding entrepreneurs. These diverse schemes and incentives, offered by various government and non-government agencies, serve to encourage and support micro entrepreneurs. These incentives, schemes, and favorable policies provide opportunities for them to operate within a more conducive environment, ultimately contributing to the expansion of micro entrepreneurship in the country. The government's schemes and policies encompass various aspects such as finance, marketing, training and development, technology, infrastructure, and advisory services (Sarder, 1995; Ratten et al., 2007).

Entrepreneurs are hailed as pioneers of innovation. It has been observed that a lack of adequate loans, limited training facilities, and an intricate tax structure can dampen the enthusiasm of micro entrepreneurs for exploring new ventures (Manwari et al., 2017). Results indicate that the introduction of various government schemes empowers micro entrepreneurs to promote innovation (Shou & Nigam, 2018). Government schemes aimed at supporting micro entrepreneurship include the Credit Guarantee Scheme, Technology and Quality Upgradation Support to MSMEs, Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation, Micro Finance Programme, Micro & Small Enterprises Cluster Development Programme, MSME Market Development Assistance (MDA), National Awards, and Marketing Assistance Scheme, among others.

Sangolagi & Alagawadi (2016) scrutinize the role of various financial institutions in promoting and implementing different government schemes. Results demonstrate that micro entrepreneurs still face challenges in accessing these schemes

due to delays in loan sanctioning, difficulties in the application process, and a skeptical attitude from regulatory bodies (Pandey & Ansari, 2016). It has been observed that MSMEs offer group development series for budding entrepreneurs to familiarize them with start-up funds, training facilities, technological and social support (Sindhu & Nirmala, 2014).

Philips et al. (2022) also express concern over the lack of awareness among micro entrepreneurs regarding government policies and initiatives. The government has initiated various schemes to strengthen R&D services in their respective fields (Gulati & Sharma, 2013). Various training programs have also been introduced for micro entrepreneurs. The MSME annual report underscores the substantial government expenditure on various promotional schemes designed for micro enterprises. However, a lack of awareness and a weak linkage between the actual needs of the enterprise and these schemes result in suboptimal outcomes (MSME report, 2020; Boter & Lundstrom, 2005; Berry & Sweating, 2006; Curran, 2000).

## **2.5 Strategic Orientation**

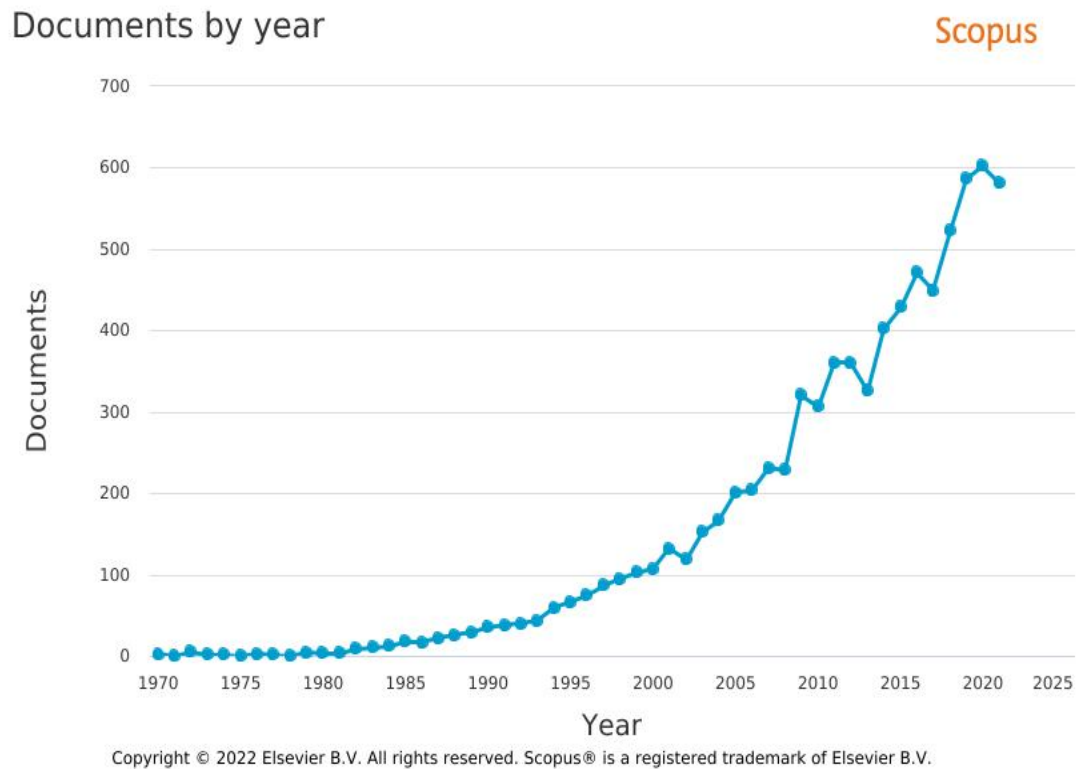
This section corresponds to a review of strategic orientation. In the first section, bibliometric analysis of strategic orientation is explained. Later on the conceptualization of the same term is discussed which aims to investigate the growth in the precise research area.

### **2.5.1 Bibliometric Analysis and Literature Review of Strategic Orientation**

The bibliometric review of strategic orientation is done by using “Strategic Orientation” keyword under “Article Title, Abstract, Keywords” under search option. The search found 8048 publications till the year 2021. Detailed analysis of these publications is shown below:

### 2.5.1.1 Year-wise Analysis of Strategic Orientation

While analyzing the publications, less research work is reported in initial years in comparison to recent data. Publication ranges from only 2 publications in the year 1970 to 10 publications in the year 1983. After this year an upward trend is noticed. Exponential enlargement has been observed during the period ranging from the year 1999 with 102 documents in a single year to the year 2021 with 581 publications.



**Figure 2.6: Year wise trend of publications on Strategic Orientation**

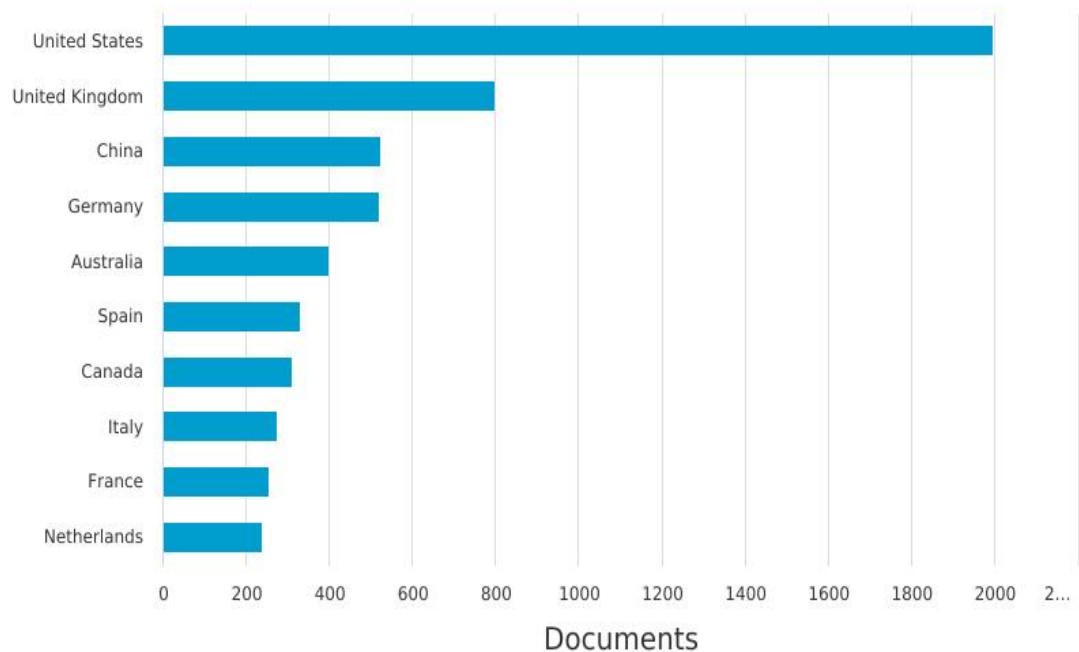
### 2.5.1.2 Country wise Analysis of Strategic Orientation

Strategic Orientation has engrossed the attention of researchers across the world. The study examines the data till 2021 years on country basis and found maximum research in United State. 1993 research articles are reported in United State followed by United Kingdom with 794 publications and 520 documents in China. Germany placed the fourth position with 518 articles followed by Australia and Spain with 395 and 329 publications. In the selected time period 307 publications are reported in Canada, 271 in Italy, 253 in France and 236 in Netherlands. India's place is 11<sup>th</sup> in this field with 230 documents.

#### Documents by country or territory

Scopus

Compare the document counts for up to 15 countries/territories.



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**Figure 2.7:** Country wise trend of publications on Strategic Orientation

### 2.5.1.3 Author wise Analysis of Strategic Orientation

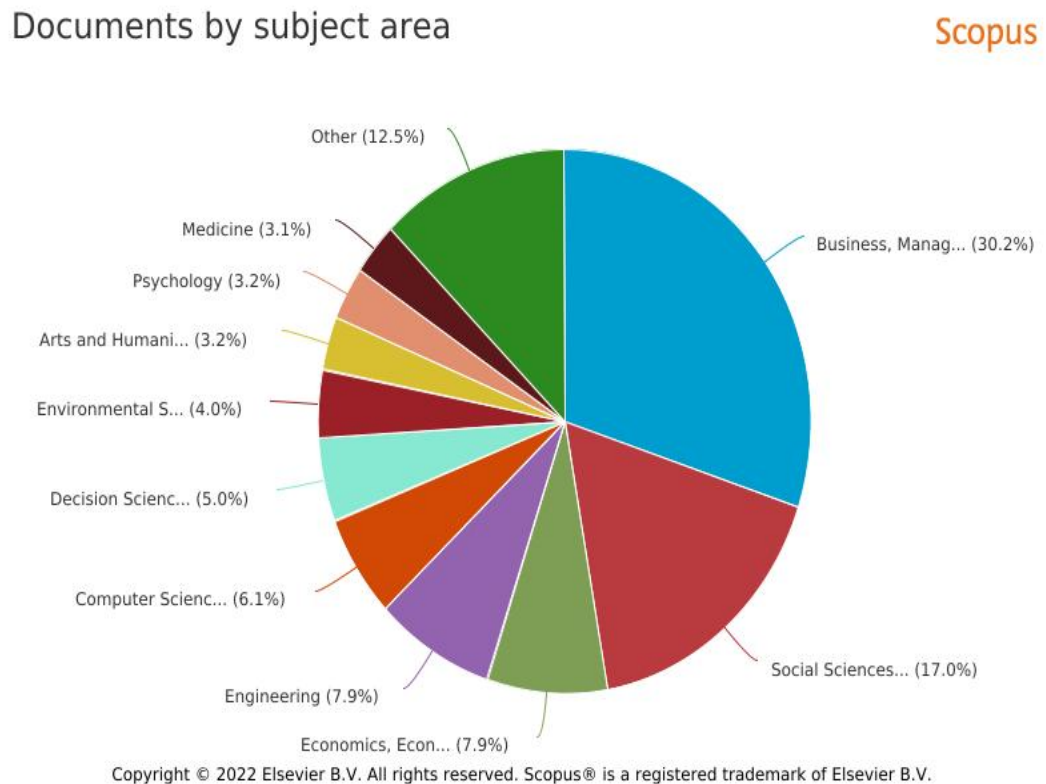
Table 2.3 represents the names of top authors with their number of publications on strategic orientation. Their citations overview on the same publications is also depicted in this table. 16 publications are in the credit of Author Shoham, A. with 216 citations. Yasin, M.M. begged the second position with 12 publications and 282 citations. Higgins, E.T., Hult, G.T.M. and Wales, W.J. has same number of publications but Hult, G.T.M. blocked first rank in the counting of citation with 1885 citations.

**Table 2.6** *Publication Wise List of Top authors and citations on Strategic Orientation*

<b>Author Name</b>	<b>Publications</b>	<b>Citations</b>
Shoham, A.	16	216
Yasin, M.M.	12	282
Higgins, E.T	11	873
Hult, G.T.M.	5	1885
Wales, W.J.	5	845

#### 2.5.1.4 Subject area analysis of Strategic Orientation

The idea of Strategic Orientation has not grabbed the attention of researchers of one discipline only but scholars from different disciplines are attracted for this concept. Figure 2.8 reported 4138 documents related to business, management and accounting, 2338 related to social sciences, 1082 to economics, econometrics and finance, 1079 to engineering, 833 to computer sciences, 681 to decision sciences, 555 to environmental science, 436 to arts and humanities, 434 to psychology, 430 to medicines, 290 to energy, 233 to agricultural and biological sciences, 215 to earth and planetary sciences, 198 to mathematics, 157 to materials science and 113 to neuroscience etc. More than 60 % of total publications are covered by 4 disciplines i.e. (a) business, management and accounting, (b) social sciences, (c) economics, econometrics and finance and (4) Engineering. Other disciplines covered the rest of the documents.



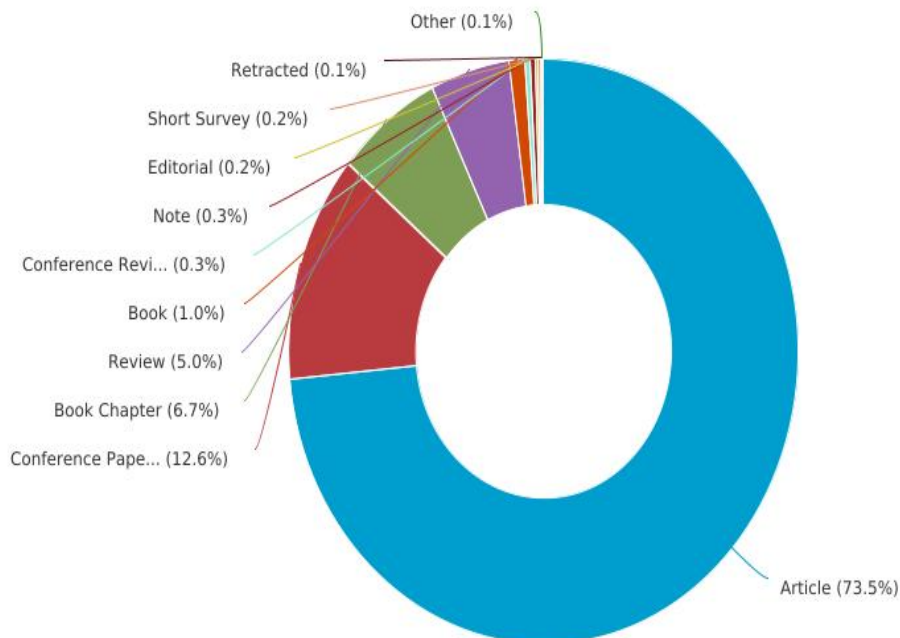
**Figure 2.8 Subject wise analysis of Strategic Orientation**

### 2.5.1.5 Analysis: Type of Publication on Strategic Orientation

The documents on Strategic Orientation construct can be found on Scopus in the form of articles, book chapters, conference papers, review, book, editorial, conference review, note and short survey. Out of 8048 studies 5916 hold articles, 1013 conference papers, 541 book chapters, 401 reviews, 83 books, 27 conference reviews, 23 notes, 14 editorials, and 13 short survey, 7 retracted, 5 erratum, 3 letter and 2 data papers. Out of total publications, 73.5 % are found in the form of articles.

Documents by type

Scopus



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**Figure 2.9 Analysis on the basis of types of publication on Strategic Orientation**

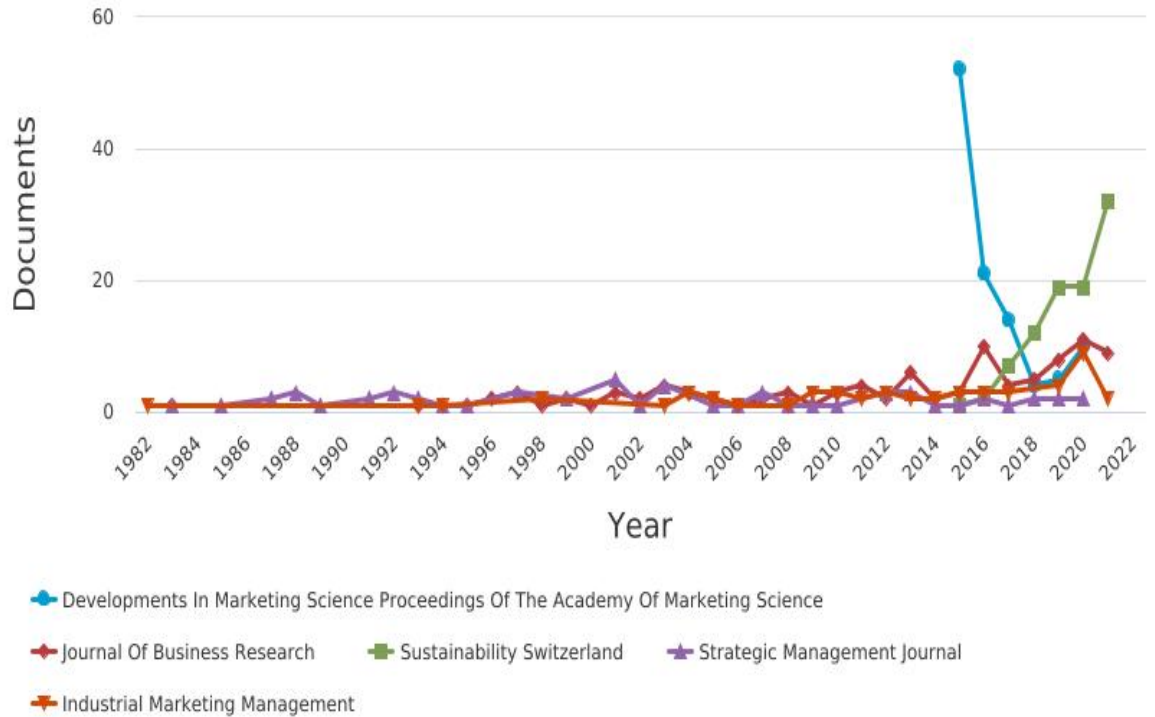
### 2.5.1.6 Journal wise analysis of Strategic Orientation

While analyzing 8048 documents, researchers found 106 published documents in Developments in Marketing Science (Proceedings of The Academy of Marketing Science), 100 in Journal of Business Research, 92 in Sustainability Switzerland, 57 in Strategic Management Journal and 52 in Industrial Marketing Management.

#### Documents per year by source

Scopus

Compare the document counts for up to 10 sources. Compare sources and view CiteScore, SJR, and SNIP data



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**Figure 2.10 Top Five journals on the basis of number of publications on Strategic Orientation**

### 2.5.1.7 Article wise analysis of Strategic Orientation

A total of 8048 articles on the concept of strategic orientation are found till 2021. In this section all the 8048 documents are analyzed on the basis of their citations and table 2.4 presents top 15 cited documents.

**Table 2.7 Most Cited Documents on Strategic Orientation**

Authors	Title	Year	Source title	Cited by
Covin J.G., Slevin D.P.	“Strategic management of small firms in hostile and benign environments”	1989	Strategic Management Journal	3180
Child J.	“Organizational Structure, Environment and Performance: The Role of Strategic Choice”	1972	Sociology	3114
Henderson J.C., Venkatraman N.	“Strategic alignment: leveraging information technology for transforming organizations”	1993	IBM Systems Journal	1819
Lumpkin G.T., Dess G.G.	“Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle”	2001	Journal of Business Venturing	1610
Wiklund J., Shepherd D.	“Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses”	2003	Strategic Management Journal	1505
Hagedoorn J.	“Understanding the rationale of strategic technology partnering:	1993	Strategic Management	1463

	Nterorganizational modes of cooperation and sectoral differences”		Journal	
Gatignon H., Xuereb J.-M.	“Strategic orientation of the firm and new product performance”	1997	Journal of Marketing Research	1422
Berman S.L., Wicks A.C., Kotha S., Jones T.M.	“Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance”	1999	Academy of Management Journal	1385
Gratton G., Coles M.G.H., Donchin E.	“Optimizing the Use of Information: Strategic Control of Activation of Responses”	1992	Journal of Experimental Psychology: General	1322
Lee C., Lee K., Pennings J.M.	“Internal capabilities, external networks, and performance: A study on technology-based ventures”	2001	Strategic Management Journal	1207
Andriopoulos C., Lewis M.W.	“Exploitation-exploration tensions and organizational ambidexterity: Managing paradoxes of innovation”	2009	Organization Science	1158
Obstfeld D.	“Social networks, the tertius iungens orientation, and involvement in innovation”	2005	Administrative Science Quarterly	1132
Zhou K.Z., Yim C.K., Tse D.K.	“The effects of strategic orientations on technology- and market-based breakthrough innovations”	2005	Journal of Marketing	1023
Cisler J.M., Koster E.H.W.	“Mechanisms of attentional biases towards threat in anxiety disorders: An integrative review”	2010	Clinical Psychology Review	1018

Atuahene-Gima K.	“Resolving the capability-rigidity paradox in new product innovation”	2005	Journal of Marketing	990
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This section describes the concept of Strategic Orientation based upon bibliometric analysis and interpreted that this topic has grabbed the attention of many academicians and researchers. Further, it is clearly evident that maximum research work on this topic has been done in United State followed by United Kingdom. India could not take the place in top 10 countries in this area of research. It is evident that this concept is getting popularity but there is a need to explore this concept in developing economies.

Till the year 2021, there are 8048 documents available on Scopus database related to the concept of strategic orientation. The study disclosed that this concept is popular not in one area but its importance is noticed in diverse areas like business, management and accounting, economics, econometrics and finance, energy, psychology, social sciences, engineering, computer sciences, earth and planetary sciences, environmental science, decision sciences, arts and humanities, agricultural and biological sciences, mathematics, medicines and materials science etc.

## **2.5.2 Conceptualization of Strategic Orientation**

Nowadays Strategic orientation is capturing the interest of the researchers. Investigation showcases the different dimensions of strategic orientation. The constructs of strategic orientation includes innovativeness, proactiveness, competitiveness and risk taking which leads towards contextual firm's performance (Lumpkin & Dess, 1996; Covin & Slevin, 1989; Miller, 1983; Kreiser & Davis, 2010; Grünhagen et al., 2014). Strategic orientation defines the extent of taking risk which is needed for every business concern indulging in innovational activity that facilitate the survival of enterprise in this competitive world and all the necessary actions which is needed to compete and to maintain its position in the market (Covin & Slevin, 1989). One dimension of strategic orientation explains that an enterprise needs to be proactive and it must be enough aggressive towards its competitors (Wang, 2008).

The concept of strategic orientation defines the culture of the firm and its value system (Hart et al., 1991). Strategic orientation is basically related with the process of defining strategy (Mintzberg, 1973). It not only includes the process, policies or methods but also reflects entrepreneurial behaviour of an entrepreneur that always seeks opportunities (Lumpkin & Dess, 1996). This is the quality of an effective leader (Ireland et al., 2003). It depicts the operational activities of the firm and its strategic posture while defining its mission and vision.

Strategic orientation of firm is a significant indicator of its performance. Success or failure of any entrepreneur is confined in his capacity to take responsibilities. Although he has to face different types of risks at every stage but his experience and his thoughtful actions may lead to success (Sharma & Rathore, 2020). The entrepreneurs having the qualities of being innovative, proactive and competitive reflect strategic orientation and those having low level of these qualities define conservative orientation (Covin et.al, 1989). Only those firms survive in this era that plan effectively and acquire needed resources and technology on time. Nowadays the mantra to succeed in the field of entrepreneurship is having these qualities (Grande et.al, 2011, Covin et.al, 1999, Zahra et.al, 2002).

Shortening the product life cycle and corporate life cycle has become the general tendency of business environment nowadays. In result, entrepreneur need to search for new ventures and for this strategic orientation proves advantageous. High

strategic orientation leads to overcome the inefficiencies of spending high amount in the form of manufacturing expenses, direct cost and promotional expenditures. In gist, strategic orientation is highly needed for the survival of the business.

Researchers explained Strategic orientation as strategic direction (Zhou et al., 2005), market orientation (Grawe et al., 2009), learning orientation, innovation, flexibility (Emilio et al., 2005) and investment strategy (Racelis, 2006). Strategic orientation covers all the three i.e. entrepreneurial orientation, learning orientation and marketing orientation (Liu and Fu, 2011). Entrepreneurial orientation covers the features of innovativeness, proactiveness, risk taking behaviour and competitive aggressiveness of an entrepreneur. Learning orientation defines the clear vision and mission of an enterprise and also includes the open mindedness and commitment to learning. Marketing orientation wrap up customer, competition and trans-department orientation.

## **2.6 Entrepreneurship and Strategic Orientation**

Literature validates that both entrepreneurship and strategic orientation are different in terms of research area; one is related with content construct and other one with process (Bourgeois, 1980; 1984). Content defines the subject matter like what entrepreneurship is? Strategic orientation defines process construct which defines the method or procedures adopted by an entrepreneur to realize its entrepreneurial objectives. It defines how an entrepreneur should behave to prove him better than its competitors (Lumpkin & Dess, 1996).

‘What’ defines the term Entrepreneurship & ‘How’ provides the foundation for the concept of Strategic Orientation (Stevenson & Jarillo, 1990; 2007). ‘What’ only defines the product, its range and Nature of the firm (Matsuno et al., 2002) whereas ‘How’ gives the answer of the manner in which firm operationalized its activities. With the initialization of the concept of entrepreneurship, main focus was limited to content construct but with the passage of time and development of one construct, the focus of the researchers shifted towards process construct (Burgelman, 1983).

## **2.7 Dimensions of Strategic Orientation**

The dimensions of strategic orientation play a critical role in shaping the growth and sustainability of an enterprise. Literature reveals the different dimensions of strategic orientation. This study focuses on four key dimensions: innovativeness, proactiveness, risk-taking, and competitiveness.

### **2.7.1 Innovativeness**

Innovation stands as a cornerstone for growth, competitiveness, and even the very existence of an enterprise (Drucker, 1985). It embodies qualities of creativity, uniqueness, invention, and experimentation (Covin et al., 1988; Lumpkin et al., 1996). This dimension of strategic orientation delves into the adoption of novel methods and procedures, innovative decision-making by entrepreneurs, and the advancement of technological expertise (Morris et al., 1987; Kanter, 1982). In a dynamic business environment, survival hinges on an enterprise's ability to adopt new approaches to conducting its ventures (Covin et al., 1999; Hult et al., 2004; Herring, 2004). This includes introducing new products tailored to customer preferences, exploring untapped markets, and establishing fresh supplier relationships (Schumpeter, 1934; Edmondson et al., 2009; Heunks, 1998; Wiklund et al., 2003).

The capacity for innovativeness is truly demonstrated when an enterprise not only generates innovations but successfully brings them to market and reaps benefits (Brockman & Morgan, 2003). It involves constant scanning of the environment, conducting research, seeking advancements, and implementing them into the venture (Hultink & Atuahene-Gima, 2000; Burgelman & Sayles, 1986).

In the realm of strategic orientation, innovativeness takes on various forms. It can manifest as imitativeness, whereby an enterprise emulates a product with high market demand. Alternatively, it may be expressed as accretive, involving enhancements to existing products and their quality (Downs & Mohar, 1976). Elaboration, on the other hand, entails the introduction of new products or services that may already exist in the market, serving as a strategy for expansion and growth (Wangxiang, 2001). Exhaustive innovation involves creating a product similar to a competitor's offering, albeit with slight modifications for superior output and results

(Gimenez, 2000). Another facet of innovativeness is the transition from traditional know-how to modern mechanisms, stimulating heightened product demand (Gaglio & Katz, 2001; Covin et al., 2006).

This dimension not only provides a platform for creativity and innovative thinking but also embodies an enterprise's ability to seek novel and unconventional solutions while discovering new methods of operation (Vij & Bedi, 2012). It has been recognized as a pivotal component of entrepreneurship, as asserted by the pioneering economist Joseph Schumpeter in 1934. In the fiercely competitive landscape of today, an enterprise's ability to compete hinges on its capacity to offer novel solutions, serving as a linchpin for its growth (Drucker, 1985; Knight, 1997; Heunks, 1998; Wiklund & Shepherd, 2003).

Innovativeness is not merely a passive quality; it demands proactive engagement. It necessitates the enterprise's commitment to engaging in innovative practices, thereby securing an edge over competitors (Wolfe, 1994; Hult et al., 2004). While the inception of an innovative idea is a crucial starting point, true innovativeness is defined by the channelization of that idea into a tangible reality, ultimately enhancing the value of the enterprise's products and services (Bradmore, 1996; Covin & Slevin, 1989).

Innovation finds expression in various forms, including product, process, social, market, and technological innovation. Product innovation entails the introduction of new or significantly improved goods and services. Process innovation revolves around the improvement of production and delivery methods. Social innovation manifests in improved training and enhanced working conditions. Technological innovation encompasses the development of new or improved methods, tools, and product designs, coupled with effective promotion, packaging, and pricing strategies to access new markets.

Innovation, a cornerstone of entrepreneurial endeavors, takes on various dimensions, including both horizontal and vertical expressions. These subcategories offer unique insights into how enterprises adapt and evolve in response to changing market dynamics. Horizontal innovation described by Romer (1990), revolves around the introduction of new products that do not render existing ones obsolete. In essence, it expands the product offerings within a given market segment without necessitating

the replacement of established goods. This allows for diversification and the potential for a broader customer base. Vertical innovation, posited by Aghion and Howitt (1992), entails the introduction of new products that supersede and render obsolete existing ones. This disruptive form of innovation propels industries forward by fundamentally transforming the products or services available, often leading to enhanced efficiency, capabilities, or user experiences. Beyond product-centric innovation, enterprises may also engage in organizational innovation. This involves altering internal practices and processes, reimagining workflows, and implementing new structures. Strategic innovation is another facet, focusing on the redesign of organizational strategies to stimulate growth, establish competitive advantages, and create value for both the business and its clients. This can encompass anything from changes in management approaches to shifts in operational methodologies.

The approach an enterprise takes towards innovation serves as a powerful indicator of its overall innovativeness competency. Being forward-thinking, taking proactive steps towards reconstruction and positioning oneself at the forefront of competition all illustrate a commitment to innovation (Kim & Mauborgne, 1997). This mindset is not merely theoretical; it is embodied in tangible outcomes. Innovativeness provides a tangible hallmark for transforming designs into functional, marketable products or services (Rosenbusch et al., 2011).

In the contemporary era, entrepreneurship is at the forefront of market evolution. The ability of an enterprise to innovate is paramount to its successful entry into the market and its capacity to captivate a discerning audience (Kanter, 1982). However, it is essential to acknowledge that while innovation is a powerful catalyst for growth, it can also pose challenges for enterprises entrenched in traditional practices (Schumpeter, 1942).

Entrepreneurs have earned a reputation as the 'Representator of Restyling'. They inaugurate products and present solutions to the market, addressing myriad challenges including cost, quality, and efficiency (Van de Ven, 1986). This pioneering spirit drives progress and propels industries forward, leading to the resolution of longstanding issues and the advancement of economic and societal well-being (Davila, 2000).

The impact of innovativeness extends beyond the mere expansion of goods into the market. It positions enterprises to gain an edge over competitors by embracing strategies that penetrate markets more effectively (Cornelia, 1996; Edmondson & Nembhard, 2009). This dynamic dimension fundamentally transforms enterprises to be agile and responsive to market demands (Hult et al., 2004). Consequently, this characteristic intensifies an enterprise's competency, rendering it adaptable to its surroundings (Burgelman & Sayles, 1986; Hisrich & Peters, 1998).

In summary, innovation, whether horizontal, vertical, or organizational, forms the backbone of entrepreneurial progress. It is the driving force that propels industries forward, creates competitive advantages, and generates value for both businesses and their clients. By embracing a forward-thinking approach and positioning themselves at the forefront of competition, enterprises can harness the full potential of innovativeness, ultimately reshaping markets and revolutionizing industries.

In essence, the innovativeness dimension of strategic orientation is the bedrock for turning innovative ideas into reality, enabling enterprises to capture markets and gain a competitive edge. It is a purposeful endeavor that not only fosters invention but also fuels the growth of enterprises and society.

### **2.7.2 Proactiveness**

Proactiveness, as defined in the literature, encapsulates a company's capacity to venture into new markets with fresh products, all while prioritizing tackling challenges over direct competition (Mwangi et al., 2014; Senge, 1990). These proactive enterprises exhibit a remarkable ability to foresee future trends and promptly take appropriate action (Nordqvist et al., 2010). Rather than simply following trends, they aspire to lead, demonstrating a propensity to innovate and pioneer (Venkatraman, 1989).

This characteristic of proactiveness manifests as a swift and inventive disposition within the company (Lumpkin & Dess, 1996). It compels the organization to think creatively and explore new ventures, regardless of its current product offerings. Essentially, proactiveness represents the strategic stance of a company that prudently eliminates endeavors that have reached maturity or are in decline within the Business Life Cycle (BLC) (Tang & Tang, 2012).

In essence, proactiveness is the hallmark of an enterprise's pioneering spirit (Tang et al., 2007). It lays the foundation for innovative thinking (Kaplan, 1998), propelling the company to seek out novel and distinctive products and services (McDermott & O'Connor, 2002). The strategic orientations of innovativeness and proactiveness are intricately linked (Schumpeter, 1934), with the former involving the process of discovery and the latter denoting the swift implementation of those discoveries (Antoncic & Hisrich, 2004; O'Connor & Veryzer, 2001; Gupta & Pandit, 2012). A proactive firm actively engages in endeavors that pave the way for business expansion (Sandberg & Hofer, 1987).

A proactive firm stands out for its vigilant monitoring of market trends and demands, exemplifying a keen foresight for its products and services (Nordqvist & Zellweger, 2010). This quality of proactiveness extends to asking critical questions: What products should be developed to meet customer needs? Where are the necessary resources located? What technology should be employed for production? The intensity with which a firm engages in these discussions serves as a clear indicator of its proactiveness (Alvarez & Barney, 2007).

In order to address these inquiries, companies must conduct thorough environmental scans, predict the needs of potential customers, assess competitor

strategies, keep abreast of technological advancements, and seize opportunities within the market (Wiklund, 1999). In today's dynamic business environment, rapid changes are the norm. Customer preferences and tastes evolve swiftly, compelling enterprises to be even more proactive and adaptable to meet market demands (Porter, 1985). Flexibility, in this context, refers to the ability of an enterprise to adapt and adjust. Conversely, rigidity or low flexibility can have detrimental effects on a business entity (Khandwalla, 1977).

Initiating decisions at the opportune moment, ahead of competitors, propels an enterprise one step closer to success (Kreiser & Davis, 2010). In the contemporary dynamic landscape, survival is reserved for enterprises possessing the capability to outmaneuver competitors through innovative and forward-thinking strategies, coupled with the ability to anticipate and react to future developments (Helfat, 1997; Surie & Ashley, 2008). A proactive enterprise doesn't merely react to challenges; it anticipates them through experiential learning derived from past and present circumstances (Oni, 2012). This proactive stance positions the company to not only weather storms but also to thrive in the face of adversity.

Proactiveness in a business context can be likened to a dynamic driving force that characterizes a firm's assertive and determined approach towards achieving its objectives (Knight, 1997). It serves as a defining trait that showcases the keen awareness of an enterprise regarding the ever-evolving business environment.

It is important to note that a firm's level of maturity does not necessarily correlate with its proactiveness. Instead, it is the pioneering firms that demonstrate commendable proactive behavior (Lumpkin & Dess, 2001; Limberman & Montgomery, 1988). These forward-thinking enterprises possess the capability to navigate the market landscape through astute competitive strategies (Clercq et al., 2010; Zahra & Covin, 1995).

The distinction of a proactive firm lies not only in its reactionary response to competitors' strategies, but in its ability to proactively shape and influence its operating environment (Covin & Slevin, 1989; Kreiser & Davis, 2010; Awang et al., 2009). This signifies the firm's forward-looking perspective, enabling it to make critical decisions at the early stages of change, thereby ensuring future stability and growth (Zahra et al., 2002).

In essence, a proactive firm stands as a vanguard, actively anticipating and embracing change, rather than merely reacting to external stimuli. This proactive stance empowers the firm to not only weather challenges but also to seize opportunities, ultimately contributing to its sustained success and growth in a dynamic business landscape.

The dimension of proactiveness within the realm of strategic orientation has been a subject of considerable debate among eminent researchers. Their collective findings have led to a consensus that proactiveness denotes an enterprise's capacity to establish and maintain a leading position in the market relative to its competitors. A proactive firm possesses the acumen to seize market opportunities by keenly monitoring its surroundings at the opportune moment.

Furthermore, the proactiveness of an entrepreneurial firm is exemplified by its ability to foresee potential challenges (Oni, 2012), to anticipate and adapt to uncertainties (Oni, 2012), to maintain vigilance in the face of competition (Zahra et al., 2002), and to adapt in response to a changing environment (Knight, 1997; Naman et al., 1993). This dynamic responsiveness and opportunistic approach towards achieving its targeted objectives elucidates the proactiveness of an enterprise (Yener & Aykol, 2008).

As a result of these proactive behaviors, such firms are not only able to weather challenges effectively but also to capitalize on emerging opportunities. This strategic approach not only leads to sustained profitability but also enables these enterprises to enjoy supernormal profits over an extended period of time. In essence, proactiveness emerges as a pivotal element in shaping the long-term success and profitability of an entrepreneurial venture in a competitive and ever-evolving business landscape.

### **2.7.3 Risk Taking**

Risk-taking in the context of business is fundamentally defined by the level of uncertainty associated with a particular course of action (Barrett et al., 2000). It encompasses the potential occurrence of unfavorable or costly outcomes in relation to a given activity. This uncertainty is rooted in the variance between the actual outcome and the anticipated result (March, 1978; Barrett et al., 2000). Risks can be either projected or carefully considered, or they can materialize unexpectedly and without warning.

It is worth noting that the definition and perception of risk can vary significantly among individuals and under different circumstances (Wiseman et al., 1998; Bowman, 1980). Throughout our lives, we all encounter numerous challenges, from the moment of birth to the end of life. However, the way in which we approach and accept these challenges differs from person to person. This divergence in risk perception can be attributed to the specific situations in which the challenge arises, as well as to the demographic characteristics such as age and gender of the decision-maker (Figner et al., 2011).

Therefore, it becomes paramount to understand the individual who is assuming the risk and the context in which they are making decisions (Figner et al., 2009; Weber et al., 2002). Each person possesses unique characteristics that influence their decision-making process. Some individuals make decisions based on emotional factors, while others adopt a more pragmatic and rational approach (Figner et al., 2009; Loewenstein et al., 2001).

Risk in business, particularly in financial terms, can stem from various sources. One prominent source is the fluctuation in consumer preferences, the entry of new competitors into the market, inefficient allocation of resources, or a shift in technological know-how. Additionally, risks can arise due to alterations in government policies and regulations, which may impact the operational landscape of an enterprise. Strikes and walkouts by personnel can also pose a significant financial risk to an organization. Natural disasters like floods, earthquakes, and droughts further exacerbate financial losses for micro entrepreneurs.

Another facet of financial risk is the strategic decision to undertake high levels of credit. Companies may opt for substantial credit in order to seize lucrative market

opportunities, but this decision exposes them to heightened financial risks (Dess et al., 2005). The practice of leveraging credit to capitalize on market potential can result in increased exposure to financial vulnerabilities. As a firm expands, it encounters a broader spectrum of financial risks, encompassing issues like insufficient funds, inadequate capital, and the burden of high-interest loans (Gabriel & Baker, 1980; Houston et al., 1999; Knechel, 2007; Chen et al., 2010; Gurley & Lugovskyy, 2019).

Business risk, on the other hand, refers to unforeseen events or changes in the corporate landscape that are beyond the control of business operators. These events can lead to losses or a reduction in profits. Micro-level enterprises generally face fewer business risks compared to their small and large-scale counterparts (Amit & Wernerfelt, 1990; Eilifsen et al., 2001; Knechel, 2007; Rittenberg et al., 2010). This is often attributed to the scale and scope of their operations, which may be more localized and less susceptible to large-scale disruptions. In summary, financial risks in business can originate from a multitude of sources, including market dynamics, regulatory shifts, and strategic decisions. Understanding and effectively managing these risks is paramount for the sustained success and growth of any enterprise, regardless of its scale or industry.

Entrepreneurial risk encapsulates the inherent willingness of a budding entrepreneur to take on challenges, the perceived likelihood of failure for a specific venture, and the potential consequences of such a setback (Brockhaus, 1980). This risk-taking propensity is a defining characteristic of entrepreneurs, who navigate through a multitude of risks in their pursuit of success.

In addition to the general entrepreneurial risk, entrepreneurs grapple with an array of other risks. These include competitive risks, which stem from the presence of other businesses vying for market share, operational risks associated with day-to-day activities, innovative risks tied to the introduction of new products or services, political risks that arise from changes in government policies and parties, economic risks influenced by broader economic conditions, market risks tied to fluctuations in demand and supply, legal risks arising from compliance with laws and regulations, and credit risks related to financial transactions (Oniszczenko & Laskowska, 2004; Davidsson et al., 2006; Moroz & Hindle, 2012).

Political risks, in particular, can pose significant challenges for entrepreneurs. These risks materialize due to shifts in political leadership and alterations in government policies. Weak judicial systems and widespread corruption among officials further compound the challenges faced by businesses (López-Duarte & Vidal-Suárez, 2010; McCaffrey & Salerno, 2011; Dutta et al., 2013). Additionally, ill-defined tax structures and government policies can present obstacles for micro-entrepreneurship, requiring firms to navigate complex regulatory landscapes (Bruce & Schuetze, 2004; Meh, 2005; Henrekson & Sanandaji, 2011; Asoni & Sanandaji, 2014).

To navigate these risks effectively, firms must remain vigilant and adaptable to both internal and external changes. This includes staying abreast of technological advancements, new legal frameworks, and shifts in government policies and regulations, among other factors (Islam et al., 2015).

As an economy progresses and undergoes industrialization, the landscape becomes increasingly competitive, which can pose significant challenges for businesses (Anderson, 1990; Borch et al., 1999; Reed, 2000; Teng, 2007; Ireland & Webb, 2007; Dhliwayo, 2014). In this fiercely competitive environment, innovation becomes imperative for the survival of an enterprise, but it also introduces operational risks (Kent et al., 1982; Covin & Slevin, 1991; Carland, 1997; Malakhovskiy et al., 2019). In this era of cutthroat competition, only enterprises with the financial capacity to make substantial investments and extend credit facilities to their suppliers and customers can thrive (Dobija & Rosolinska, 2010; Solesvik et al., 2013; Sandri, 2014; Malakhovskiy et al., 2019). This heightened level of financial involvement also leads to an increase in risks for micro entrepreneurs.

Entrepreneurs are often hailed as not only risk-takers but also as adept risk managers (Kao, 1989). They exhibit a level of skepticism akin to that of a scientist. Funk and Wagnall's Standard Dictionary (1958) further defines an entrepreneur as someone who "undertakes to start and conduct an enterprise or business, assuming full control and risks." The entrepreneur is depicted as "the organizer of an economic venture, especially one who organizes, owns, manages, and assumes the risk of a business" according to Webster's Third New International Dictionary (1981). These definitions make it evident that an individual who merely provides capital cannot be

considered a true entrepreneur. What distinguishes an entrepreneur is their active involvement in managing the venture.

Entrepreneurs possess a unique ability to discern opportunities, assess risk levels, and evaluate the strengths and weaknesses of their organizations—a trait often likened to having a metaphorical "third eye" (Dinu, 2012). Research has shown that individuals with a higher tolerance for risk are more inclined to pursue entrepreneurial endeavors compared to those who are risk-averse (Cantillon, 1755; Knight, 1921; Marshall, 1890). These risk-tolerant individuals not only calculate risks astutely but also navigate them skillfully (Longenecker & Schoen, 1978). Moreover, those who are willing to take risks, especially in the context of innovation, are more likely to achieve success compared to those who shy away from potential threats.

At the core of an entrepreneurial mindset lies the willingness to take risks. In fact, it can be argued that no business venture is possible without some degree of risk-taking. However, it's important to emphasize that risk-taking in entrepreneurship is not synonymous with reckless decision-making. Instead, it involves a careful balance of prudence and strategic planning. Entrepreneurs must be vigilant in their risk assessment and make timely judgments. It's understood that early decisions in a venture may not always yield the desired outcomes, and strategies may falter. Nevertheless, persistence and a commitment to the chosen path are vital for success.

Furthermore, staying informed about internal and external developments is crucial for business success. This includes keeping abreast of technological advancements, changes in government policies, industry regulations, and emerging trends. Being proactive in monitoring these factors allows entrepreneurs to adapt their strategies and operations accordingly. In conclusion, the essence of entrepreneurship lies in the willingness to take calculated risks. Entrepreneurs possess a unique ability to evaluate opportunities and navigate challenges with sagacity. It's not about avoiding risks altogether, but about managing them effectively. By maintaining a keen awareness of the evolving business landscape, entrepreneurs position themselves to make informed decisions and ultimately drive the success of their ventures.

Miller and Friesen (1982) define risk-taking in terms of how willing managers are to undertake significant and potentially risky resource commitments. Lumpkin and Dess (1996) elaborate on risk propensity as a firm's capacity to support projects with

uncertain outcomes. According to Kreiser et al. (2002), risk-taking propensity reflects the willingness of an organization's top management to take bold and decisive actions.

In the realm of entrepreneurship, despite the inherent risks, entrepreneurs have the capacity to mitigate these risks through strategic planning. Similar to a game where some risks are known and others are unpredictable, a coach can minimize risks by thoroughly studying the opponent's strengths, weaknesses, and historical performance. Additionally, the coach looks for potential opportunities that can lead to success (Bodde, 2012). Similarly, an entrepreneur faces identifiable and unforeseeable risks. Like a coach, an entrepreneur must closely monitor competitors' strategies, understand their strengths and weaknesses, and analyze their past performance. When confronted with unforeseeable risks, an entrepreneur must act swiftly and intelligently to minimize potential damage.

To successfully navigate the business process and adhere to legal formalities, entrepreneurs must be well-informed. Neglecting this aspect can hinder the expansion of an enterprise (Nawaser et al., 2011; Dutta et al., 2013; Evans & Gabel, 2020). While experience allows businessmen to mitigate risks to some extent, it is important to note that risk cannot be entirely eradicated. This can only be achieved through proactive planning and preemptive action to neutralize the impacts of risks and capitalize on opportunities within the market.

In conclusion, entrepreneurial risk is a multifaceted concept that encompasses the propensity for risk-taking, the perceived likelihood of failure, and the potential consequences of such failure. Entrepreneurs must navigate through a diverse array of risks, including political, economic, legal, and competitive challenges, in their pursuit of success. Understanding and effectively managing these risks is essential for the sustained growth and prosperity of any entrepreneurial venture.

In essence, the evolving economic landscape demands that entrepreneurs not only possess a willingness to take risks, but also the acumen to effectively manage those risks. They play a pivotal role in navigating the complexities of a competitive market, leveraging innovation, and making strategic financial decisions. This combination of risk-taking and risk management defines the entrepreneurial spirit and contributes significantly to the success and sustainability of businesses in today's dynamic business environment.

#### 2.7.4 Competitiveness

Negative interaction between the firms defines competition (Krauss et.al, 2005). The ‘Competitiveness’ dimension of strategic orientation explains the battling disposition of firm with its rivals (Lumpkin & Dess, 2001). It defines how a firm responds to its threats created by competitors (Lumpkin et.al, 2001) and how a firm challenges its competitors (Frese et.al, 2002) by introducing new product or by changing its strategies (Covin et.al, 1990). Firm’s policies and strategies are always based on level of competition and competitor’s strategies (Zahra et.al, 2002). Only those firms survive in the market which takes decision by monitoring threats and opportunities which are available in the market (Bell et.al, 2021; venkatraman, 1989).

Introducing a product better than its competitors and differentiating it in terms of quality and price gives birth to competitiveness (Zahra et al., 2002). The quality of competitiveness is that an enterprise tries to maintain its current position in the market by eliminating its competitors from the market (Lumpkin & Dess, 2005). Different typologies affect the competitive aggressiveness of an enterprise. Degrading the products of its competitors in the eyes of customers defines *Debase* attack. Second attack is *Defect* in which an entrepreneurial firm tries to capture its competitor’s resources that may include supplier, customers or human resources. These typologies help an entrepreneurial firm to capture the market of its rivals. One more typology is *Deny* attack which forces an enterprise to maintain its place in the market. Entrepreneurial strategy of retaining the basic material with itself and not allowing the competitors to use or retain defines *Deny* attack typology (Chen & Hambrick, 1995).

Aspiration to become a market leader explains the quality of competitiveness among micro entrepreneurs. For this an enterprise prefers to use modern strategies rather than same outdated models. If an enterprise becomes the leader of that market, it assists in enhancement of its share in the industry. This benefits the enterprise in terms of increase in the spending of an enterprise on branding and promotional activities (Stone & Brush, 1996).

It is necessary for a competitive aggressive firm either to have the knowledge of war games or the product of that firm must be discriminate from its opponents (Porter, 1985; Kopalle et al., 1999; Edmans et al., 2012). There are variations in the competitive aggressive attitude of an enterprise. Some enterprises believe in peaceful

environment and they indulge in peace war with competitors as they are afraid of counter attacks from other side (Ghoshal & Westney, 1991; Read & Sarasvathy, 2005). This is the extent of competitiveness that shows how a firm responds on the strategies of existing competitors and how it restricts the entry of prospective rivals (Baker & Nelson, 2005).

The firm which enjoy economies of scales take competitive steps such as higher discount on products, cutting down the prices, spending the huge amount on branding and marketing activities and forfeiting the profits of the concern (Venkatraman, 1989). The launching of low-cost product in a particular niche restricts the entry of competitors. If an enterprise is not so powerful to compete with its racers then while focusing on the whole market that enterprise should focus on the specific niche. As per the capabilities, an enterprise should select the specific niche to produce competitive product at competitive price with competitive quality.

The basic attribute of a competitive aggressive firm is that it gathers all the data of its rivals like their strategies, strengths, weaknesses and their employee's disposition. Competitive aggressive enterprise also pays due attention towards its rival's manufacturing and distribution strategy and its resources. On these grounds a competitive aggressive enterprise takes actions which make it superior than its competitors (Stone & Brush, 1996).

There is a strong association of competitiveness with other dimensions of strategic orientation i.e. innovativeness and proactiveness (Lee & Lim, 2009; Kreiser et al., 2002). Innovativeness and proactiveness dimensions entail the features of innovating objects and techniques before their competitors but research proves that an enterprise can get the benefit of these features only when it has also the capacity to compete aggressively (Stam & Elfring, 2008; Karagozoglu & Brown, 1988). The dimension of competitiveness helps an enterprise to enjoy the settlements in a long run (Lumpkin & Dess, 1996). Innovativeness and proactiveness pays to an enterprise for a short period of time as their invention can be imitated by the prospective rivals and they can pose a threat in a long run but competitiveness capacity of an enterprise always save its place in the market (Covin & Covin, 1990).

It is the competitive aggressive of an enterprise which ensures enduring stay of an enterprise in the emporium. Cutting down the prices, lowering the profit margins,

giving heavy discounts, distribution of various coupons and providing extra services classify competitiveness of an enterprise (Zajac & Bazerman, 1991). A heavy amount spends on advertisements and popularity of its brand in order to beat the rivals and to shut the doors for the prospective competitors shows the aggressiveness of an enterprise towards competition (Zahra & Chaples, 1993).

The approach of competitive aggressive firm not only lies with guarding its existing allocation in the market but it extends to seeing forward and secure future share (Reed & Defillippi, 1990). The eye of a competitive aggressive firm captures every action of the competitor like their strategies, sales, employees, their customers, suppliers, their strengths and weaknesses. After analyzing the actions of competitors, entrepreneur takes decision about necessary steps to be taken to neutralize the effect of competitor's strategy (Dutton & Duncan, 1987; Zahra et al., 2002; Bell & McNamara, 1991).

In gist, this dimension of strategic orientation focuses on assertiveness of an enterprise for competition. Involvement in war gaming exercise, targeting the existing competitors, restricting the entry of prospective rivals and maintaining the position in the market, by neutralizing the effect of competitor's strategy shows competitive aggressive attitude of an enterprise.

## 2.8 Business Performance

Performance serves as the primary gauge for assessing the success of any enterprise. It can be defined as the entrepreneur's operational proficiency in satisfying the demands of customers, creditors, owners and the broader society (Ford et.al, 1982; Dess et.al, 1984). Performance is basically related to time factor i.e. how quick a firm respond to its opportunities and threats. An enterprise may succeed if it reacts on time but it may ruin down after a lapse of particular time period.

As planning and controlling both are inter-related, if the achievements are exactly similar what we had planned earlier, our performance is good. In the same manner, a group of authors claim that business performance is also a same measurement tool where actual output and planned one is being compared. The input (what we had planned in past) and output (what we had achieved now) of an enterprise are used to measure its efficiency (Ghalayini et al., 1997; Neely et al., 1995; Gupta & Govindarajan, 1984). Other scholars added Performance is not only the comparison of planning and what we had achieved but it also acts as guide for an enterprise to judge its value, strengths and weaknesses (Lee et al., 2001; Lynch & Cross, 1991).

Literature reveals benchmarks to measure the performance of an enterprise which includes financial and non-financial standards, technical and operational measures, objective and subjective yardsticks (Combs et al., 2005; Globerson, 1985; Hoffman et al., 1991; Kreiser et al., 2002; Clercq et al., 2010). An enterprise is considered to be successful if it can satisfy its various stakeholders (Wiklund & Shepherd, 2003; Bititci et al., 2000; Neely et al., 1997). Any business's performance can be used to gauge a manager's effectiveness or ineffectiveness (Wiklund et.al, 2003, Ghalayini et.al, 1997) and a good performance can be measured by achieving the firm's goals, planning for the future, and developing strategies to increase organizational efficiency (Neely et.al, 1997, Purbey et.al, 2007, lynch et.al 2000, Bititci et.al, 2000).

The selection of performance indicators for any firm is a very important decision. The statement made by Kaplon & Norton "Effective measurement must be an integral part of management process" provides an explanation for this. When performance measures are carried out in an appropriate and accurate manner,

managerial decisions prove fruitful. The management may be making a decision based on measured performance. (Dess & Robinson, 1984; Ellis, 2006; Birley & Westhead, 1990; George et al., 2001).

A couple of years back, the main construct to measure performance were limited to profit and sales only. Researchers then sense the need of such a system which may define the other factors that are imperative for the growth of an enterprise (Dess & Robinson, 1984; Parnell & Wright, 1993; Naman & Slevin, 1993; Johnson, 1983; Venkatatraman & Ramanujam, 1987). Gradually some different criteria were introduced to calculate growth in sales, profits and assets like Net Income, Return on Investments, Earning Per Share (Zahra & Garvis, 2000; Covin et al., 2006; Snow & Hrebiniak, 1980; Sapienza et al., 1988). The various indicators that can be used to evaluate a company's financial performance are depicted in literature. Later on, it has been realized that by considering only financial indicators, the performance of a business can not be defined.

Due to the lack of focus on non-financial performance characteristics, many academics contend that the current system is behind. After recognizing some of the flaws in the current system, numerous researchers faced the complexity of the existing performance measurement system. While a lot of researchers focus on performance management system, the selection of metrics for business performance has long been a problem (Bourne et al., 2000; Kartalis et al., 2013). In 1992, Kaplan & Norton introduced a performance measurement system that addressed the shortcomings of the existing internally focused measurement frameworks (Johnson & Kalpan, 1987; Forker et al., 1996; Zahra & Garvis, 2000; Bourne et al., 2003). The base of thought process of Kaplan & Norton on the key performance measures was The Rexam 21 Principles which covered not only financial measures but also people, customers, process, innovation, performance, suppliers and community.

Balanced scorecard introduced by them is proved as a all inclusive method of performance evaluation. This scorecard covers all significant financial and non-financial indicators. Four indicators were used by Kaplan & Norton to separate key performance measures. The first pertains to *financial aspect*, specifically, how our *shareholders perceive us?* and how we communicate our performance to those entrusted with investments. This involves assessing and comparing the profitability

and sales figures of the enterprise. Additionally, it involves evaluating metrics such as return on investment, working capital efficiency, return on assets, and earnings per share. The customer's point of view is described by the second indicator in this measurement system. Customer is the king of the market. Now whatever decision is being taken by the producer depends upon the likings and disliking of the customers. From this vantage point, one can gain insight into how a business appears to customers. *What is the response of the customers towards objects and services?* The suggestions, complaints and feedback of customers are being given the appropriate consideration.



**Figure 2.11** *Attributes of Business Performance*

Next attribute is *internal business process* that is connected to customers and stakeholders. Customers will be pleased and stakeholders will be compensated if the product and service quality is improved. The quality includes product and process innovation. The fourth indicator of balanced scorecard approach is *learning and growth*. Employees' positions can not be reinstated in any business. If they have such

an important place in an enterprise, they ought to keep themselves up to date for the benefit of their enterprise. They must adapt to the environment's alterations. Training is the medium to enhance their productivity rate. From this point of view, performance is evaluated based on the absence rate, productivity, and level of satisfaction of employees.

“What you measure is what you get”. Initially the thought behind balance scorecard was to develop a non-financial performance measurement system only. Later on, researchers realized that Kaplan & Norton's work is not restricted to performance measurement of an enterprise but it also works on enterprise's strategy and vision. This measurement system sets target and establish a link between strategy and measure. This system became popular as it overcome the boundaries of traditional performance measures which was only limited to some concepts of financial indicators only. Customers, employees, stakeholders and society were not given place in traditional methods. Only short term measures were given due significance.

After Kaplan and Norton's approach, now micro entrepreneurs were having choice among financial and nonfinancial performance management indicators. That time they started discussing on another challenge of measuring the performance. The challenge was how to measure the performance of an enterprise. Whether in subjective manner or in objective way? It is feasible to check subjective performance at cross-industry level or at very large concerns but for small scale organizations; objective measures prove fruitful (Heneman, 1986; Stede et al., 2006). It is quite comfortable to judge performance in objective manner especially when the data is very sensitive (Dess & Robinson, 1994). Respondents also feel comfortable in brief talk rather than a detailed discussion (Hawkins & Hastie, 1990; Cooper, 1993). Subjective measure of performance is adopted in case of comparison of different attributes with the competitors (Wiklund & Shepherd, 2005; Alasadi & Abdelrahim, 2008; Chandler & Hanks, 1993).

Literature proves that although there are different criteria to measure business performance but the combination of two or three gives the best result (Venkatraman & Ramanujam, 1986; Doyle, 1994).

## **2.9 Strategic Orientation and Business Performance Relationship**

Strategic orientation is the key ingredient for the successful performance of any business. The ability to make various strategies and taking steps to defeat competitor's strategies is strategic orientation. It also comprises investing in profitable projects yielding maximum return and improving business performance (Chan et al, 1997; Ansaari et al, 2015). The concept of Strategic orientation is recognized in 1980s after consideration of entrepreneurship in first half of 20<sup>th</sup> century. Relationship between strategic orientation and business performance is witnessed in last two decades (Marshall, 1930; Schumpeter, 1934; McClelland, 1961; Mintzberg, 1973; Miller et al, 1982; Covin et al, 1988; Covin and Slevin, 1989; Dess et al, 1997).

The extent of strategic orientation of any firm can be seen in its innovativeness, its capacity to take risks and ability to compete aggressively (Vij & Bedi, 2012). Innovativeness support new ideas, technological processes, new products and services, advancement in equipment, creativity and novelty which leads the firm near success (Lumpkin & Dess, 1996; Swierczek & Ha, 2003). Firm's willingness to shift on the road of new ventures and taking bold actions by leaving existing state-of-art represents innovativeness and risk taking ability. Risk taking not only refers to the identification of potential risks, but also analyzation and mitigation of that risk and at the same time preventing the risk (Cornelia, 1996). Firm's Proactiveness refers to its ability of looking forward, seeking and grabbing opportunities, taking initiatives and acting as first mover by anticipating the future consequences. These dimensions affect independently on the performance of the business.

Business performance is positively correlated with strategic orientation (Covin and Slevin, 1988; Kreiser and Davis, 2010; Lumpkin and Dess, 1996). Firms that are having high strategic orientation leads to improved business performance in terms of better marketing, product innovation, customer satisfaction, advantage over competitors and so on (Beard et al, 1981; Hamel et al, 1994; Sarker et al, 2015). A technology oriented and market oriented firm can perform better by developing new processes and by snatching clients from the challengers (Ansaari et al, 2015).

According to Wiklund, (1999), all aspects of strategic orientation contribute to an organization's growth and improved performance, and the connection between them is gaining attention in modern times. The dimensions of strategic orientation

encourage an enterprise to break free from conventional perspectives and begin thinking innovatively. It is not about only planning but taking initiative to win over competitors to establish its unique identity in the market (Hisrich, 2004; Awang et al., 2009). An innovative enterprise enjoys various benefits in terms of profits and costs. If an enterprise is the first to introduce a novel product or concept to the market, it may enjoy the advantage of various economies. Being an introducer, that enterprise can claim high value and enjoys super normal profits. Such type of enterprises is known as dominating enterprises (Wiklund & Shepherd, 2005).

Strategic oriented firm takes every step cautiously. Beginning with a thorough market analysis, outmaneuvering competitor's strategies, crafting effective policies, and seizing available market opportunities, a firm not only capitalizes on these advantages but also mitigates potential threats (Jogaratham, 2002; Tang et al., 2008). In sharp contrast to a less strategically oriented firm, one with a high strategic orientation tends to maintain a longer presence in the market. Former spend a huge amount on Research and Development and environmental scanning process and later spend very less (Kreiser et al., 2013; Soininen et al., 2012).

There is a significant impact of size of the strategic oriented firm on the performance of the business. Literature proves that high strategic orientation in small firm results in high business performance (Brookshire, 2009).

## **2.10 Age of Firm, Strategic Orientation and Business Performance**

Many scholars approved that growth of a firm is governed by its age. They claimed that the chances of survival of the firm increases with the age and its hazard rate drops with time. New firms are not supposed to be able to attain economies of scale for the reason of their insufficient managerial resources and proficiency. Other intellectuals ended with a contradictory explanation that mature firms lack the flexibility to mark swift amendments in their antiquated machines and tools, signifying hurdles to innovate.

Different views have been registered on the basis of previous studies for defining the age of the firm. Researchers adopted different ways of measurement to differentiate between age of the firm. Firm' age can be categorized in three groups; matured firms, moderately old firms and young firms. The word matured firms is used for the enterprises that are in operations from more than 10 years. Moderately old firms are those firms that are in operation from last 6 to 10 years and those firms are treated as young ones who are in operation from less than 5 years (Julienti, 2011; Ayyagari et.al, 2011). Age of the firm can also be categorized on the basis of its formation of joint venture internationally and the number of years spent in exporting activities (Morgan et.al, 2004). One more basis of categorization is new firm and old firm (Ismail et.al, 2012). The firms which are in operation from last 7 or more years are established firms and others are considered as new firms (Newbert et.al, 2013).

According to Zahra (2003) the age of a firm positively influences its capacity for innovation, owing to the accumulated experience and knowledge over time. The existing literature has revealed different outlooks to inspect how attitude for innovations varies with the age of the firm. A group of researchers claim that younger firms invest more in research and innovation in comparison to old ones who may be least concern for new tools (Reinganum, 1983; Czarnitzki & Kraft, 2004). Other group says that

Matured firms are more innovative than younger firms (Sorensen & Stuart, 2000; Withers et.al, 2011).

Matured firms enjoy benefits from their investments. The experience of matured firms allows them to innovate in more effective manner. With the passage of the time, firms start innovating as per their existing proficiencies. Moreover, matured

firms are capable to gather means, managerial acquaintance and have the capacity to handle uncertainty (Argote, 1999). This adds status and market place for matured firms. Matured firms can easily build the relations with suppliers, researchers, customers and agents. Younger firms, on the other hand, start with scratch with no regular routines and learning. Initially young firms suffer due to lack of experience but to compete and remain in the market they gradually involve themselves in modernization.

Many scholars have opinion that aged firms usually fail to accomplish innovation deeds. Considering economic perspective, in judgment of new firms; mature firms lean towards to keep entry hurdles high and endeavor to sustain the market arrangement firm (Chandy & Tellis, 1998; Hill & Rothaermel, 2003). Contrariwise, first-hand players aim at sidestepping entry hurdles (Hill & Rothaermel, 2003). Organizational outlook highlights disadvantages of older firms in terms of organizational procedures that reflect the tendency of adult firms to rely on established procedures (Sørensen & Stuart, 2000) and organizational filters highpoints those strainers that hinders the firm to clinch into innovational activities. These aspects lead mature firms to fall into core inflexibilities (Leonard- Barton, 1992; Chandy & Tellis, 2000; Raffaelli & Glynn, 2014). By being engrained within prevailing actions and cognitive backgrounds, mature firms face difficulties in acquiring and applying new knowledge that disrupt customs (Tushman& Anderson, 1986; Gopalakrishnan & Bierly, 2006; Coad et.al, 2016) and they may face difficulties in strengthening R&D undertakings.

In gist, scholars favouring matured firm have opinion that younger firms are not as much of productive as older firms are and younger personnel are, on average, less innovative and productive than experienced workers. Others, who favour young firms, have opinion that matured firms generally firm to their technology and customs. They fail to develop strategies to satisfy investors, suppliers and product suppliers in response to market shifts (Balasubramanian & Lee, 2008; Giarratana, 2004). Conversely, some scholars supported their notion by concluding that younger firms execute well in innovation activities (Huergo & Jaumandreu, 2002; Felekoglu, 2007). Matured and settled firms are not sufficient flexible to make swift adjustments and entailing obstacles to innovate (Kapelko, 2006).This is due to the fact that

matured firms frequently possess antiquated technologies, plants and apparatus that hinder their ability to innovate. Their administrative rigidities stifled their expansion and prevented change as they became more adaptable over time.

## **2.11 Need for the study**

Studying micro-entrepreneurship in Haryana is imperative for several reasons. Firstly, the Haryana government is offering subsidies through various schemes to boost investments, but there is a lack of awareness on how to avail these benefits. This knowledge gap hampers potential growth opportunities for micro-entrepreneurs.

Secondly, the micro, small, and medium enterprises (MSME) sector is widely recognized as the 'engine of growth' in developing economies, including Haryana. This sector has significantly contributed to India's economic and social development by fostering entrepreneurship, innovation, and supplying a diverse range of goods and services to both domestic and global markets.

Over the past five decades, Haryana has transitioned from an agrarian economy to a well-rounded one, with a thriving secondary and tertiary sector. The state boasts a strategic location advantage, with a substantial portion falling within the NCR and an extensive network of national highways and rail routes. Additionally, Haryana possesses traditional strengths in natural resources like cotton, rice, and fisheries, further bolstering its industrial sector.

Despite these strengths, there is a need for focused attention on the micro sectors within Haryana. This emphasis can lead to substantial economic growth, facilitate smoother export-import operations, and offer a competitive edge in the national manufacturing landscape.

Furthermore, aligning with applied research and projects is crucial. Currently, there is limited focus on innovation and technology upgrade within the MSME sector, possibly due to inadequate collaboration with research organizations. Additionally, ensuring a multi-faceted and balanced personnel composition is essential, as not all staff may possess the qualifications and expertise required for optimal performance in the MSMEs.

Inspiration can be drawn from successful start-ups and incubation initiatives, which can significantly enhance innovation and entrepreneurial capabilities within the MSME sector. Haryana has also been the chosen venue for several mega events, showcasing its potential as an investment destination. The state's enterprises and employment policy (HEEP) for 2020 place special emphasis on the development of the MSME sector, aiming to transition from a regulator to a facilitator of industries.

Studying micro-entrepreneurship in Haryana is pivotal for driving inclusive and sustainable economic growth, poverty alleviation, and building a resilient and diversified economy. It can also contribute to a culture of entrepreneurship, local resilience, and sustainable development, while informing targeted policies and support programs. Researchers focusing on this area have a wealth of data available, including Haryana's substantial contribution to India's economy, its diverse industrial base, thriving startup ecosystem, and government initiatives aimed at promoting entrepreneurship. This knowledge can be harnessed to analyze trends, assess policy impact, and gain insights into the unique challenges and opportunities faced by micro-enterprises in the region.

Certainly, let's break down the importance of studying micro-entrepreneurship in Haryana:

**1. Economic Growth and Job Creation:**

- Micro-entrepreneurship, the establishment of small businesses, is a vital driver of economic development. These enterprises collectively contribute significantly to a region's Gross Domestic Product (GDP). For Haryana, this translates to a boost in economic activity, leading to an increase in overall prosperity.
- A direct consequence of this economic activity is job creation. As micro-entrepreneurs expand their businesses, they require additional staff. This helps reduce unemployment rates, a crucial concern for any growing economy, especially in densely populated states like Haryana.

**2. Diverse Economic Landscape:**

- Haryana boasts a diverse economic landscape, encompassing agriculture, manufacturing, services, and a burgeoning IT sector. This diversity offers a rich context for studying various forms of micro-entrepreneurship across different industries. Each sector presents unique challenges and opportunities for aspiring entrepreneurs.

**3. Poverty Alleviation:**

- Micro-entrepreneurship is a potent tool for poverty reduction. By empowering individuals to establish and grow their own businesses, it provides them with a means to generate income, thereby improving their livelihoods. In Haryana, where economic disparities may exist, this becomes particularly crucial.

**4. Innovation and Adaptability:**

- Micro-entrepreneurs often operate at the grassroots level, deeply connected to local markets and consumer needs. This proximity allows them to be agile and responsive to changing circumstances. They are more inclined to innovate and adapt their businesses to meet evolving demands.

**5. Skill Development and Capacity Building:**

- Entrepreneurship encourages individuals to develop a wide range of skills, including financial management, marketing, customer relations, and problem-solving. This process of skill acquisition enhances the human capital of the region, which in turn, contributes to long-term economic development.

**6. Fostering a Culture of Entrepreneurship:**

- Encouraging micro-entrepreneurship can lead to a cultural shift where people are more inclined to take initiative, be innovative, and take calculated risks. This cultural transformation has a positive ripple effect on the overall entrepreneurial ecosystem of Haryana.

**7. Local Resilience:**

- Micro-entrepreneurs often rely on local resources and networks. This can contribute to the resilience of a community in the face of economic challenges, natural disasters, or other disruptions. It helps in building a strong foundation for sustainable economic growth.

**8. Sustainable Development:**

- Micro-entrepreneurs, because of their close connection to the local environment, tend to adopt sustainable practices. This is in contrast to larger enterprises that might not have the same level of local engagement. Thus, fostering micro-entrepreneurship aligns with goals of sustainable development.

**9. Government Policy and Support:**

- Studying micro-entrepreneurship provides valuable insights for policymakers. It helps them understand the specific challenges and opportunities faced by small businesses in Haryana. This knowledge informs the development of targeted policies and support programs, optimizing the ecosystem for entrepreneurial growth.

To bolster these points, it's important to note that Haryana's economic landscape is evolving. As of September 2021, the state had a significant industrial base, with

strengths in automotive, textiles, IT, and manufacturing. The presence of a thriving startup ecosystem, particularly in cities like Gurugram, highlights the potential for micro-entrepreneurship. Government initiatives aimed at promoting entrepreneurship and innovation provides a conducive environment for small businesses to flourish.

In conclusion, studying micro-entrepreneurship in Haryana is vital for driving inclusive and sustainable economic development. It not only addresses economic challenges but also contributes to social well-being, fostering a dynamic and innovative business environment in the state. Researchers have a wealth of data available to analyze trends, assess policy impact, and gain insights into the unique challenges and opportunities faced by micro-enterprises in the region. This knowledge can be harnessed to inform targeted policies, support programs, and initiatives that further stimulate entrepreneurial growth in Haryana.

## **2.12 Research Gap**

Micro entrepreneurship is relatively a less researched area in entrepreneurship literature. Strategic orientation related to micro entrepreneurship has also received very limited attention of academicians and researchers. Further the study of micro entrepreneurship from the perspective of firm is again limited. Micro entrepreneurship plays a major role in the expansion of any economy, generation of jobs and removal of poverty. The understanding of the government policies to promote entrepreneurship could provide meaningful insights for the development of business constraints and the awareness regarding new government policies among micro entrepreneurs have not yet studied by the researchers.

## **CHAPTER-3**

### **Research Methodology**

This section is devoted towards the methodology of current study. Research design, research problem, research objectives, research questions, hypothesis, scope of study, research methodology, instruments, details regarding sample profile, data analysis techniques and limitations of the study are discussed in this chapter.

#### **3.1 Research Design**

The study is primarily descriptive. The current study has been conducted using a modified cross-sectional design. Research instrument has been developed and the data from micro entrepreneurs has been collected through survey method.

#### **3.2 Research Topic**

The study is titled as:

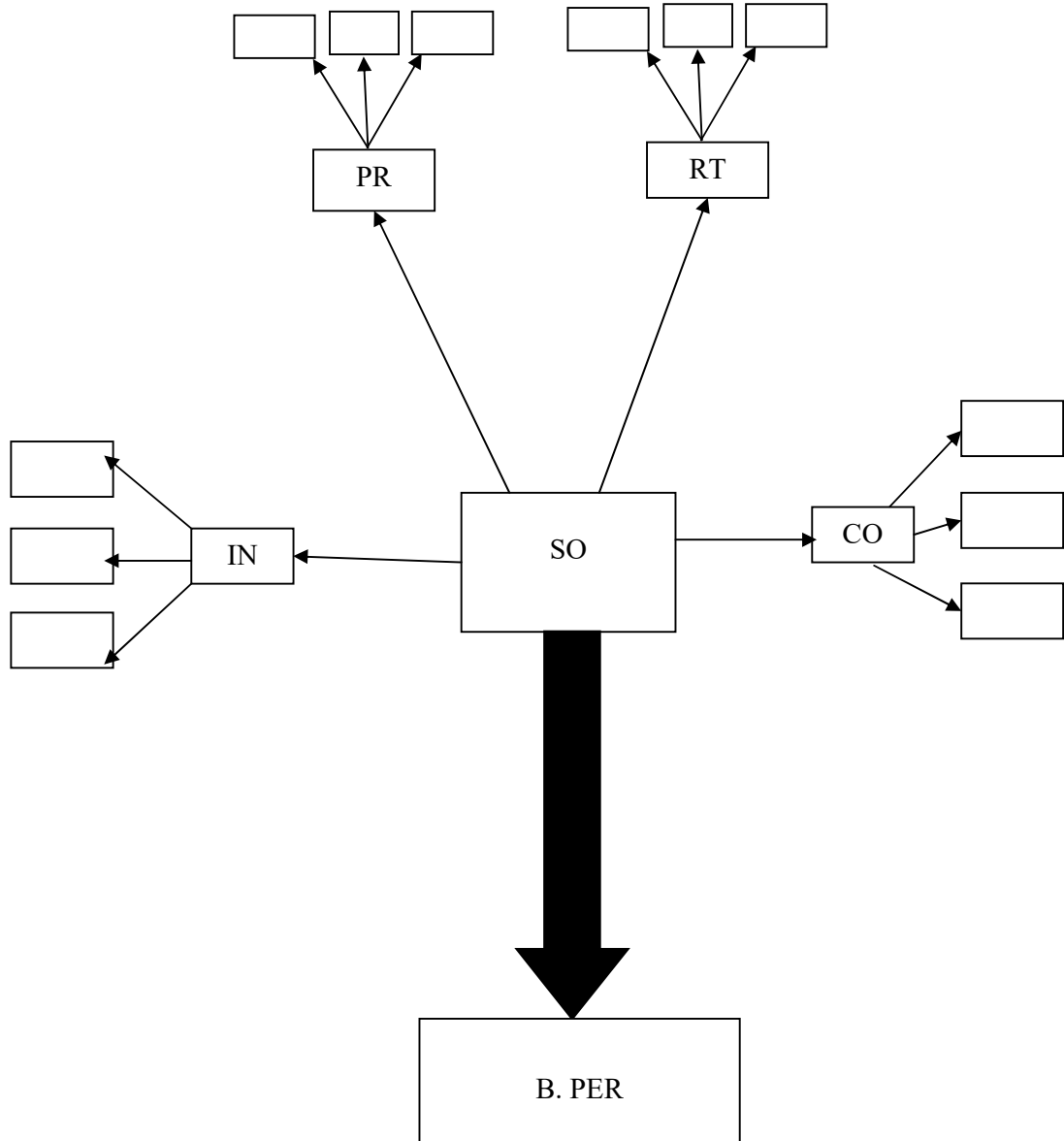
Micro Entrepreneurship: A Study of Strategic Orientation and Business Performance

#### **3.3 Objectives of the study**

1. To identify the challenges faced in micro entrepreneurship.
2. To assess the degree of awareness regarding the promotional schemes of Government among micro enterprises.
3. To study the effects of strategic orientation of micro enterprises on the performance of their business.
4. To study the role of the age of the firm in strategic orientation- business performance relationship.

### 3.4 Conceptualized Models

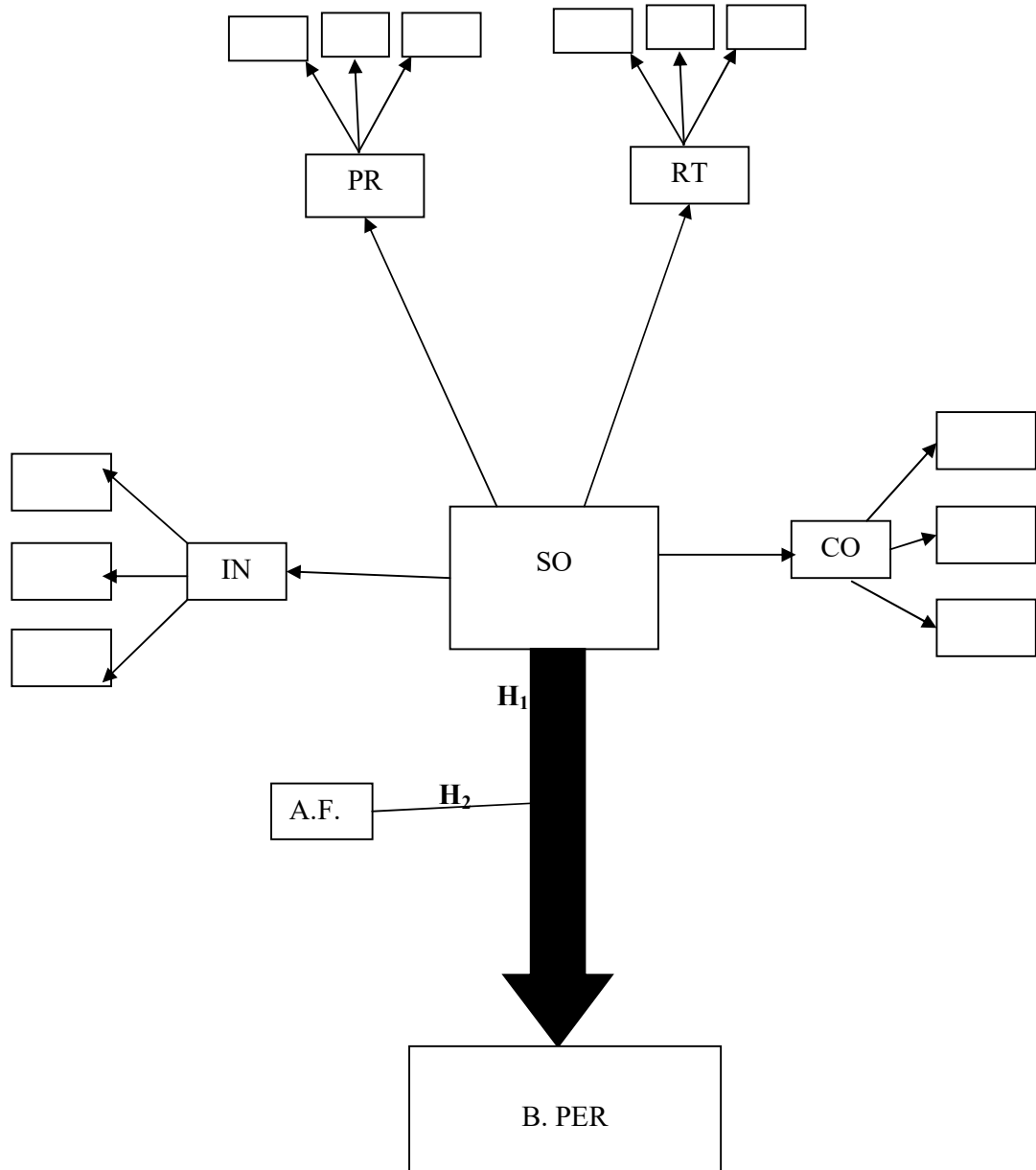
#### 3.4.1 Conceptualized Model I



**Figure 3.1 Conceptualized Model I**

Here IN= Innovativeness, CO= Competitiveness, PR= Proactiveness, RT= Risk Taking, SO= Strategic Orientation, B. PER= Business Performance

### 3.4.2 Conceptualized Model II



*Figure 3.2 Conceptualized Model II*

Here IN= Innovativeness, CO= Competitiveness, PR= Proactiveness, RT= Risk Taking, SO= Strategic Orientation, A.F= Age of the firm, B. PER= Business Performance

### **3.5 Hypotheses**

H<sub>1</sub>: There is a significant effect of strategic orientation on the business performance of micro enterprises.

H<sub>2</sub>: The age of the firm significantly impacts the strategic orientation- business performance relationship.

### **3.6 Unit of analysis**

The study is firm level study.

### **3.7 Scope of the study**

The scope of study is limited to micro enterprises established in all the districts of Haryana state only. The enterprises registered with Government of India, Development Commissioner (Micro, small and medium enterprises), Ministry of MSME has been considered. The promoters or owner of that enterprise are the respondents for the study. In demographic variable age of the firm has been studied.

### **3.8 Questionnaire Development Procedure**

This section explains the step by step procedure adopted in developing research instrument. Research instrument has been developed through a systematic procedure. It has been developed taking into consideration the objectives of the study. First literature review has been done. Previous studies help to extort the constructs and variables for the study. Literature has been studied at both the national and international level however special attention has been paid to the literature available in context of the developing economies. The challenges of micro enterprises and their awareness level regarding various promotional schemes of Government have been accessed from the studies available in literature in the said context. Firstly constructs were defined and then the items related to construct were identified. Some items were

selected from the literature. Pool of items was generated and then the process of selection of relevant items was done.

The constructs of strategic orientation has been measured majorly to the dimensions given by Covin & Slevin and Lumpkin & Dess. The perspective of a balanced scorecard that was provided by Kaplan and Norton (1992) has been considered for the measurement of business performance. The content validity of the proposed research instrument had been examined by seeking the opinion of experts available and approachable in this sector. Finally research instrument has been finalized for collecting the data.

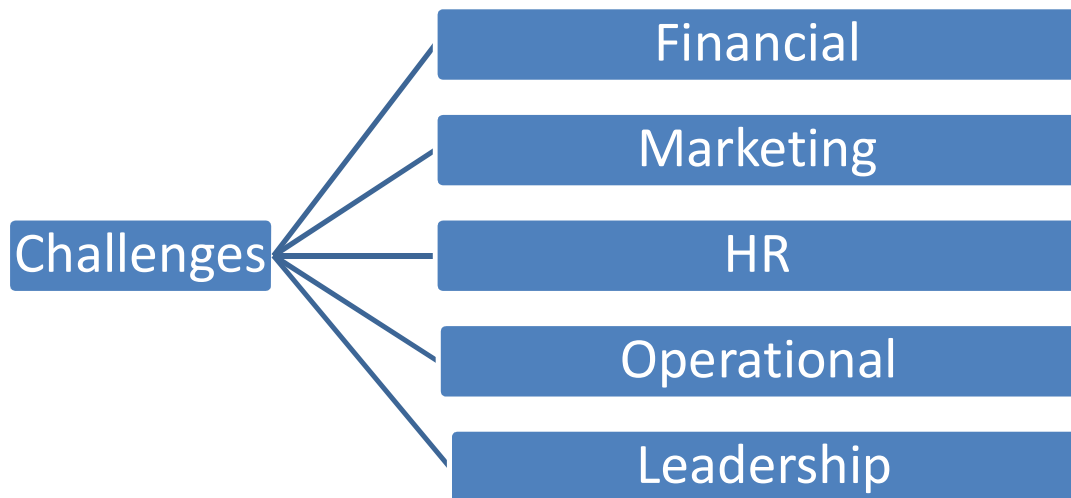
### 3.9 Construct Specification

A specific definition of constructs taken in the research has been defined in this section. Defining the constructs of interest enhances the simplification of research findings.

The present study first describes Challenges, second portrays the awareness level among micro enterprises for various promotional schemes, following section reveals the strategic orientation among micro entrepreneurs and the final section represents the list of subjective indicators accessing relative business performance.

#### 3.9.1 Challenges of Micro Enterprises

Based on the extent of available literature, the Challenges of micro enterprises have been classified into five heads i.e. Financial Challenges, Marketing Challenges, HR Challenges, Operational Challenges and Leadership Challenges with total of 27 items. All sets of items are operationalized using 5 point Likert scale labeled Strongly Disagree (1) to Strongly Agree (5).



*Figure 3.3 Types of Challenges*

Each of these six constructs is described below:

***Financial challenges*** represent the complexities in arranging funds for day to day operations and scarcity of funds to pay out the obligations.

***Marketing challenges*** depict the issues in concern with product development, promotion, distribution management, Market linkages, customer satisfaction and competitors' strategies.

***HR challenges*** describe the problems with regard to human resource practices. These challenges address the problems such as hiring and retaining of talent, inadequate training programs for employees, performance evaluation and payroll system.

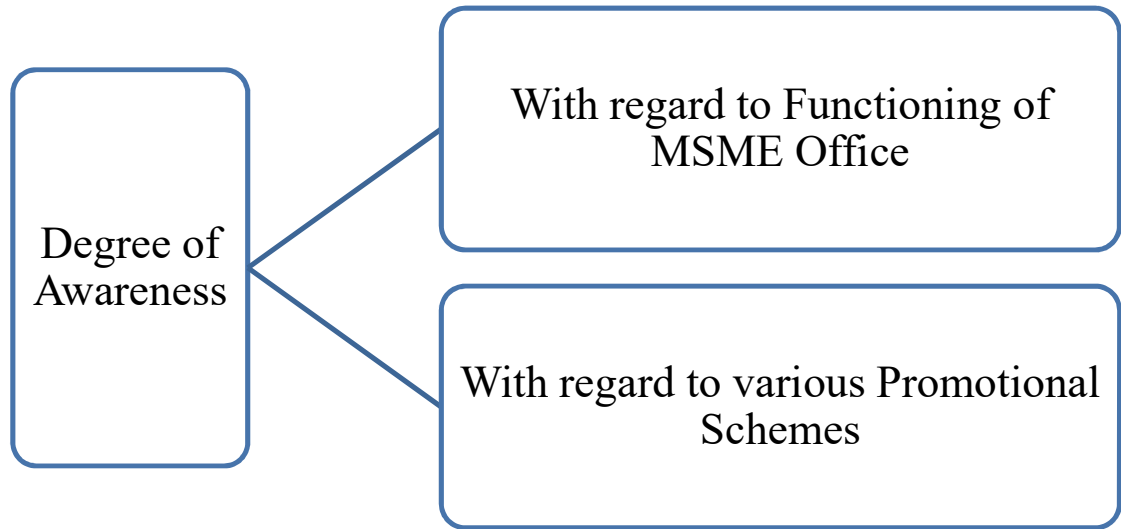
***Operation challenges*** include those issues that may affect the profitability of an enterprise. It may include dominance of suppliers, production techniques and processes.

***Leadership challenges*** include the challenges related to leader's competency, professional education and his visionary nature.

**Section 2**

**3.9.2 Awareness level among micro entrepreneurs:** There are numerous schemes for micro entrepreneurs. Researcher, in this section wants to know that whether entrepreneurs are aware about financial, technical and marketing assistances that government is providing for them.

It has generally been observed that the micro enterprises are not able to take the full advantage of various promotional schemes of Government of India that government is providing for their growth and development. This section attempts to access the degree of awareness of micro enterprises about the promotional schemes and the functioning of DC-MSME.



**Figure 3.4 Degree of Awareness**

## Section 3

### 3.9.3 Strategic Orientation

The concept of strategic orientation defines the culture of the firm and its value system. Strategic orientation is basically related with the process of defining strategy. It not only includes the process, policies or methods but also reflects entrepreneurial behaviour of an entrepreneur. The constructs of strategic orientation includes innovativeness, proactiveness, competitiveness and risk taking which leads towards contextual firm's performance.

#### **Dimensions:**

**Innovativeness:** This dimension opens room for an enterprise's creativity and innovative thoughts. Innovativeness represents the ability of an enterprise to find new ways of doing things and seeks unusual, novel solutions. The approach of an enterprise to be the first one to take responsibility of reconstruction, to look forward for advancements, to be ahead in the game of competition elucidate innovativeness competency of an enterprise

**Risk Taking:** Risk is defined in the firm by the degree of uncertainty. It occurs as a result of ignorance or inability to anticipate the circumstances. The most important aspect of strategic orientation is taking risks. How much risk an organization is willing to take in exchange for a specific return is entirely determined by their risk attitude. The entrepreneur's readiness for the assumption of risk is reflected in this dimension.

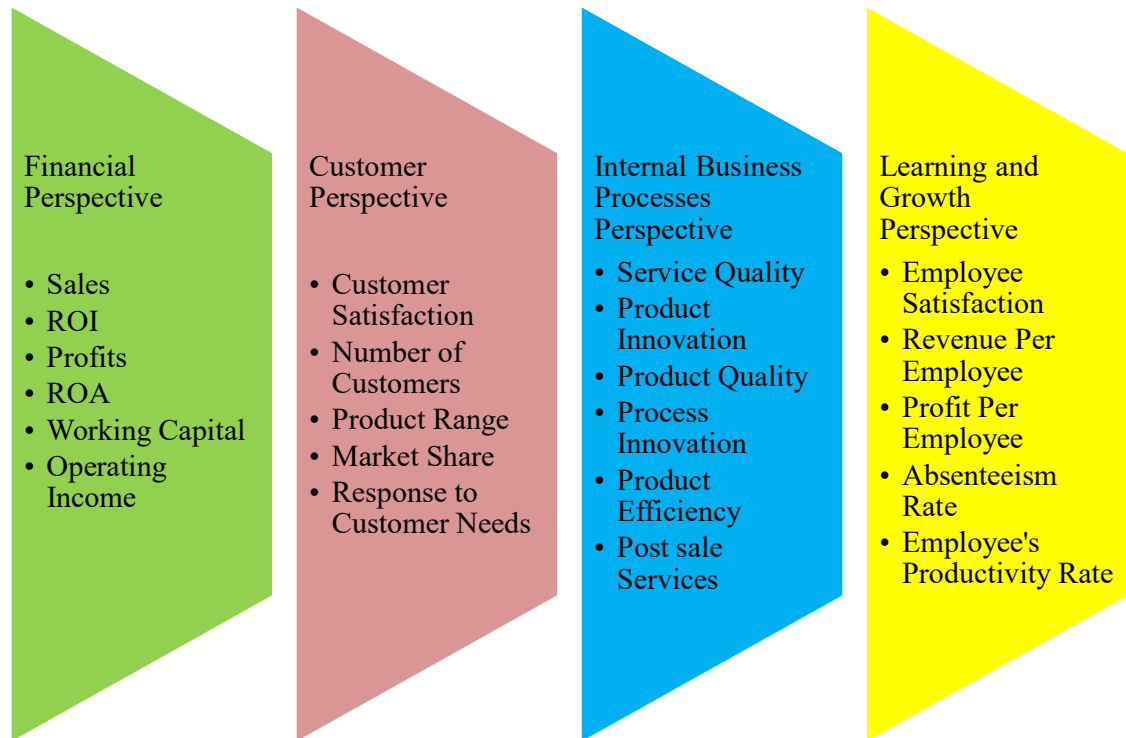
**Proactiveness:** It defines the capacity of the firm to launch new product in the market and put challenge before competitors. Prediction of the future well in time and act accordingly defines proactiveness of the firm. Proactiveness is just like a driving force which defines the aggressive attitude of a firm for accomplishment of the objectives of the firm. Proactiveness delineates the vigilance of an enterprise with respect to

changing environment and innovation needed. A firm is known to be proactive firm if it has the capability to scan the environment and act before than its competitors.

**Competitiveness:** This dimension reflects how a firm responds to its threats and challenges its competitors by introducing new product or by changing its strategies. The ‘Competitiveness’ dimension of strategic orientation explains the battling disposition of firm with its rivals. Aspiration to become a market leader explains the quality of competitiveness among micro entrepreneurship.

## Section 4

**3.9.4 Business Performance:** Business performance is one of the most widely used construct in entrepreneurship and strategic management research. It is a tool for determining whether or not an organization makes good use of its resources. The balance scorecard approach has been adopted for the said purpose. The four perspectives of balanced scorecard i.e. Financial, Customer, Internal Process, and Learning and Growth have been adopted from Kaplan and Norton (1992) work for the measurement of the relative business performance of micro enterprises through subjective indicators.



**Figure 3.5 Perspectives of Business Performance**

**Financial Perspective:** This perspective identifies how the enterprise appears to its shareholders. The measures in this perspective include return on investments, improved shareholder value and asset utilization.

***Customer Perspective:*** This perspective identifies how the enterprise appears to its customers. This section examines the aspects related to customer satisfaction and relation of enterprise with its customers.

***Internal Business Processes Perspective:*** To satisfy customers and shareholders, the measures in this perspective emphasis on enhancing the effectiveness of various business processes.

***Learning and Growth Perspective:*** The measures in this perspective include the changes in the capabilities of employees and improvement in information system.

### 3.10 Items proposed for the said purpose of measurement

*Table 3.1 Items chosen for Measuring Financial Challenges*

S. No.	Construct	Statement	Item Code
1	Financial Challenges	My enterprise has a well defined vision and mission statement.*	FC1
2		My enterprise faces challenges in arranging funds.	FC2
3		The reach of my enterprise, in terms of funds arrangement is restricted to local boundaries.	FC3
4		My enterprise has not adopted formal system of financial planning and controlling.	FC4
5		My enterprise finds difficulties in meeting its financial obligations (Debt/Loan/EMIs etc.) as per the timelines.	FC5

\*Reverse Coded

*Source: These statements are proposed by researcher after in depth study of literature on financial challenges in micro entrepreneurship.*

**Table 3.2 Items chosen for Measuring Marketing Challenges**

S. No.	Construct	Statement	Item Code
1	Marketing Challenges	My enterprise finds difficult to compete with its competitors.	MC1
2		My enterprise has inadequate access to market linkages and market intelligence.	MC2
3		My enterprise pays limited attention towards the selling and promotional activities.	MC3
4		My enterprise face challenges in developing new products/services.	MC4
5		My enterprise pays limited attention towards branding activities.	MC5
6		My enterprise pays inadequate attention towards its distribution channel.	MC6
7		My enterprise is not very regular in taking customer feedback.	MC7
8		My enterprise does not have a formal system of handling customer complaints.	MC8

*Source: These statements are proposed by researcher after in depth study of literature on marketing challenges in micro entrepreneurship.*

*Table 3.3 Items chosen for Measuring HR Challenges*

S. No.	Construct	Statement	Item Code
1	HR Challenges	The HR practices of my enterprise are poorly defined and documented.	HRC1
2		My enterprise faces challenges in hiring competent managerial professionals.	HRC2
3		My enterprise finds difficulties in conducting regular training programs for employees.	HRC3
4		My enterprise finds difficulties in retaining employees.	HRC4
5		The performance evaluation and appraisal system is not well defined in my enterprise.	HRC5

*Source: These statements are proposed by researcher after in depth study of literature on HR challenges in micro entrepreneurship.*

**Table 3.4 Items chosen for Measuring Operational Challenges**

S. No.	Construct	Statement	Item Code
1	Operational Challenges	My enterprise finds the dominance of the supplier.	OC1
2		My enterprise is labour intensive (highly dependent on labour rather than technology).	OC2
3		My enterprise is restricted to local suppliers only.	OC3
4		My enterprise finds the latest technology very costly.	OC4
5		My enterprise does not have formal system of production, planning and controlling.	OC5

*Source: These statements are proposed by researcher after in depth study of literature on operational challenges in micro entrepreneurship.*

**Table 3.5 Items chosen for Measuring Leadership Challenges**

S. No.	Construct	Statement	Item Code
1	Leadership Challenges	The leaders of my enterprise are not professionally educated.	LC1
2		The leaders of my enterprise find it difficult to take the enterprise to next level.	LC2
3		The leaders of my enterprise are visionary in nature. *	LC3
4		The leaders of my enterprise always listen to the problems of the employees.*	LC4

\*Reverse Coded

*Source: These statements are proposed by researcher after in depth study of literature on leadership challenges in micro entrepreneurship.*

**Table 3.6 Items chosen for Measuring Awareness of various Promotional Schemes of Government for Micro Entrepreneurs**

S. No.	Construct	Statement	Item Code
	Awareness Regarding Promotional Schemes of MSME for Micro Enterprises	<b>My Enterprise is aware about the fact that...</b>	
1		... In recent past Government of India has introduced many schemes for the promotion of micro enterprises.	PS1
2		... Government is regularly updating its old policies for the promotion of micro enterprises.	PS2
3		...it regularly visits and interacts with DC-MSME office.	PS3
4		... it can avail credit under the various schemes offered by DC-MSME.	PS4
5		... DC-MSME is providing sufficient financial assistance to micro entrepreneurs.	PS5
6		... DC-MSME is providing technical assistance to micro entrepreneurs.	PS6
7		... DC-MSME is providing sufficient training and development programs for micro entrepreneurs.	PS7
8		... DC-MSME is providing marketing support to micro entrepreneurs.	PS8
9		... DC-MSME is providing counseling services to micro entrepreneurs.	PS9

10		... it is difficult to take benefit from the various schemes offered by DC-MSME.	PS10
11		... the documentation process specified under various schemes is difficult to comply with.	PS11
12		...it always observes a skeptical attitude of regulatory bodies.	PS12
13		...it has little legal knowledge of various schemes.	PS13

*Source: These statements are proposed by researcher after in depth study on the topic.*

**Table 3.7 Items chosen for Measuring Innovativeness**

S. No.	Construct	Statement	Item Code	Source
1	Innovativeness	“My enterprise has introduced many new products or services in the last 5 years.”	IN1	Miller & Friesen, 1982; Covin & Slevin, 1989
2		“My enterprise has a strong emphasis on R&D technological leadership, and innovations.”	IN2	Miller & Friesen, 1982; Covin & Slevin, 1989
3		“My enterprise tries new ways of doing things and seeks unusual, novel solutions.”	IN3	Wang, 2008
4		“My enterprise regularly upgrades its old products to meet consumer demands.”	IN4	Yang et al., 2007
5		“When it comes to problem-solving, my enterprise value creative new solutions more than the solutions of conventional wisdom.”	IN5	Wang, 2008
6		“My enterprise regularly benchmarks its operating practices against the best players in the industry.”	IN6	Yang et al., 2007
7		“My enterprise has a strong emphasis on implementing of new ways of promotion.”	IN7	Proposed by Researcher
8		“My enterprise offer product/service with unique features which differentiates it from competitor’s offerings.”	IN8	Proposed by Researcher

**Table 3.8 Items chosen for Measuring Proactiveness**

S. No.	Construct	Statement	Item Code	Source
1	Proactiveness	My enterprise believes that environmental and technological changes create new opportunities in the market place.	PR1	Wolff et al., 2015
2		My enterprise actively collects and evaluates information on consumer needs and preferences.	PR2	Zhao et al., 2011
3		My enterprise actively collects and evaluates information on technological developments and other environment related factors.	PR3	Zhao et al., 2011
4		In general, there is an ongoing, active search for big opportunities in my enterprise.	PR4	Soininen et al., 2012
5		My enterprise actively participates in various social events/workshops etc to acquire new knowledge/networking.	PR5	Proposed by Researcher
6		My enterprise regularly listens to customer feedback and actively works on the same.	PR6	Proposed by Researcher
7		My enterprise regularly discusses the consequences of market trends and new developments in the industry.	PR7	Zhao et al., 2011

**Table 3.9 Items chosen for Measuring Risk Taking Behaviour**

S. No.	Construct	Statement	Item Code	Source
1	Risk Taking	“My enterprise never hesitates to invest money in new machinery and technology.”	RT1	Wolff et al., 2015
2		“My enterprise has a tendency to support projects where the expected returns are uncertain. *”	RT2	Choy & Mula, 2008
3		“My enterprise typically adopts a “wait and see posture” in order to minimize the probability of making costly decisions.*”	RT3	Covin & Slevin, 1989; Wang, 2008
4		“My enterprise believes that owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the enterprise's objectives.”	RT4	Choy & Mula, 2008
5		“The culture of my enterprise promotes risk taking among employees at various levels.”	RT5	Proposed by Researcher
6		“My enterprise is regarded as a risk taker in its peer group.”	RT6	Proposed by Researcher
7		“In uncertain situations my enterprise is not afraid to take substantial risks.”	RT7	Wolff et al., 2015

\*Reverse Coded

**Table 3.10 Items chosen for Measuring Competitiveness**

S. No.	Construct	Statement	Item Code	Source
1	Competitiveness	My enterprise aspires to be a market leader.	CO1	Covin & Slevin, 1989
2		My enterprise often sacrifices profitability (offer high commissions, incentives etc.) to gain market share.	CO2	Choy & Mula, 2008
3		My enterprise adopts an aggressive attitude towards its competitors.	CO3	Covin & Slevin, 1989; Lumpkin et al., 2011
4		My enterprise always attempts to attract the customer base of its rivals.	CO4	Proposed by Researcher
5		My enterprise always attempts to attract the resource base of its rivals.	CO5	Proposed by Researcher
6		My enterprise often sets prices below competition.	CO6	Choy & Mula, 2008
7		My enterprise regularly collects the information about the product, practices and policies of its competitors'.	CO7	Zahar et al., 2002
8		"My enterprise typically seeks to avoid competitive clashes, preferring a "live-and-let live" posture."*	CO8	Miller & Friesen, 1978; Covin & Slevin, 1989

\*Reverse Coded

**Table 3.11 Items chosen for Measuring Financial Performance**

S. No.	Construct	Statement	Item Code
1	Financial Performance	“Compared to the major competitors, My enterprise has higher sales growth.”	FIN1
2		“Compared to the major competitors, My enterprise has higher return on investment.”	FIN2
3		“Compared to the major competitors, My enterprise is more profitable.”	FIN3
4		“Compared to the major competitors, My enterprise has better return on assets.”	FIN4
5		“Compared to the major competitors, My enterprise has better working capital.”	FIN5
6		“Compared to the major competitors, My enterprise has higher operating Income.”	FIN6

*Source: These statements are proposed by researcher after in depth study of balance scorecard.*

**Table 3.12 Items chosen for Measuring Performance in respect of Internal Business Process**

S. No.	Construct	Statement	Item Code
1	Internal Business Process	“Compared to the major competitors, My enterprise has better service quality”	IBP1
2		“Compared to the major competitors, My enterprise has better product innovation”	IBP2
3		“Compared to the major competitors, My enterprise has better product quality”	IBP3
4		“Compared to the major competitors, My enterprise has better process innovation”	IBP4
5		“Compared to the major competitors, My enterprise has higher operating efficiency”	IBP5

*Source: These statements are proposed by researcher after in depth study of balance scorecard.*

**Table 3.13 Items chosen for Measuring Performance in respect of Learning and Growth**

S. No.	Construct	Statement	Item Code
1	Learning and Growth	“Compared to the major competitors, My enterprise has higher employee satisfaction.”	LAG1
2		“Compared to the major competitors, My enterprise has higher revenue per employee.”	LAG 2
3		“Compared to the major competitors, My enterprise has higher profit per employee.”	LAG 3
4		“Compared to the major competitors, My enterprise has lesser employee's absenteeism rate.”	LAG 4
5		“Compared to the major competitors, My enterprise has better employee's productivity rate.”	LAG 5

*Source: These statements are proposed by researcher after in depth study of balance scorecard.*

**Table 3.14 Items chosen for Measuring Performance in respect of Customer**

S. No.	Construct	Statement	Item Code
1	Customer	“Compared to the major competitors, My enterprise has higher customer’s satisfaction.”	CUST1
2		“Compared to the major competitors, My enterprise more number of customers.”	CUST 2
3		“Compared to the major competitors, My enterprise has a wider product range.”	CUST 3
4		“Compared to the major competitors, My enterprise has higher market share.”	CUST 4

*Source: These statements are proposed by researcher after in depth study of balance scorecard.*

### **3.11 Scaling**

The scaling technique involves categorizing respondents into groups that systematically adjust pre-assigned values, numbers or symbols based on the specific attributes of an object, following predefined rules. The researcher must decide how the data will be measured prior to creating a questionnaire or survey. The construction of an instrument is a part of the measurement field known as scaling. Scaling is the method by which the measured objects are placed on the continuum, which is a continuous sequence of values. There are a number of factors need to be taken into consideration while selecting a questionnaire's scaling method.

According to Lundstrom and Lamont (1976), the degree of respondent variability in expressing their level of acceptance or rejection of a specific scale item has an impact on an instrument's capacity to accurately measure the underlying concept. The kind of scaling that an instrument need is always determined by how sensitive a construct is. A scale with numerous categories is required for a construct with greater sensitivity. Here in this study, a five point likert scale has been used to accurately measure the various constructs of interest.

### **3.12 Content Validity**

Study must validate what it is supposed to validate. Content validity helps in finalizing the selected items. Prior to fully operationalization of research instrument, opinions from expert affirm the appropriateness of construct and items. For this study, opinions from 5 academic experts and 13 industry experts had been taken which helped in necessary modifications in the instrument. These experts have been contacted in person. Research instrument was shown to them to get an overview whether they had perceived the constructs and variables in the same sense in which the researcher wants to ask the question? Further discussion was held with the nodal officers of MSME over the objectives and some changes were incorporated in the questionnaire on the basis of conversation with them.

### 3.13 Sample Design

#### 3.13.1 Population

The reports of Government of India, Development commissioner (Micro, small and medium enterprises), Ministry of MSME has been referred. There are 18,229 organizations registered with DCMSME as micro enterprises. These enterprises define the population of the study.

*Table 3.15 Registered MSMEs on DC-MSME, Government of India*

S. No.	District	Total Micro	Total Small	Total Medium
1	Ambala	880	203	3
2	Bhiwani	283	106	0
3	Faridabad	4399	1659	166
4	Fatehabad	153	40	1
5	Gurgaon	2960	1879	46
6	Hisar	395	153	8
7	Jhajjar (Bahadurgarh)	742	511	21
8	Jind	271	103	7
9	Kaithal	239	116	0
10	Karnal	794	368	18
11	Kurukshetra	247	136	3
12	Mewat	43	51	1
13	Mahendergarh (Narnaul)	73	15	1
14	Palwal	186	122	12
15	Panchkula	739	172	6
16	Panipat	1964	512	27
17	Rewari	144	383	9
18	Rohtak	329	168	8
19	Sirsa	381	63	2
20	Sonepat	1745	804	30
21	Yamuna Nagar	1332	431	7
	<b>Total</b>	<b>18299</b>	<b>7995</b>	<b>376</b>

Source: Development Commissioner (Micro, small and medium enterprises), MSME, Government of India

[http://dcmsme.gov.in/dips/state\\_wise\\_profile\\_16-17/HARYANA%20State%20Profile.pdf](http://dcmsme.gov.in/dips/state_wise_profile_16-17/HARYANA%20State%20Profile.pdf)

### 3.13.2 Sample size

This is a firm level study. A sample of 500 firms has been taken for the purpose of the study. The promoters of the enterprises will be considered as respondents for the study.

### 3.13.3 Sampling techniques

Quota and convenience sampling technique has been adopted to ensure the true representation of the population. Following table has been considered for the selection of sample:

**Table 3.16 Sample Design of Registered Micro Enterprises**

Districts	Population		Sample design		Actual Sample Taken
	No. of registered micro enterprises	Proportion	Proportion	Approximation	
Ambala	880	4.83 %	24.15	24	28
Bhiwani	283	1.55 %	7.75	8	8
Faridabad	4399	24.10 %	120.5	120	112
Fatehabad	153	0.80 %	4	4	4
Gurgaon	2960	16.20 %	81	81	78
Hisar	395	2.15 %	10.75	11	13
Jhajjar (Bahadurgarh)	742	4.05 %	20.25	20	21
Jind	271	1.45 %	7.25	7	10
Kaithal	239	1.30 %	6.5	6	5
Karnal	794	4.35 %	21.75	22	21
Kurukshetra	247	1.35 %	6.75	7	10
Mewat	43	0.22 %	1.1	1	1
Mahendergarh	73	0.40 %	2	2	2

(Narnaul)					
Palwal	186	1.01 %	5.05	5	4
Panchkula	739	4.04 %	20.2	20	26
Panipat	1964	10.75 %	53.75	54	51
Rewari	144	0.75 %	3.75	4	2
Rohtak	329	1.80 %	9	9	8
Sirsa	381	2.05 %	10.25	10	9
Sonepat	1745	9.55 %	47.75	48	40
Yamunanagar	1332	7.30 %	36.5	37	47
Total	18229	100 %		500	

### 3.13.4 Sample Profile

A sample of 545 firms that are registered with Government of India, Development Commissioner (Micro, small and medium enterprises), Ministry of MSME has been collected through a personal survey for the said purpose of study. During the data verification process, some responses were found incomplete or inconsistent. In the end, 500 firms were chosen for the purpose of the study.

Population comprises of 77.13% of manufacturing units, 17.22% of service and 5.64% of trading firms. Efforts are made to select the sample as per the proportion of whole population and finally out of 500 micro enterprises, 386 are manufacturing firms; 23 firms are trading and 91 are service firms. Manufacturing firms are 77.2 % of total selected samples, 18.2% are service and 4.6 % among them are trading firms. On demographic grounds too, researcher has also put her efforts to select the sample in the same proportion as in population. In whole population, there were 23.02% were young firms, 15.98% were moderately old firms and 60.99% were mature ones. Sample comprises of 116 young firms having age less than 5 years which is 23.2% of total population, 88 firms are moderately old having age between 5 to 10 years that is 17.6 % of total samples and 296 are matured firms with age more than 10 years which is 59.2% of total sample.

**Table 3.17 Sample Profile (N=500)**

Parameter	Description	Count	Column N %
Enterprise Type	Service	91	18.2%
	Manufacturing	386	77.2%
	Trading	23	4.6%
Maturity	Young Firms	116	23.2%
	Moderately old firms	88	17.6%
	Matured firms	296	59.2%

### **3.14 Data source and research instrument**

This cross-sectional descriptive study relies on individual survey. A research instrument has been designed for this purpose. The focus of the instrument is on identifying the challenges in micro entrepreneurship, assessing the degree of awareness among micro enterprises regarding promotional schemes of Government and the effects of strategic orientation of micro enterprises on the performance of their business. The instrument also assesses the role of demographic profile of micro enterprises in relationship between strategic orientation and business performance. In demographic profile age of the firm has been studied. Primary data through survey method from 500 respondents was collected personally from May 2021 to December 2021.

### **3.15 Data analysis tools**

Descriptive statistics have been used in this study to analyze the data. Bi-variate and multi variate analysis tools through software packages like SPSS and PLS-SEM has been used. To inspect the vital characteristics of sample data, descriptive statistics has been applied. Confirmatory factor analysis has been used to assess the factor structure for the constructs under investigation. Variations in different challenges have been assessed with respect to maturity of firms. ANOVA and Robust Tests of Equality of

Means with Welch and Brown-Forsythe has been applied to prove the results of our objective. For multi-comparison of different challenges, Games-Howell test has been used. To assess the degree of awareness of different promotional schemes, descriptive statistics has been used. To determine the relationship between strategic orientation and business performance descriptive statistics and SEM through smart PLS has been used. For Moderation analysis, firm age has been used as a moderator to compute the relationship between strategic orientation and business performance and to compute the effect Hayes Macro has been used.

### **3.16 Limitations of the Study**

There are a few limitations in this study:

Convenience sampling method has been used for the conduct of the study. A senior level executive has been considered as respondent. For the aforementioned purpose of the study, each firm has provided a single response. Bias in the response could happen. Additionally, the study has all of the survey method's drawbacks.

The study on micro entrepreneurship has been conducted in Haryana state only. The culture, beliefs, value system of any said geographical location may act as a determinant while describing the challenges, managerial practices, and strategic orientation etc. of micro entrepreneurship. The generalization of the result of present study needs to consider the said perspective.

The current research used a sample of 500 micro enterprises from the manufacturing, service and trading sectors. The challenges, needs and requirements of various industries vary e.g. warehouse or space is one of the essential requirements in manufacturing industry whereas for trading and service it may not be necessary. Moreover different sectors business dynamism results in the adoption of various orientations. Trading firms are considered as more aggressive in the marketing strategies in comparison to manufacturing ones. So study must be for one sector only rather than generalization of results for all sectors.

## **Chapter-4**

### **Challenges in Micro Entrepreneurship: Assessment of Descriptive Statistics, Factor Structure and Measurement Validation**

In this chapter, key outcomes of the survey and analysis of the data received from micro entrepreneurs has been presented. The analysis has been presented as per the objectives and as per framed hypothesis. Initially descriptive statistics have been described followed by measurement and validation process. Tables and figures have been used to make the interpretation easily understandable. Homogeneity of variance has been tested. In later stage Welch and Brown Forsythe's robust test of equality of means has been used. As the study suggested, lastly Post-Hoc Games Howell multi comparison has been applied.

#### **4.1 Descriptive Statistics**

The descriptive statistics abridge the characteristics of sample. This is even necessary to portray the accurateness of data acquisition course and measurement of changeability of responses. It shows how efficiently data is distributed and helps in systemizing the information into a system in a way that is easy to read and use. Descriptive statistics describe the uniqueness of data which is known and makes available the synopsis of sample and population.

Descriptive statistics facilitates elucidation and simplification of end results. It is needed to comprehend and portray the descriptive statistics before estimating the psychometric properties of different constructs. Univariate and multivariate analysis practices have been used in this study. Data has been analyzed by preparing frequency tables, by calculating mean, standard deviation and standard error. The purpose of applying certain tools on sample is to comprehend the features of sample data and construct the significant implications for the budding researchers and targeted group.

The part 1 of the questionnaire collected the data related to their maturity level. From the data it is found that 116 firms of selected sample are young firms, 88 are moderately old and 296 are matured ones.

The part 2 of the questionnaire is framed to identify and validate the **Challenges of Micro Entrepreneurship**. There are different types of challenges which an entrepreneur has to face in his/her journey. In this research, researcher categorized all the challenges in five different categories. These are financial challenges, marketing challenges, challenges related to human resources, operational challenges and leadership challenges. There are various statements in all the different types of challenges. The respondents' responses were collected using five-point likert scales.

**Table 4.1** *Descriptive Statistics (Statement Wise)*

Descriptive Statistics							
Statements	Item Code	N	Min	Max	Mean	Std. Dev.	C.V.
My enterprise faces challenges in arranging funds.	FC1	500	1.0	5.00	2.866	1.4269	0.4979
The reach of my enterprise, in terms of funds arrangement is restricted to local boundaries.	FC3	500	3.0	5.00	4.682	.5563	0.1188
My enterprise has not adopted formal system of financial planning and controlling.	FC4	500	3.0	5.00	4.684	.6300	0.1345
Financial Challenge		500	2.7	5.00	4.077	.65980	0.1618
My enterprise finds difficult to compete with its competitors.	MC1	500	1.0	5.00	4.092	1.1270	0.2754

My enterprise has inadequate access to market linkages and market intelligence.	MC2	500	3.0	5.00	4.544	.5837	0.1285
My enterprise pays limited attention towards the selling and promotional activities.	MC3	500	1.0	5.00	4.498	.8964	0.1993
My enterprise face challenges in developing new products/services.	MC4	500	1.0	5.00	3.954	1.0227	0.2587
My enterprise pays limited attention towards branding activities.	MC5	500	1.0	5.00	4.044	.8807	0.2178
My enterprise pays inadequate attention towards its distribution channel.	MC6	500	3.0	5.00	4.092	.5969	0.1459
My enterprise does not have a formal system of handling customer complaints.	MC8	500	1.0	5.00	4.680	.8781	0.1876
Marketing Challenge		500	1.6	5.00	4.272	.66526	0.1557
The HR practices of my enterprise are poorly defined and documented.	HRC1	500	1.0	5.00	3.912	1.1237	0.2873
My enterprise faces challenges in hiring competent managerial professionals.	HRC2	500	1.0	4.00	3.276	1.0069	0.3074
My enterprise finds difficulties in conducting regular training programs for employees.	HRC3	500	2.0	5.00	3.818	.8332	0.2182

The performance evaluation and appraisal system is not well defined in my enterprise.	HRC5	500	2.0	5.00	4.408	.7201	0.1634
HR Challenge		500	2.0	4.50	3.854	.71794	0.1863
My enterprise is restricted to local suppliers only.	OC1	500	1.0	5.00	4.502	1.1544	0.2564
My enterprise finds the latest technology very costly.	OC4	500	2.0	5.00	4.000	.9042	0.2261
My enterprise does not have formal system of production, planning and controlling.	OC5	500	1.0	5.00	4.276	1.1724	0.2742
Operational Challenge		500	1.3	5.00	4.259	.99166	0.2328
The leaders of my enterprise are not professionally educated.	LC1	500	1.0	5.00	4.318	1.2554	0.2907
The leaders of my enterprise find it difficult to take the enterprise to next level.	LC2	500	3.0	5.00	4.000	.5221	0.1305
The leaders of my enterprise are visionary in nature. *	LC3	500	4.0	5.00	4.272	.4454	0.1043
Leadership Challenge		500	2.7	5.00	4.197	.61579	0.1467
Valid N (list wise)		500					

- *Reverse coded*

*Five point likert scales has been used. 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree*

*Min=Minimum, Max=Maximum, Std. Dev. = Standard Deviation, C. V. = Coefficient of Variations*

Table 4.1 shows the status of different statements and its score. There are five different constructs and every construct has different statements. Five different constructs are related to finance, marketing, HR, operations and leadership. There are total 27 statements in these constructs. The statements that were not holding well had been removed from the constructs. First construct is financial construct related to the financial challenges being faced by micro entrepreneur. The mean values in financial challenges construct ranges from 2.866 to 4.684. The highest mean value in this construct is 4.684 for the statement that they had not adopted formal system of financial planning and controlling. Second highest mean value is 4.682 for the statement that their reach is restricted to local boundaries for arranging funds followed by the statement that they face challenges in arranging funds with mean score 2.866.

The results verify that in marketing challenges, enterprises face more challenges in handling customer complaints. The mean score for this statement is found 4.680. One more confront is that they have inadequate access to market linkages and market intelligence. Third top marketing challenge that they are facing is limited attention towards selling and promotional activities. The mean scores for two statements are found similar i.e. they face difficulties in competing with competitors and they pay inadequate attention towards its distribution channels. As per mean value, it can be concluded that some micro entrepreneurs are facing marketing challenge due to paying less attention towards branding activities. They also face challenges in developing new products and services.

When questions were asked from micro entrepreneurs about different HR challenges, it is found that they are facing maximum HR challenges due to ill-defined performance evaluation and appraisal system of their enterprise. They admitted that the HR practices of their enterprises are poorly defined and documented. They are also facing many difficulties in conducting and arranging regular training programs for the employees. Data concluded that micro entrepreneurs are facing challenges in hiring competent professionals. The mean score for this statement is 3.276.

Next construct is related to operational challenges of micro entrepreneurship. In today's era where the whole world is treated as a family, some of micro entrepreneurs had confined themselves to local suppliers only. The mean score for this statement is minimum i.e. 4.502. When the data is collected from respondents

regarding operational challenges, it is observed that they are facing challenges because of not having a formal system of production, planning and controlling. The mean values show that they also find the latest technology very costly.

Analysis of leadership challenge through mean score validates that leaders are less visionary and less professionally educated. The leaders of micro enterprises also find difficulty in taking the enterprise to next level.

In descriptive statistics, Standard deviation tells us about variations of data values. It explains the characteristics of data set that how it is spread out? Lower standard deviation is considered as good in comparison to higher one. A lower standard deviation indicates that the data are more closely aligned with the mean value, while a higher standard deviation confirms the distribution of data values.

Lower and higher standard deviation can be well explained through coefficient of variations. If the value of coefficient of variation is less than 1, it indicates the lower standard deviation. Standard deviation will be considered high if coefficient of variation is found to be more than 1. Coefficient of variation is calculated by dividing the value of standard deviation with mean scores.

Under financial challenge construct, the standard deviation varies between 0.5563 and 1.4269. Coefficient of variation for the first statement in financial challenge is 0.4979 followed by 0.1188 for second statement and .1345 for the statement that they had not adopted formal system of financial planning and controlling. Since the standard deviation in all the statements are low and coefficient of variations lies below 1 for all the above statements. Hence it can be concluded that data is closed to mean value and it is not widely disbursed.

Under marketing challenge construct, the standard deviation varies between 0.5837 and 1.1270. The coefficient of variation for the first statement in marketing challenge is found 0.2754 followed by 0.1285 for second statement, 0.1993 for the statement that they pay limited attention towards selling and promotional activities. The coefficient of variation for other statements is 0.2587, 0.2178, 0.1459 and 0.1876. Since, in this construct variation comes out less than 1, so here also standard deviation is closer to mean values.

When researcher analyzed the different constructs of challenges through their mean scores, it is observed that mean scores for HR challenges are maximum. A

number of micro entrepreneurs admitted that they are facing these challenges in bulk. When coefficient of variation is found out, it is observed that the different statements of HR challenges found the variations of 0.2873, 0.3074, 0.2182 and 0.1634. The data proves that variations are very less and hence data is closely related to their mean values.

Talking about different operational challenges, three statements were there for this construct. By just looking towards standard deviation, it is seen that standard deviation for the statement that the enterprise does not have formal system of production planning and controlling is highest but while interpreting the results it is found that coefficient of variations for three statements are 0.2564, 0.2261 and 0.2742. Since data is not disburse over population. It is under control as it is less than 1.

Last construct taken in this study is leadership challenges. Standard deviation for all the statements in this construct is 1.2554, 0.5221 and 0.4454. Coefficient of variations for statements is found to be 0.2907, 0.1305 and 0.1043. Hence by comparing different statements in this construct it is concluded that in micro entrepreneurship. Entrepreneurs find difficult to recruit professionally educated leaders.

The collective results of descriptive statistics for all the challenges are summarized below:

**Table 4.2** *Descriptive Statistics (Construct-wise)*

<b>Descriptive Statistics of Challenges</b>						
	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Coefficient of Variations</b>
<b>Financial Challenge</b>	500	2.67	5.00	4.0773	.65980	0.1618
<b>Marketing Challenge</b>	500	1.57	5.00	4.2720	.66526	0.1557
<b>HR Challenge</b>	500	2.00	4.50	3.8535	.71794	0.1863
<b>Operational Challenge</b>	500	1.33	5.00	4.2593	.99166	0.2328
<b>Leadership Challenge</b>	500	2.67	5.00	4.1967	.61579	0.1467

Descriptive statistics abridge huge amount of data into meaningful figures and validate whether the outcomes fulfill the perspective of our research or not. Here sample size is 500 and descriptive statistics divulges that all the variables range within forejudged maximum and minimum values with zero lost value. The standard deviation varies between 0.61579 and 0.99166 which is practical.

Here the mean score for marketing challenges is maximum i.e. 4.2720, it means these micro firms are facing more challenges in context of branding and selling & distribution activities. Mean score of operational challenge is less than in comparison to marketing challenges i.e. 4.2593. Third highest mean score is 4.1967 i.e. leadership challenges. So as per descriptive statistics, conclusion can be drawn out in micro entrepreneurship, marketing challenges are at peak, followed by operational challenges, leadership challenges, financial challenges and HR challenges.

When data is analyzed through their respective standard deviation, it is found that operational challenges have maximum standard deviation i.e. .99166 followed by the standard deviation of HR challenges, marketing challenges, financial challenges and leadership challenges.

For checking the variations in the collected data, coefficient of variations is found out and it is observed that coefficient of variation for financial challenge is 0.1618, for marketing challenge is 0.1557, for HR challenge is 0.1863, for operational challenge is 0.2328 and coefficient of variation for leadership challenge is 0.1467. For all the constructs the coefficient of variation is very less. Respondents have more consistent reactions. Hence data has very less variations and therefore we can conclude and interpret the challenges that micro entrepreneurship faces HR challenges maximum.

Here are plotting which describes the extent of impact of different constructs of challenges on different firms on the basis of their maturity level.

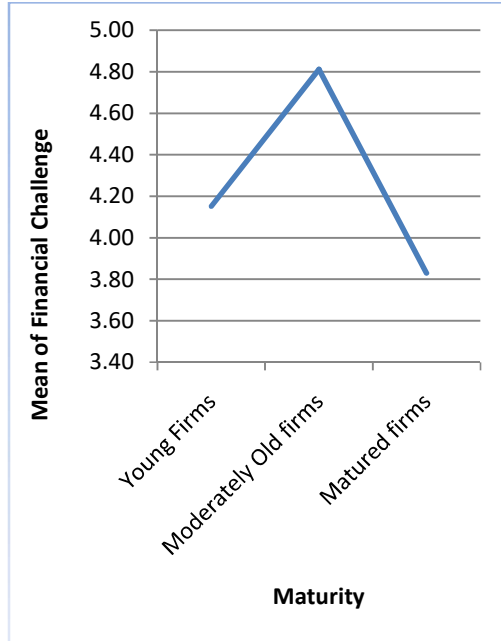


Figure 4.1 Mean score of Financial Challenges

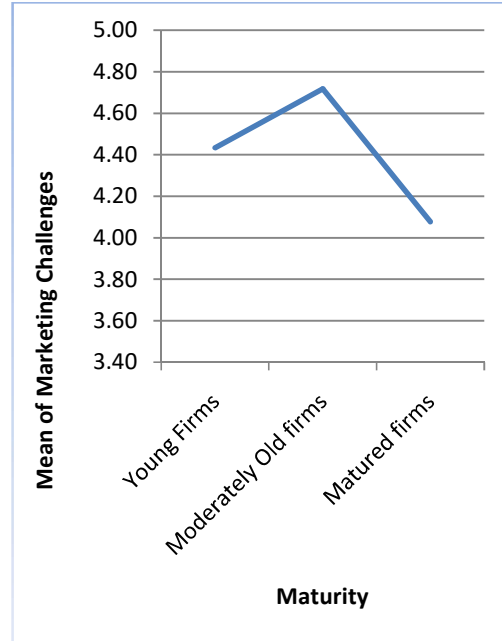


Figure 4.2 Mean score of Marketing Challenges

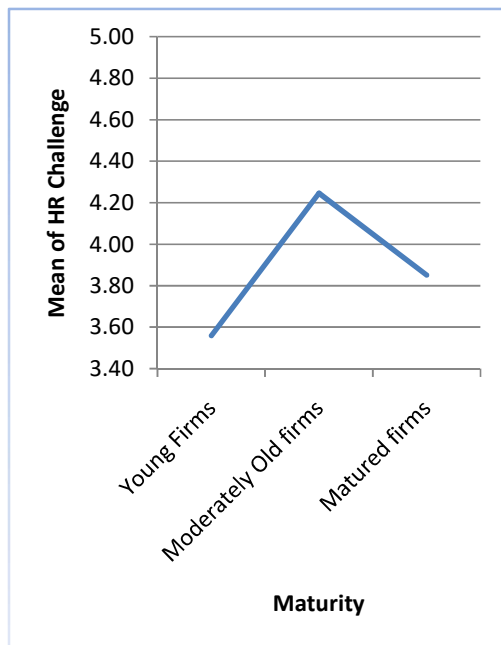


Figure 4.3 Mean score of HR Challenges

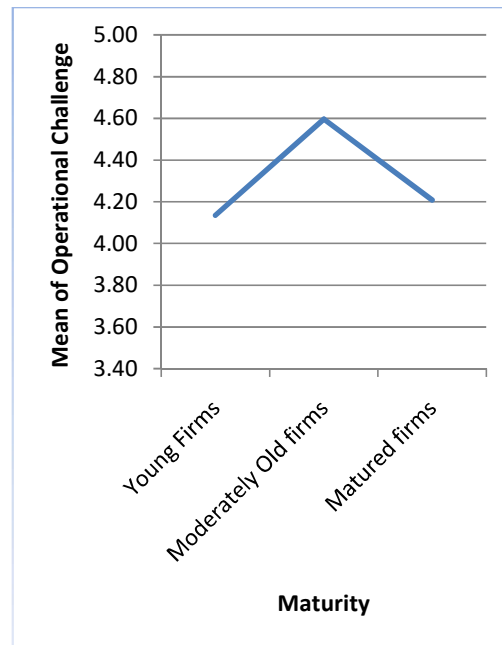
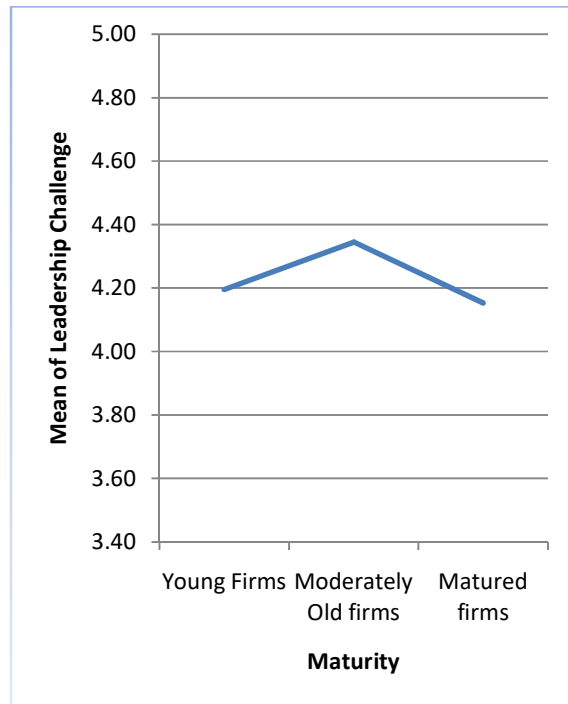


Figure 4.4 Mean score of Operational Challenges



**Figure 4.5 Mean score of Leadership Challenges**

From the diagrams it is evident that moderately old firms are facing more challenges in comparison to matured and young ones. Financial challenges, marketing challenges and leadership challenge are more faced by young firms in comparison to matured ones whereas operational challenges and HR challenges are faced by matured firms more in comparison to young firms.

Young firms are very new to the market. Initially these firms may suffer loss. These firms may require loans from the market. They may face difficulties in arranging funds at desired rates. These firms may have to compete with existing competitors. For that, the firms have to indulge in various price and non-price competitions. Firms require more finance, best advertising and marketing services to attract the customers. Moreover, these firms also require best leaders who are capable of taking decision at different stages of competition. These are some of the reasons given by entrepreneurs of young firms who claim that they are facing these challenges in maximum. Matured firms are those firms which have been established for more than 10 years and therefore they are well established firms. These firms believe that

they are facing maximum challenges in arranging human resource for their enterprise. Human resources are available but the experience and the quality they are seeking for are not available at the said salary provided to them. They also find difficulty in smooth operations of activities. In gist, firms are facing different challenges as per the level of maturity of the enterprise.

## 4.2 Variation in challenges with respect to maturity of firms

Here in this section, an attempt has been made to find out the variations in different constructs of challenges of micro enterprises on the basis of their maturity. On maturity grounds, firms are categorized in three different sections i.e. young, moderately old and matured firms. Data has been interpreted first on the basis of the mean scores obtained for various constructs of challenge on the basis of the maturity level of the firms. Then data has been compared on the basis of standard deviation and standard error to draw out the conclusion.

**Table 4.3** *Variation in challenges with respect to maturity of firms*

Descriptive										
		N	Mean	Standard Deviation	Coefficient of Variations	Standard Error	95% Confidence Interval for Mean		Minimum	Maximum
							Lower Bound	Upper Bound		
Financial Challenge	Young Firms	116	4.1523	.78929	0.1901	.07328	4.0071	4.2975	2.67	5.00
	Moderately old firms	88	4.8106	.30238	0.0629	.03223	4.7465	4.8747	4.33	5.00

	Matured firms	296	3.8300	.49249	0.1286	.02863	3.7736	3.8863	2.67	5.00
	Total	500	4.0773	.65980	0.1618	.02951	4.0194	4.1353	2.67	5.00
Marketing Challenge	Young Firms	116	4.4335	.37581	0.0848	.03489	4.3644	4.5026	3.71	5.00
	Moderately old firms	88	4.7159	.17529	0.0372	.01869	4.6788	4.7530	4.57	5.00
	Matured firms	296	4.0767	.75974	0.1864	.04416	3.9898	4.1636	1.57	4.57
	Total	500	4.2720	.66526	0.1557	.02975	4.2135	4.3305	1.57	5.00
HR Challenge	Young Firms	116	3.5603	.70141	0.1970	.06512	3.4313	3.6893	2.25	4.50
	Moderately old firms	88	4.2443	.18944	0.0446	.02019	4.2042	4.2845	3.75	4.50
	Matured firms	296	3.8522	.76822	0.1994	.04465	3.7643	3.9401	2.00	4.50
	Total	500	3.8535	.71794	0.1863	.03211	3.7904	3.9166	2.00	4.50
Operational Challenge	Young Firms	116	4.1351	1.40735	0.3403	.13067	3.8762	4.3939	1.33	5.00
	Moderately old firms	88	4.5947	.15535	0.0338	.01656	4.5618	4.6276	4.33	5.00
	Matured	296	4.2083	.91758	0.2180	.05333	4.1034	4.3133	1.33	5.00

	firms									
	Total	500	4.2593	.99166	0.2328	.04435	4.1722	4.3465	1.33	5.00
Leadership	Young Firms	116	4.1954	.80466	0.1918	.07471	4.0474	4.3434	2.67	5.00
Challenge	Moderately old firms	88	4.3447	.25496	0.0587	.02718	4.2907	4.3987	4.00	5.00
	Matured firms	296	4.1532	.60116	0.1447	.03494	4.0844	4.2219	2.67	5.00
	Total	500	4.1967	.61579	0.1467	.02754	4.1426	4.2508	2.67	5.00

Here, researcher has taken five challenges for the study purpose. Five challenges are financial, marketing, HR, operational and leadership. Researcher tried to find out the variations in challenges with respect to maturity of firms. On the grounds of maturity, firms are categorized in three parts i.e. young firms, moderately old firms and matured firms.

First challenge is financial challenge. If data is analyzed on the basis of their respective means, it reveals that moderately old firms are having more financial challenges in comparison to young and matured firms. The mean score for young, moderately old and matured firms are 4.1523, 4.8106 and 3.8300. The foremost challenge for the enterprise which is new in the market is loss avoidance. Young firms don't take unnecessary risks and these firms do all the things in phased and planned manner. These firms slowly grow and take very calculated risks. Moderately old firms are those firms which had crossed initial hurdles but still these firms are not enough matured to take uncalculated risks.

Second one is marketing challenge. The mean score for different firms are 4.4335, 4.7159 and 4.0767. Again data validates more challenge for moderately old micro firms. These will have to compete with matured firms and have to face many challenges to attain the level of small and medium enterprises. To face competition, these firms will have to work on all the marketing activities and they may face more challenges with respect to market.

Among 5 challenges, third challenge is HR challenge. As per the data, this challenge is more faced by moderately old firms. These firms may face challenge in hiring competent professionals and may not have enough capabilities to remunerate them. Matured firms are enough grown up to capture the human resources and to pay them hefty amount.

Operational challenge is also confronted by moderately old firms. These firms may not have enough knowledge about operational activities. These firms find dominance of the suppliers and find latest technology very costly. As per the data, leadership challenges can be seen more in moderately old firms in comparison to young and matured firms.

Here, to check the variability. Standard deviation and standard error has been calculated. In a single sample, variability can be easily checked through standard deviation and in multiple samples; standard error is the solution for it. Standard error measure the variability of data means. Standard error of means expresses the percentages of data mean in estimation of population mean. It specifies the diversity of population mean and data mean. Standard error simply explains us whether our data mean represents the population mean; how much it would be different if our data set changes among same population. So it is a coefficient that explains us how much variation will come out in different results if we do bootstrapping of data i.e. re-sampling of data.

Although sample has been selected due diligence to make it representative of whole data; still some errors or imperfections exist in the data. Hence by calculating standard error, estimation can be done about how well our sample represents our population. Higher the standard error, poor representation of population by sample means. Lower the standard error defines the fair representation of population mean by sample. Standard error can be minimized by enhancing the size of sample.

Standard deviation for financial challenge construct in young firms are found to be maximum in comparison to moderately old and matured ones but just looking the values of standard deviation does not confirms the variability and non-variability of data. For that, coefficient of variations must be compared. Coefficient of variations for young firms is 0.1901, for moderately old firms it is 0.0629 and it is 0.1286 for matured firms. Variations among all types of firms are less than 1. Data is proved to be accurate.

In the same manner, coefficient of variations for all types of challenges and for different types of firms on the basis of maturity are found to be less which is the indication of more reliable data.

Size of sample and the standard deviation are then used to calculate the standard error. Lower standard error is considered as good as it represents the true representation of population by the selected sample. That is the reason behind the statement that higher the size of population, lower the standard error will be.

Here in the table, it is evident that standard error for all the constructs is less which defines the true representation of population by the selected sample. It may not

be feasible to study the large population. Researchers usually do estimation that a set of data or sample represents the whole numbers. Uncertainty always exists as the data is being studied on estimation basis for a limited sample. Sample is being selected by the researcher on confidence basis. Confidence interval represents the range that defines the certainty level of values that will arise if the sample set will redefine from the same population or experiment will be done persistently on the same data set. It is just like as the word 'Probability'. If there is 95% confidence level, it means that there is 95% of chance that the estimated value will lie in the confidence range/ interval. Hence confidence interval does not validate the accurate value as it is purely based on sample data irrespective of population. It only shows the range of values. Confidence interval defines the true value if the sample data is accurate and method of research is well planned and defined.

Lower bounds and upper bounds define the range which signifies the limit of accuracy. Maximum and minimum values signifies the range in which mean value should appear. It entails the effect of standard error as well. After the analysis, it is observed that all the mean values are within the range of the selected confidence interval.

### 4.3 Challenges in Micro Entrepreneurship: Measurement and Validation

#### 4.3.1 Assessment of Factor Structure:

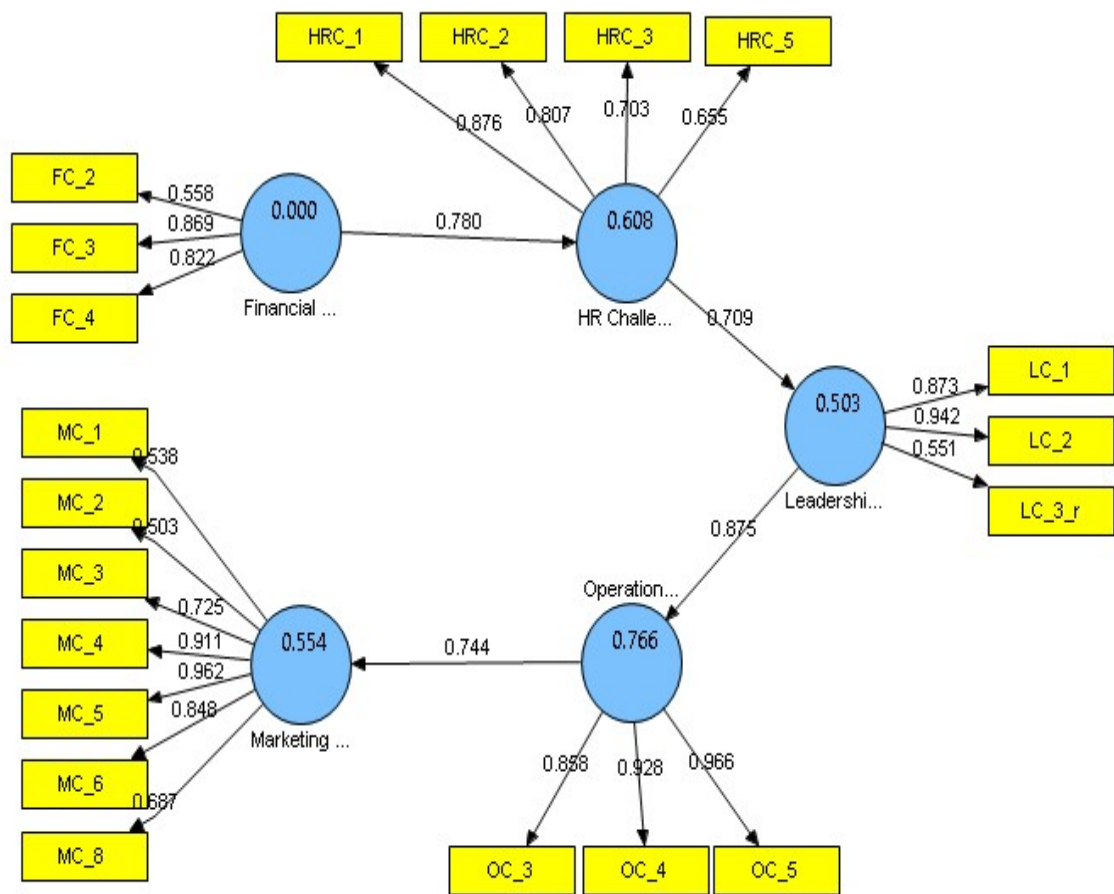
The purpose of this section is to assess the factor structure of the challenges involved in micro entrepreneurship. There are two ways for assessing the factors. One is CFA (Confirmatory Factor Analysis), another one is EFA (Exploratory Factor Analysis). EFA is used when the study is new and constructs have been identified by the researcher himself whereas CFA is used when the researcher wants to confirm from respondents by his research instrument for the constructs and items that have already been identified by other researchers and this is already explained in literature.

**Table 4.4** *Factor loadings and CFA*

	Financial challenges	HR Challenges	Leadership Challenges	Marketing Challenge	Operational Challenges
FC_2	0.5583	0	0	0	0
FC_3	0.8688	0	0	0	0
FC_4	0.8217	0	0	0	0
HRC_1	0	0.8763	0	0	0
HRC_2	0	0.8067	0	0	0
HRC_3	0	0.7034	0	0	0
HRC_5	0	0.6549	0	0	0
LC_1	0	0	0.8732	0	0
LC_2	0	0	0.9418	0	0
LC_3_r	0	0	0.5512	0	0
MC_1	0	0	0	0.5384	0
MC_2	0	0	0	0.5032	0
MC_3	0	0	0	0.7251	0
MC_4	0	0	0	0.9114	0
MC_5	0	0	0	0.9615	0
MC_6	0	0	0	0.8482	0

MC_8	0	0	0	0.6871	0
OC_3	0	0	0	0	0.8584
OC_4	0	0	0	0	0.928
OC_5	0	0	0	0	0.9657

PLS-SEM has been used to confirm the factors. CFA model is as below:



**Figure 4.6 CFA Model**

There are five constructs i.e. financial challenges, Marketing challenges, leadership challenges, operational challenges and challenges related to human resources. All the constructs have been joined together on the basis of factor loadings. In this model, we can conclude that factor loading is acceptable for the whole data.

For the study, initially researcher had picked 5 statements for financial construct, 8 statements for marketing construct, 5 statements for HR construct, 5 statements for operational and 4 statements for leadership challenges. Some of the statements which had been picked by the researcher from literature may hold good for small scale or medium scale firms. That may not prove good for the study of micro entrepreneurs. So the statements that were not holding good for the study had been removed. Statistics itself remove impure and ambiguous statements due to poor factor loadings.

Finally, the statements which remained left were enough to study different financial challenges, HR Challenges, Leadership challenges, marketing challenges and operational challenges.

### **4.3.2 Assessment of Psychometric Properties**

Psychometric properties validate the statistical strength and limitation of a test in quantitative form. These properties provide the information about the adequacy of test. Relevance of the applied test and its usefulness is also examined by these properties. In the process of measurement, some numbers or scores are allocated to individual attributes to differentiate them on the basis of their characteristics. A measure is said to be valid if it precisely exemplify the trait it alleges to access. Researchers do not make assumptions only rather they gather the data to prove this work (Hinkin & Schriesheim, 1989). So the process in which the researchers not only collect the data but classified and interpreted in the right manner is measurement (Carmines & Zeller, 1979). This process provides fair numbering or scoring to each construct.

In the process of validation, the researcher validates the extent of observed variables with the constructs identified by him in different literature (Schriesheim et al., 1991). Researcher does validation to lessen the variations in between observed and actual scores.

Measurement error can be observed in each measurement instrument applied by the researcher (Bagozzi et al., 1991). Measurement error may be of random error or systematic error (Fiske, 1982). Random measurement error is the result of change in human behaviour over a period of time. Due to incoherent behaviour, one respondent might give unlike responses for the same query over frequent assessment (Adcock & Collier, 2001). This is just because of change in taste, change in mood, busyness or negligence of respondents. This random measurement error is beyond the control of researcher (Anastasi, 1986). Another one is non-random error i.e. systematic error which may be the result of wrong selection of words in the research instrument, incorrect choice and statement of items. It may effect in biasness or partiality in terms of measurement of items.

Reliability and validity is needed to make the measures free from both types of errors i.e. random error and systematic error. The function of reliability is to craft the measures free from random error and the extent of validity lies to produce the measures free from systematic error (Nunnally, 1978).

Reliability set the measures free from random error with the assumption of repeated trials. Respondents are same in this process and the conditions in which they are responding also remains similar. Reliability is basically related with the capability of research mechanism to fabricate like outcomes in repeated trails over a period of time (Leedy & Ormrod, 2001). Higher the reliability results in decrease in random error.

An imperative piece of reliability is internal consistency which elucidates the level of correlation of different items under the same construct. Higher the consistency validates the lower amount of random error. There are numerous ways to evaluate the internal consistency. Cronbach alpha is one of the trendy modes to check internal consistency. Cronbach alpha more than 0.7 is considered as good as it shows higher internal consistency. Cronbach alpha closer to 1 shows high reliability with less amount of error.

#### **4.3.2.1 Reliability**

Reliability validates and ensures that similar results will be measured from the research instrument even if the data is driven by the researcher more than once. Reliability ensures whether the data and applied method provides consistent results in same situation over a different time intervals. High reliability shows low random errors of measurement. Reliability shows the extent of random error whereas validity assess whether methods are measuring the results in the same manner in which they are supposed to measure. Reliability just checks the extent of error. It does not assure validity but validity often comforts reliability.

Now in this data, reliability check is carried out for the research instrument framed by the researcher. A sample of 500 micro enterprises has been selected from Haryana state and data has been collected from these enterprises. Cronbach alpha had given satisfactory results which validates the reliability of questionnaire.

**Table 4.5 Reliability Statistics**

<b>Reliability Statistics</b>			
	<b>AVE</b>	<b>Composite Reliability</b>	<b>Cronbachs Alpha</b>
Financial challenge	0.581	0.801	0.620
HR Challenges	0.586	0.848	0.771
Leadership Challenges	0.651	0.843	0.736
Marketing Challenge	0.574	0.900	0.887
Operational Challenges	0.844	0.942	0.908

Average variance extracted must be greater than 0.5. Here AVE for financial challenges is 0.581, AVE for HR challenges is 0.586, for Leadership challenges is 0.651, AVE for marketing challenges is 0.574 and AVE for operational challenges is 0.844. So here AVE for all the factors are greater than 0.5.

The value of composite reliability greater than 0.7 is considered as good that can be seen here in this table. For financial challenges it is 0.801, for HR challenges it is 0.848, for leadership challenges it is 0.843, for marketing challenges it is 0.900 and for operating challenges it is 0.942.

Cronbach alpha is also comfortable. Only the value for financial challenge is less than 0.7 otherwise rest all values are greater than 0.7 (i.e. 0.771 for HR challenges, 0.736 for leadership challenges, 0.887 for marketing challenges, 0.908 for operational challenges) so these are acceptable.

### 4.3.2.2 Validity

Construct validity can be examined using either convergent validity or divergent validity (Campbell & Fiske, 1959). Evaluating standardized factor loadings, calculating AVE (Average Variance Extracted) and CR (Composite Reliability) all help in assessing convergent validity. The basic concept behind calculating divergent validity is to check the uniqueness of every constructs in relation with other constructs. That is the reason that in inter correlation matrix of discriminant validity, value of main construct is high. The correlation for rest of constructs does not show higher value.

**Table 4.6 Discriminant Validity**

Discriminant Validity					
	Financial challenge	HR Challenges	Leadership Challenges	Marketing Challenge	Operational Challenges
Financial challenge	0.762				
HR Challenges	0.580	0.765			
Leadership Challenges	0.613	0.509	0.807		
Marketing Challenge	0.574	0.616	0.579	0.757	
Operational Challenges	0.567	0.603	0.675	0.644	0.918

This is inter-correlation matrix. Researcher had used Fornier & Larker criteria. As per this criterion, the constructs are said to be discriminant if AVE is greater than  $r^2$  (multiple square correlation). Square root of AVE has been placed at diagonals of correlation matrix and then researcher compared this value with the values of other construct. In financial challenge, AVE is 0.581 and square root of AVE is 0.762. That has been put at diagonal. Researcher finds this value greater than all the values across rows and columns. In the same manner, the values at diagonal of other challenges are greater than those in corresponding rows and columns.

The constructs of discriminant validity are discriminant from each other. The unique variance is greater than the shared variances. As a result, it is said that they discriminate. There are two conditions for convergent validity. First, AVE should be greater than 0.5 and secondly, factor loading should be significant. Our both conditions are well satisfied. Hence our convergent validity is also intact.

Here all the conditions of convergent validity, discriminant validity and reliability got satisfied. So it is feasible to say that the validity of our construct has been established. It demonstrates that our structures are only measuring what they are meant to measure. Now these constructs can be used to measure the phenomenon under study.

#### 4.4 Test of Homogeneity of Variances

There are two types of statistics. One is descriptive and another one is inferential statistics. Levene's test is later one. This test assesses the assumption of equal variances of two or more groups of sample drawn. It tests the homoscedasticity i.e. homogeneity of variances. There are numerous tests to check the homogeneity of variances like Cochran's, Bartlett's, Brown-Forsythe's, Hartley's F max and Levene's test. Among these tests, Levene's test is judged as most familiar for homogeneity of variances. Brown-Forsythe test is also one of the popular methods for homogeneity of variance but this test uses median in place of mean. One more popular test is Bartlett's test. But Levene's and Bartlett's test have entirely different applications in statistics. Generally Levene's test is used to test if the variations across the group are same or comparable ( $S_1^2 = S_2^2 = S_3^2 = \dots$ ) or not. This is desirable assumption of parametric tests which is used in t-test, ANOVA etc. whereas Bartlett's test is used to test if there is significant correlation among the variables. This is the assumption of multivariate statistics.

The word 'Homogeneity of Variance' means of 'Same Nature'. Homo here symbolizes 'Same' and Geneity represents 'Nature'. Variability in each group is Variance. To check the homogeneity of variance, the assumption of same variance for all the assessment sets is taken. Same variance does not mean exactly equal variances in different groups but it means close variances in different comparison groups. To check the closeness of variances between groups Levene's test is used. This test is named as 'Homogeneity of Variance' test. It is feasible to use Levene's statistics before running ANOVA as it checks the equality of variances.

**Table 4.7 Test of Homogeneity of Variances**

<b>Test of Homogeneity of Variances</b>				
	Levene Statistic	df1	df2	Sig.
Financial Challenge	22.891	2	497	.000
Marketing Challenge	15.941	2	497	.000
HR Challenge	29.611	2	497	.000
Operational Challenge	52.322	2	497	.000
Leadership Challenge	27.949	2	497	.000

Here df1 is  $k-1$  ( $k$  represents number of groups). Number of groups in this study is 3 i.e. young firms, moderately old and matured firms. So df1 is  $3-1=2$ . Df2 is  $n-k$  ( $n$  represents total number of cases and  $k$  represents number of groups). Total number of cases in this case is 500 and number of groups are 3. So df2 is  $500-3=497$ .

Levene's equality of variance test determines whether the variances of two samples are approximately equal or not. Levene's test, like all hypothesis tests, starts with a null hypothesis. The null hypothesis in this instance is that there is no difference between the variance of the first group and the variance of the second group. P-value will be used to interpret the results of Levene's test. The variances are assumed to be equally distributed when the significance is greater than 0.05, or non-significant. If the p-value is less than 0.05, there is a difference in the variances. Here in this case, significance level is  $<0.05$ , which means variances are different for different groups.

So, here through Levene's test, conclusion can be drawn that our null hypothesis has been rejected as p value is less than 0.05 and the variances among three groups i.e. young, moderately old and matured firms are not the same.

#### 4.5 ANOVA

When the figures need to be experimental, then ANOVA is used. ANOVA permits to do comparison of three or more than three groups in one go. ANOVA is used to check whether there is any relationship among them or not. It is used to determine the power of independent variables on dependent variables.

There are two primary types of ANOVA. First is One way (or unidirectional) in which three or more group of data is used to verify the relationship between dependent and independent variables. Another one is two way ANOVA which is the expansion of one-way. In one-way, there is one independent variable whereas two independent variables are there in two-way ANOVA. The decision of selection of type of ANOVA basically depends upon number of factors.

**Table 4.8 ANOVA**

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Financial Challenge	Between Groups	66.083	2	33.041	108.644	.000
	Within Groups	151.149	497	.304		
	Total	217.232	499			
Marketing Challenge	Between Groups	31.652	2	15.826	41.574	.000
	Within Groups	189.193	497	.381		
	Total	220.845	499			
HR Challenge	Between Groups	23.411	2	11.705	24.883	.000
	Within Groups	233.796	497	.470		
	Total	257.206	499			
Operational Challenge	Between Groups	12.459	2	6.229	6.474	.002
	Within Groups	478.248	497	.962		
	Total	490.706	499			
Leadership Challenge	Between Groups	2.489	2	1.244	3.312	.037
	Within Groups	186.728	497	.376		
	Total	189.217	499			

In this study, one-way ANOVA has been used to check the relationship between three independent variables on the basis of mean. The assumptions and hypotheses are:

**Assumptions:**

- Variance is equal within different clusters.
- Responses are distributed normally.
- The variables are independent.

**Hypotheses:**

$H_0$ : All group means are equal.

$H_1$ : At least one group mean is different from the means of other groups.

Here there are three different types of samples on the basis of maturity level i.e. young firms, moderately old ones and mature firms. Since more than two different sets of samples are there, therefore we are using ANOVA here.

In ANOVA, two different sources of variations are measured i.e. between groups and within groups. Between group variations compares the mean of each group and overall mean whereas within group variations compares the mean of individual (single observation) with their group mean.

There can be three possible outcomes:

1. Between group variations is similar to within groups- F ratio will be about to 1.
2. Between group variations is more than that within groups- F ratio will be higher and larger than 1.
3. Between group variations is less than that within groups- F ratio will be lower and smaller than 1.

First sum of squares is calculated between groups and within groups. Sum of squares between groups or samples is calculated by adding mean of individual groups and then dividing the square of that mean with number of items in that individual group. E.g. we have three sample groups in this study young, moderately old and mature.  $X_1$  is considered as mean of young groups and  $X_2$  is considered as mean of moderately old firms and  $X_3$  is mean of matured firms. For calculating sum of squares between samples first  $\Sigma X_1$ ,  $\Sigma X_2$  and  $\Sigma X_3$  is calculated then the squares of these summations is

calculated. Lastly the squares are divided by the number of items in their respective samples like “ $(\sum X1)^2 / N1 + (\sum X2)^2 / N2 + (\sum X3)^2 / N3$ ”. Now to find out the sum of squares between samples the formula is “ $(\sum X1)^2 / N1 + (\sum X2)^2 / N2 + (\sum X3)^2 / N3 - \text{Correction Factor}$ ”. Correction factor is square of grand total of values of groups divided by total number. The formula is  $\sum X1 + \sum X2 + \sum X3 / N$ .

Sum of square of total is then calculated by adding all the square values of individual groups like

$(\sum X1)^2 + (\sum X2)^2 + (\sum X3)^2$  and then deduct correction factor among this value.

Sum of squares within samples is calculated by deducting sum of squares between samples from sum of square of total.

Degree of freedom between groups is calculated by deducting 1 from total sample sets. Like in this study, there are three different sets of samples i.e. young, moderately old and matured firms. Here  $df = N - 1$  i.e.  $3 - 1 = 2$ . Degree of freedom within samples is calculated with this formula i.e.  $df = N - k$ . N here represents total number of sample and k represents groups of sample. So here total sample is 500 and groups are 3. Hence  $df = 500 - 3 = 497$ .

Mean square is calculated by dividing corresponding sum of squares with corresponding degree of freedom.

F-statistics is calculated by dividing mean square between group with the mean square within group. df between samples is 2 (3-1) and df within sample is 497 (500-3). Here calculated value of F Statistics is greater than the tabular value of F statistics, so null hypothesis is rejected here which means that there is a significant difference between two variances.

Larger F-ratio gives smaller p-value and vice-versa. Here from the table, it can be concluded that there are difference in group means since F-ratio is larger than one. It can be seen that significance value is less than 0.05, our assumption has been violated and null hypothesis has been rejected. So proceeding with the ANOVA analysis is not recommendable.

Here test of homogeneity of variance is not significant. So our assumptions are not met out. Therefore we are using Robust Test of Equality of Means. Welch and Brown Forsythe's Robust test of equality of means thus need to be applied to verify the momentous divergence between various associate groups.

#### 4.6 Robust Tests of Equality of Means

When our homogeneity of variances does not meet, then we use robust tests of equality of means. As a result, Welch and Brown Forsythe's Robust test of equality of means must be used to confirm the significant gap between the various associate groups. Robust test violates the assumption of Levene's test i.e. homogeneity of variances.

**Table 4.9 Robust Tests of Equality of Means**

Robust Tests of Equality of Means					
		Statistic <sup>a</sup>	df1	df2	Sig.
Financial Challenge	Welch	258.982	2	218.020	.000
	Brown-Forsythe	101.237	2	203.965	.000
Marketing Challenge	Welch	99.956	2	283.715	.000
	Brown-Forsythe	85.711	2	458.124	.000
HR Challenge	Welch	73.434	2	254.469	.000
	Brown-Forsythe	36.117	2	290.163	.000
Operational Challenge	Welch	29.079	2	234.091	.000
	Brown-Forsythe	6.611	2	173.032	.002
Leadership Challenge	Welch	9.826	2	243.938	.000
	Brown-Forsythe	3.564	2	216.049	.030

Asymptotically F distributed.

From table 4.9, the significance of p value in both tests is plainly apparent. As a result, our null hypothesis that there is a significant difference in the challenges faced by young firms, moderately old firms and matured firms has been accepted.

In this study, ANOVA test is used to check whether the mean values for different groups' i.e. young, moderately old and matured firms differ significantly with each other. Before applying ANOVA test, one assumption i.e. homogeneity of variance is need to be checked. For that, Levene's test had been applied. The result of that test is shown in table 4.7. It can be seen that significance value is less than 0.05, our assumption has been violated and null hypothesis has been rejected. So proceeding with the ANOVA analysis (table 4.8) is not recommendable.

As a result, Welch and Brown Forsythe's Robust test of equality of means must be used to confirm the significant gap between the various associate groups. The p value in both tests is clearly significant, as shown in table 4.9. As a result, our null hypothesis that there is a significant difference in the challenges faced by young firms, moderately old firms and matured firms has been accepted.

Further post hoc analysis (Games – Howell) has been performed. The results are shown in table 4.10.

#### **4.7 Post Hoc Tests**

When our homogeneity of variance does not meet out, then it is advised to use multiple comparison tests. In this study, there is a need for Post Hoc test as our assumption of homogeneity of variance has been violated. Here Games Howell test is applied as it does not carry out the assumption of equality of variances. As we have three sample groups, in that case also post hoc test is recommended.

Although there are many Post Hoc tests, but for Welch ANOVA, Games-Howell test is considered as good one. This test does not assume same standard deviation or homogeneity of variances among groups. For this test, we need to first calculate total number of groups i.e.  $k$ , constructs, group mean and variance. This test offers confidence interval for the disparities among group means and gives an idea about whether the differences are statistically significant. This test performs multi comparison for two or more sample population.

Multi comparison of means illustrates that which means are dissimilar and the extent of their difference. Standard error in this test indicates the extent of difference in population mean and sample mean. It indicates the scope of difference of sample mean if new sample is being selected from the same population.

**Table 4.10 Multiple Comparisons- Games-Howell Test**

<b>Multiple Comparisons</b>							
<b>Games-Howell</b>							
Dependent Variable			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Financial Challenge	Young Firms	Moderately old firms	-0.6583	.08006	.000	-0.4689	-0.8478
		Matured firms	0.3223	.07868	.000	0.5086	0.1361
	Moderately old firms	Young Firms	0.6583	.08006	.000	0.8478	0.4688
		Matured firms	0.9806	.04311	.000	1.0823	0.8790
	Matured firms	Young Firms	-0.3223	.07868	.000	-0.1361	-0.5086
		Moderately old firms	-0.9806	.04311	.000	-0.8790	-1.0823
Marketing Challenge	Young Firms	Moderately old firms	-0.28241	.03958	.000	-0.1888	-0.3760
		Matured firms	.35676*	.05628	.000	0.4892	0.2241
	Moderately old	Young Firms	.28241*	.03958	.000	0.3760	0.1888

	firms	Matured firms	.63917*	.04795	.000	0.7520	0.526
	Matured firms	Young Firms	-0.35676	.05628	.000	-0.2243	-0.489
		Moderately old firms	-0.63917	.04795	.000	-0.5263	-0.752
HR Challenge	Young Firms	Moderately old firms	-0.68397	.06818	.000	-0.5224	-0.845
		Matured firms	-0.29185	.07896	.001	-0.1056	-0.478
	Moderately old firms	Young Firms	0.68397	.06818	.000	0.8455	0.522
		Matured firms	0.39212	.04901	.000	0.5074	0.276
	Matured firms	Young Firms	0.29185	.07896	.001	0.4781	0.105
		Moderately old firms	-0.39212	.04901	.000	-0.2768	-0.507
Operational Challenge	Young Firms	Moderately old firms	-0.45964	.13171	.002	-0.1470	-0.772
		Matured firms	-.07328	.14113	.862	0.2607	-0.407
	Moderately old firms	Young Firms	0.45964	.13171	.002	0.7723	0.147
		Matured firms	0.38636	.05585	.000	0.5178	0.254
	Matured firms	Young Firms	.07328	.14113	.862	0.4073	-0.260
		Moderately old firms	-0.38636	.05585	.000	-0.2549	-0.517

Leadership Challenge	Young Firms	Moderately old firms	-.14929	.07950	.149	0.0390	-0.337
		Matured firms	.04225	.08248	.865	0.2373	-0.152
	Moderately old firms	Young Firms	.14929	.07950	.149	0.3376	-0.039
		Matured firms	0.19154	.04427	.000	0.2958	0.087
	Matured firms	Young Firms	-.04225	.08248	.865	0.1528	-0.237
		Moderately old firms	-0.19154	.04427	.000	-0.0873	-0.295

\*. The mean difference is significant at the 0.05 level.

Here multi comparison of different firms is done on the basis of maturity. Young firms are compared with moderately old and matured ones. In the same manner, moderately old firms are compared with young ones and matured firms. Challenges of matured firms are compared with young firms and moderately old firms.

Here, we can conclude through multiple comparison tests that challenges of young firms are different than moderately old firms and matured firms. They are unique and significantly different in comparison to moderately old and matured.

## 4.8 Government Initiatives and Promotional Schemes

This section presents the degree of awareness of micro entrepreneurs about various schemes of DC-MSME. An assortment of financial, technical and marketing assistance is being provided by the government to micro entrepreneurs. It has generally been observed that the micro enterprises are not able to take the full advantage of various promotional schemes of Government of India. This fragment attempts to access the degree of awareness of micro enterprises about the promotional schemes and the functioning of DC-MSME. Five point likert scales has been used to extract the data from the respondents.

*Table 4.11 Descriptive Statistics*

<b>Descriptive Statistics of Promotional Scheme</b>					
<b>Statements</b>	<b>Item Code</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Dev.</b>
... In recent past Government of India has introduced many schemes for the promotion of micro enterprises.	PS1	1.0	4.0	2.912	.6672
... Government is regularly updating its old policies for the promotion of micro enterprises.	PS2	1.0	4.0	2.778	.9002
...it regularly visits and interacts with DC-MSME office.	PS3	1.0	3.0	2.002	.6023
... it can avail credit under the various schemes offered by DC-MSME.	PS4	1.0	4.0	2.774	.8487

... DC-MSME is providing sufficient financial assistance to micro entrepreneurs.	PS5	1.0	4.0	2.638	.9299
...DC-MSME is providing technical assistance to micro entrepreneurs.	PS6	1.0	3.0	2.504	.8387
...DC-MSME is providing sufficient training and development programs for micro entrepreneurs.	PS7	1.0	5.0	3.550	1.3368
... DC-MSME is providing marketing support to micro entrepreneurs.	PS8	1.0	4.0	1.912	.6702
... DC-MSME is providing counseling services to micro entrepreneurs.	PS9	1.0	4.0	2.048	.8265
...it is difficult to take benefit from the various schemes offered by DC-MSME.	PS10	1.0	5.0	3.270	.9607
...the documentation process specified under various schemes is difficult to comply with.	PS11	1.0	5.0	3.460	1.0746
...it always observes a skeptical attitude of regulatory bodies.	PS12	1.0	5.0	3.460	1.2294
...it has little legal knowledge of various schemes.	PS13	1.0	4.0	2.506	.9401

This is the entire data that shows the awareness of micro entrepreneurs towards different promotional schemes run by the Government of India, Development Commissioner (Micro, small and medium enterprises), Ministry of MSME (DC-

MSME). PS here represents promotional schemes run by DC-MSME. In PS1 to PS13, researcher is trying to get the idea that whether entrepreneurs are aware about functioning of DC-MSME and here in these statements questioning for different assistance provided by the government is asked. This will give the idea that whether they are aware about all the assistance programmes being run by government or they are aware about only a few among marketing, technical, counseling, financial and training facilities. So in the table (given above), researcher is trying to find out the average level of awareness among micro entrepreneurs for the support programmes run by DC-MSME.

Arrangements of the statements or schemes from top to bottom in decreasing order of their mean are shown in table 4.12.

**Table 4.12 Descriptive Statistics (As per decreasing order of mean values)**

<b>Descriptive Statistics of Promotional Scheme</b>					
		Minimum	Maximum	Mean	Std. Dev.
... DC-MSME is providing sufficient training and development programs for micro entrepreneurs.	PS7	1.0	5.0	3.550	1.3368
...the documentation process specified under various schemes is difficult to comply with.	PS11	1.0	5.0	3.460	1.0746
...it always observes a skeptical attitude of regulatory bodies.	PS12	1.0	5.0	3.460	1.2294
...it is difficult to take benefit from the various schemes offered by DC-MSME.	PS10	1.0	5.0	3.270	.9607
... In recent past Government of India has introduced many schemes for the promotion of micro enterprises.	PS1	1.0	4.0	2.912	.6672

... Government is regularly updating its old policies for the promotion of micro enterprises.	PS2	1.0	4.0	2.778	.9002
...it can avail credit under the various schemes offered by DC-MSME.	PS4	1.0	4.0	2.774	.8487
...DC-MSME is providing sufficient financial assistance to micro entrepreneurs.	PS5	1.0	4.0	2.638	.9299
...it has little legal knowledge of various schemes.	PS13	1.0	4.0	2.506	.9401
... DC-MSME is providing technical assistance to micro entrepreneurs.	PS6	1.0	3.0	2.504	.8387
... DC-MSME is providing counseling services to micro entrepreneurs.	PS9	1.0	4.0	2.048	.8265
...it regularly visits and interacts with DC-MSME office.	PS3	1.0	3.0	2.002	.6023
... DC-MSME is providing marketing support to micro entrepreneurs.	PS8	1.0	4.0	1.912	.6702

Statistics show that highest level of awareness among people is for the statement that DC-MSME is providing sufficient training and development programs for micro entrepreneurs. Mean score for this statement is highest i.e. 3.550. Micro entrepreneurs even believe that the document process is difficult to comply under various promotional schemes and they usually observe a skeptical attitude of regulatory bodies. Second highest mean score is 3.460 for the above statements. Third highest mean score is 3.270 for the argument that it is difficult to take benefit from various schemes offered by DC-MSME followed by the mean score 2.912 for the awareness level about introduction of various schemes by government. Talking about financial, technical, marketing and counseling services, they have least knowledge regarding marketing support given by the government. This statement is proved when mean score comes only 1.912 when analysis has been done.

Standard deviation explains the variations of data in quantitative measure. A lower standard deviation indicates that all data are close to the average value, whereas a higher standard deviation indicates that data are distributed. Lower and higher standard deviation can be well explained through coefficient of variations. If the value of coefficient of variation is less than 1, it indicates the lower standard deviation. Standard deviation will be considered high if coefficient of variation is found to be more than 1. By dividing the value of standard deviation by the mean scores, the coefficient of variation can be calculated.

The statement that they regularly visit and interact at DC-MSME office finds consistent result with lowest standard deviation i.e. 0.6023 among all the statements. Coefficient of variation for this statement is found to be 0.3008. The statement that they are aware about marketing services also has a lower standard deviation which indicates that micro entrepreneurs had a more consistent reaction. This explains that micro entrepreneurs are not aware about such kind of marketing services being provided by ministry of government. The statement like DC-MSME is providing sufficient training and development programs for micro entrepreneurs had larger standard deviation i.e. 1.3368 but coefficient of variation is 0.3765 which is low. So it does not mean that high standard deviation always means the disbursement of data values. When questions were asked from them about the documentation and attitudes of officials, their responses were found disbursed. This is evident from the standard deviation which is 1.0746 and 1.2294. But again when coefficient of variance is calculated values are found to be less variated which mean data is well synchronized.

## **Chapter-5**

### **Strategic Orientation and Business Performance:**

#### **Assessment of Measurement, Validation and relationship**

The purpose of this chapter is measurement and validation of the constructs of strategic orientation and business performance and to draw out the relationship among two. The analysis has been presented as per the objectives and framed hypothesis.

#### **5.1 Descriptive Statistics**

Descriptive statistics facilitates elucidation and simplification of end results. It is needed to comprehend and portray the descriptive statistics before estimating the psychometric properties of different constructs. This is even necessary to portray the accurateness of data acquisition course and measurement of changeability of responses. It shows how efficiently data is distributed and helps in systemizing the information in a format that is legible and convenient. Descriptive statistics describe the uniqueness of data which is known and makes available the synopsis of sample and population.

##### **5.1.1 Strategic Orientation**

There are four different constructs of strategic orientation taken in the study; which are innovativeness, proactiveness, risk taking and competitiveness. There are various statements in all the different types of constructs of strategic orientation. Five point likert scales have been used by the researcher to extract the data from the respondents.

**Table 5.1 Descriptive Statistics (Statement Wise)**

Statement	Item Code	N	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation
My enterprise has introduced many new products or services in the last 5 years.	IN1	500	3.0	5.0	4.0500	0.6390	0.1578
My enterprise has a strong emphasis on R&D technological leadership, and innovations.	IN2	500	3.0	5.0	3.4980	0.7232	0.2068
My enterprise tries new ways of doing things and seeks unusual, novel solutions.	IN3	500	2.0	5.0	3.8640	0.9671	0.2503
My enterprise regularly upgrades its old products to meet consumer demands.	IN4	500	4.0	5.0	4.4980	0.5005	0.1113
When it comes to problem-solving, my enterprise value creative new solutions more than the solutions of conventional wisdom.	IN5	500	3.0	5.0	4.2700	0.8090	0.1895

My enterprise regularly benchmarks its operating practices against the best players in the industry.	IN6	500	1.0	5.0	4.4580	1.1929	0.2676
My enterprise has a strong emphasis on implementing of new ways of promotion.	IN7	500	3.0	5.0	4.5920	0.7173	0.1562
My enterprise offer product/service with unique features which differentiates it from competitor's offerings.	IN8	500	3.0	5.0	4.6360	0.5693	0.1228
My enterprise believes that environmental and technological changes create new opportunities in the market place.	PR1	500	3.0	5.0	4.5480	0.6546	0.1439
My enterprise actively collects and evaluates information on consumer needs and preferences.	PR2	500	3.0	5.0	4.6360	0.6421	0.1385
My enterprise actively collects and evaluates information on technological developments and other environment	PR3	500	4.0	5.0	4.3640	0.4816	0.1104

related factors.

In general, there is an ongoing, active search for big opportunities in my enterprise.	PR4	500	3.0	5.0	4.1360	0.4582	0.1108
My enterprise actively participates in various social events/workshops etc to acquire new knowledge/networking.	PR5	500	2.0	5.0	3.2700	0.6856	0.2097
My enterprise regularly listens to customer feedback and actively works on the same.	PR6	500	3.0	5.0	4.1800	0.7777	0.1861
My enterprise regularly discusses the consequences of market trends and new developments in the industry.	PR7	500	3.0	5.0	3.5900	0.8874	0.2472
My enterprise never hesitates to invest money in new machinery and technology.	RT1	500	3.0	5.0	3.7280	0.6863	0.1841
My enterprise has a tendency to support projects where the expected returns are uncertain. *	RT2	500	3.0	5.0	3.9120	0.6702	0.1713

My enterprise typically adopts a “wait and see posture” in order to minimize the probability of making costly decisions.*	RT3	500	2.0	5.0	4.2280	1.0837	0.2563
My enterprise believes that owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the enterprise's objectives.	RT4	500	3.0	5.0	3.4540	0.7830	0.2267
The culture of my enterprise promotes risk taking among employees at various levels.	RT5	500	1.0	3.0	2.1340	0.8157	0.3822
My enterprise is regarded as a risk taker in its peer group.	RT6	500	1.0	3.0	2.3160	0.5557	0.2399
In uncertain situations my enterprise is not afraid to take substantial risks.	RT7	500	3.0	5.0	3.2700	0.6147	0.1880
My enterprise aspires to be a market leader.	CO1	500	2.0	5.0	3.1820	0.7141	0.2244
My enterprise often sacrifices profitability (offer high commissions,	CO2	500	3.0	5.0	3.2280	0.5182	0.1605

incentives etc.) to gain market share.							
My enterprise adopts an aggressive attitude towards its competitors.	CO3	500	3.0	5.0	4.5000	0.7232	0.1607
My enterprise always attempts to attract the customer base of its rivals.	CO4	500	3.0	5.0	3.6800	0.5534	0.1504
My enterprise always attempts to attract the resource base of its rivals.	CO5	500	3.0	5.0	3.4060	0.5743	0.1686
My enterprise often sets prices below competition.	CO6	500	1.0	4.0	2.3640	0.7103	0.3005
My enterprise regularly collects the information about the product, practices and policies of its competitors'.	CO7	500	4.0	5.0	4.3200	0.4669	0.1081
My enterprise typically seeks to avoid competitive clashes, preferring a "live-and-let live" posture.*	CO8	500	1.0	3.0	2.7740	0.5964	0.2150
Valid N (list wise)		500					

**Reverse Coded**

This table shows the status of different statements and its score. There are four different constructs and every construct has different statements. The mean values for Innovativeness ranges from 3.4980 to 4.6360. The highest mean value in this dimension of strategic orientation is 4.6360 for the statement that “My enterprise offer product/service with unique features which differentiates it from competitor’s offerings”. Second highest mean value is 4.5920 for the statement that “My enterprise has a strong emphasis on implementing of new ways of promotion” followed by the statement that their enterprise regularly upgrades its old products to meet consumer demands with mean score 4.4980.

When questions were asked from them about proactiveness, micro enterprises were found very proactive in actively collecting and evaluating information on consumer needs and preferences. This statement scored the highest mean score i.e. 4.6360. The results of collected data also prove that environmental and technological changes create new opportunities for their enterprise. So, they admitted that they are very proactive in collecting and evaluating information on technological developments and other environmental related factors.

When questions were asked from them about their risk taking capacity of firm, many of the entrepreneurs admit that they want to play safe. They seek for maximum profits but simultaneously they do not want to take costly decisions. Today’s entrepreneur is well oriented that they even support such type of projects where expected returns are uncertain.

The mean score for the data collected from respondents regarding competitive orientation of strategic orientation show the aggressive attitude of their enterprise towards its competitors. In the race of competition, they accepted that they try to collect the data of new products and policies of its competitor.

In descriptive statistics, Standard deviation tells us about variations of data values. It explains the characteristics of data set that how it is spread out? Lower standard deviation is considered as good in comparison to higher one. A lower standard deviation indicates that the data are more closely aligned with the mean value, while a higher standard deviation confirms the disbursement of data values.

Lower and higher standard deviation can be well explained through coefficient of variations. If the value of coefficient of variation is less than 1, it indicates the lower standard deviation. Standard deviation will be considered high if coefficient of variation is found to be more than 1. Coefficient of variation is calculated by dividing the value of standard deviation with mean scores.

Under innovativeness dimension of strategic orientation, the values of standard deviation range from 0.5005 to 1.1929. Coefficient of variation for the statement that they introduced new products or services in the last 5 years comes to 0.1578 followed by 0.2068 for the statement that they have a strong emphasis on R&D technological leadership and innovations. Coefficient of variations is .2503 for the statement that they try new things to find out novel solutions. In the same manner, the standard deviation for all the statements is low and coefficient of variations lies below 1 for all the above statements. Hence it can be concluded that data is closed to mean value and it is not widely disbursed.

The values of standard deviation range from 0.4582 to 0.8874 under proactiveness dimension of strategic orientation. The coefficient of variation for the statement, “ My enterprise believes that environmental and technological changes create new opportunities in the market place” is found 0.1439 followed by 0.1385 for the statement that they actively collects and evaluates information on consumer needs and preferences. Coefficient of variation is 0.1104 for the statement that they actively collects and evaluates information on technological developments and other environmental related factors. The coefficient of variation for other statements is 0.1108, 0.2097, 0.1861 and 0.2472. Since, variations in this construct come out less than 1, so we can conclude that standard deviation is closer to mean values.

Analysis through standard deviation declares that the there is a risk taking propensity among micro entrepreneurs but the extent of taking risk among different enterprises is different. Some entrepreneurs claim that they consider themselves as a risk taker and some claim that they do not initiate for costly projects rather they believe to wait for action from the side of competitor.

The standard deviation for competitiveness dimension ranges from 0.4669 to 0.7232. When coefficient of variation is found out, it is observed that the different statements of competitiveness construct found the variations of 0.2244, 0.1605,

0.1607, 0.1504, 0.1686, 0.3005, 0.1081 and 0.2150. The data proves that variations are very less and hence data is closely related to their mean values.

The following is a summary of the overall descriptive statistics results for each challenge:

**Table 5.2 Descriptive Statistics (Construct-wise)**

<b>Descriptive Statistics of Strategic Orientation</b>						
	N	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variations
Innovativeness	500	3.25	5.00	4.0325	.53539	0.1328
Proactiveness	500	3.40	5.00	3.9080	.47361	0.1212
Risk Taking	500	1.75	3.50	2.4520	.55751	0.2274
Competitiveness	500	3.00	4.40	3.3904	.45272	0.1335
Valid N (list wise)	500					

Descriptive statistics abridge huge amount of data into meaningful figures and validate whether the outcomes fulfill the perspective of the research. The construct of the present study considers a sample size of 500. The descriptive statistics divulges that all the variables range within forejudged maximum and minimum values with zero lost value. The values of standard deviation range from 0.45272 to 0.55751 which is practical.

Here the mean score for Innovativeness is maximum i.e. 4.0325, it means that the selected micro enterprises are innovative in introducing new products and services and finding out creative and novel solutions. Next is proactiveness. Here descriptive statistics of this dimension proves that respondents are proactive in collecting and evaluation information on technological developments as they believe these changes can create new opportunities in the market place. They confirmed that they take feedback of their customers regularly to find out something new.

Third highest mean score is 3.3904 which show the competitiveness ability of micro enterprises. This construct ensures that the respondents always try to be a leader

of the market and adopts an aggressive attitude towards its competitors. The mean score of 2.4520 for risk taking dimension of strategic orientation shows that respondents hesitate in taking bold and necessary actions. They accepted that they vacillate in taking risk before its competitors.

Standard deviation for all the dimensions is acceptable which shows the closeness of overall data with the mean value. For checking the variations in the collected data, coefficient of variations is found out and it is observed that coefficient of variation for innovativeness, proactiveness, risk taking and competitiveness is 0.1328, 0.1212, 0.2274 and 0.1335 respectively.

For all the constructs the coefficient of variation is very less. Hence we can conclude that respondents have more consistent reactions and data has very less variations.

## 5.1.2 Business Performance

Business performance is one of the most frequently used construct in entrepreneurship and strategic management research. It is a tool for determining whether or not an organization makes good use of its resources. Financial, Customer, Internal Process, and Learning and Growth are the four perspectives that have been suggested for balanced scorecard's measurement of the relative business performance of micro enterprises through subjective indicators.

**Table 5.3 Descriptive Statistics (Statement wise)**

<b>Statement (Compared to the major competitors, my enterprise...)</b>	<b>Item Code</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Standard Deviation</b>
... has higher sales growth	FIN1	500	3.0	5.0	3.54	0.78
...has higher return on investment	FIN2	500	3.0	5.0	3.54	0.78
... is more profitable	FIN3	500	2.0	5.0	3.14	0.63
...has better return on assets	FIN4	500	3.0	5.0	3.18	0.57
...has better working capital	FIN5	500	3.0	5.0	4.00	0.85
...has higher operating Income.	FIN6	500	3.0	5.0	3.73	0.62
... has the better service quality	IBP1	500	2.0	5.0	3.77	0.85
... has better product innovation	IBP2	500	3.0	5.0	3.86	0.76
... has better product quality	IBP3	500	3.0	5.0	4.50	0.84
...has better process innovation	IBP4	500	3.0	5.0	3.73	0.91
...has higher operating efficiency	IBP5	500	3.0	5.0	3.54	0.72
...has higher employee satisfaction.	LAG 1	500	3.0	5.0	3.77	0.95

...has higher revenue per employee.	LAG 2	500	3.0	5.0	3.41	0.72
...has higher profit per employee.	LAG 3	500	2.0	5.0	3.27	0.69
...has lesser employee's absenteeism rate.	LAG 4	500	2.0	5.0	3.64	0.71
...has better employee's productivity rate.	LAG 5	500	3.0	5.0	4.14	0.87
...has higher customers satisfaction	CUS T1	500	3.0	5.0	4.14	0.69
... more number of customers	CUS T2	500	3.0	5.0	3.54	0.84
...has a wider product range.	CUS T3	500	3.0	5.0	3.36	0.71
...has higher market share.	CUS T4	500	2.0	5.0	3.18	0.58
Valid N (list wise)		500				

This table shows the status of different statements of four different perspectives of business performance. These four different perspectives are financial performance, internal business process, learning and growth and customer. Each perspective has different statements. The mean values for financial performance ranges from 3.14 to 4.00. The highest mean value in this perspective of business performance is 4.00 for the statement that “Compared to major competitors, my enterprise has better working capital”. Second highest mean value is 3.73 for the statement that “Compared to major competitors, my enterprise has better operating income” followed by the statements that their enterprise has higher sales growth and higher return on investment with mean score 3.54.

The mean values for the second perspective i.e. Internal Business Process ranges from 3.54 to 4.50. The highest mean value in this perspective of business performance is 4.50 for the statement that “Compared to major competitors, my enterprise has better product quality”. Respondents also affirm their capability of

better product innovation and better service quality. This is evident through their mean values which is 3.86 and 3.77.

The mean score for the next dimension i.e. learning and growth ranges in between 3.27 to 4.14. The responses received in this dimension include better employee's productivity and employee's satisfaction in comparison to competitors. They also affirm that in their enterprise employee's absenteeism rate is comparatively less in comparison to their competitors. This leads to good performance of their enterprise in terms of learning and growth.

The average score of business performance in terms of customers ranges in between 3.18 to 4.14. Every respondent claims that his enterprise has comparatively more number of customers and moreover, satisfaction rate of their customers is high in comparison to their competitors.

Now, next base of analysis for the collected data is standard deviation which explains the characteristics of data set that how it is spread out? A lower standard deviation indicates that the data are more closely aligned with the mean value, while a higher standard deviation confirms the distribution of data values.

Standard deviation for all the statements in four different perspectives of business performance ranges from 0.57 to 0.95. These all vales show lower standard deviation which indicates closeness of data towards mean score.

Further, lower and higher standard deviation can be well explained through coefficient of variations. If the value of coefficient of variation is less than 1, it indicates the lower standard deviation. Standard deviation will be considered high if coefficient of variation is found to be more than 1. Coefficient of variation is calculated by dividing the value of standard deviation with mean scores.

Coefficient of variation for different statements of financial perspective of business performance is 0.2203, 0.2006, 0.1792, 0.2125 and 0.1662. All the coefficient of variation values lies below 1. So here we can interpret that data is not widely disbursed. It is closure to average values. For other perspective of business performance i.e. internal business process, coefficient of variation values 0.2254, 0.1968, 0.1867, 0.2439 and 0.2034. For learning and growth perspective, coefficients of variation are 0.2520, 0.2111, 0.2110, 0.1950 and 0.2101. When coefficient of variation is found out for business performance from the point of view of customer, it

is seen that variations for all the values lies below 1. Hence conclusion can be drawn out that data is not disbursed and it is closure to mean values.

The collective results of descriptive statistics for all the challenges are summarized below:

**Table 5.4 Descriptive Statistics (Construct-wise)**

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Standard Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Financial Performance	500	3.00	5.00	3.4875	.53646
Internal Business Process	500	3.20	5.00	3.8808	.58109
Learning and Growth	500	3.00	5.00	3.6452	.57548
Customer	500	3.00	5.00	3.5560	.60774
Valid N (listwise)	500				

Descriptive statistics validate the perspective of our research and abridge data into meaningful figures. Here sample size is 500 and descriptive statistics divulges that all the variables range within forejudged maximum and minimum values with zero lost value. The values of standard deviation range from 0.5364 to 0.6077 which is practical.

Here the mean score for Internal Business Process perspective is maximum i.e. 3.8808, it means the performance of respondent's firm with the perspective of internal business process is more satisfactory in comparison to other's perspective whose mean score is below this dimension.

Although the mean values of different perspectives of business performance does not vary so much; but from interpretation point of view it can be said that respondent's learning and growth perspective of business performance reported more satisfactory response over customer and financial performance

Standard deviation for all the dimensions is acceptable which shows the closeness of overall data with the mean value. For checking the variations in the

collected data, coefficient of variations is found out and it is observed that coefficient of variation for different perspective of business performance varies but all are below 1.

For all the constructs the coefficient of variation is very less. Hence we can conclude that respondents have more consistent reactions and data has very less variations.

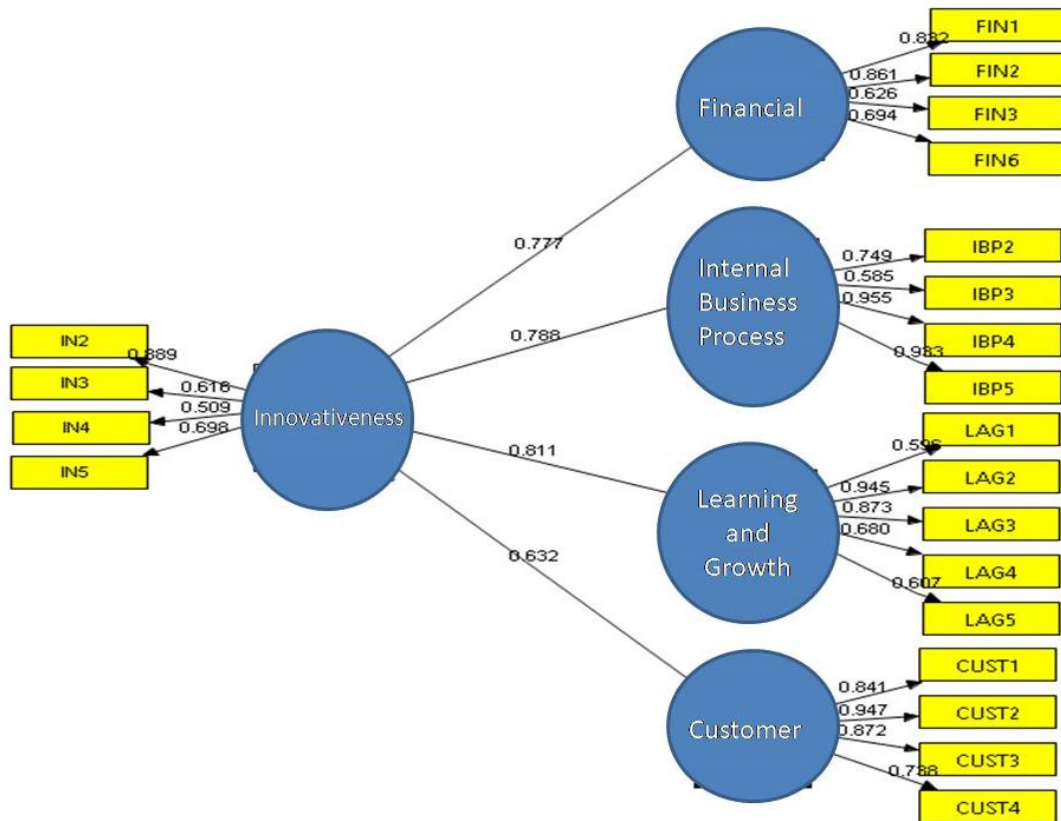
## **5.2 Strategic Orientation and Business Performance: Measurement and Validation**

### **5.2.1 Measurement and Validity**

In this, we are studying four dimensions of strategic orientation and four dimensions of business performance. Dimensions of strategic orientation include Innovativeness, Proactiveness, Competitiveness and Risk Taking. The dimensions of business performance are financial, internal business process, learning and growth and customer. The company's strategic orientation has been functionalized using five point likert scales, and the enterprise's performance has been evaluated for each of the four aspects. Smart PLS technique has been applied to confirm the relationship of the strategic orientation and business performance. Initially factor loading has been used to measure how the constructs of strategic orientation impacts the performance of the firm.

#### **5.2.1.1 Innovativeness and Business Performance Relationship**

Innovation is an important instrument for growth, profitability, competition and existence. Innovativeness includes introduction of new methods, procedures and technological know-how. It also entails the quality of innovative thinking of the policy makers and leaders while taking managerial decision. Today only those businesses can survive who adopt new methods of doing any venture, introduce new product, explore new markets and new suppliers. To find out the relationship between innovativeness and business performance a structural equation modeling has been applied in Smart PLS. the following structural model attempts to describe the relationship among innovativeness and sub-dimensions of business performance i.e. Financial, Customer, Internal Business Process and Learning & Growth.



*Figure 5.1 Structural model of relationship among innovativeness and sub-dimensions of business performance i.e. financial, customer, internal business process and learning & growth.*

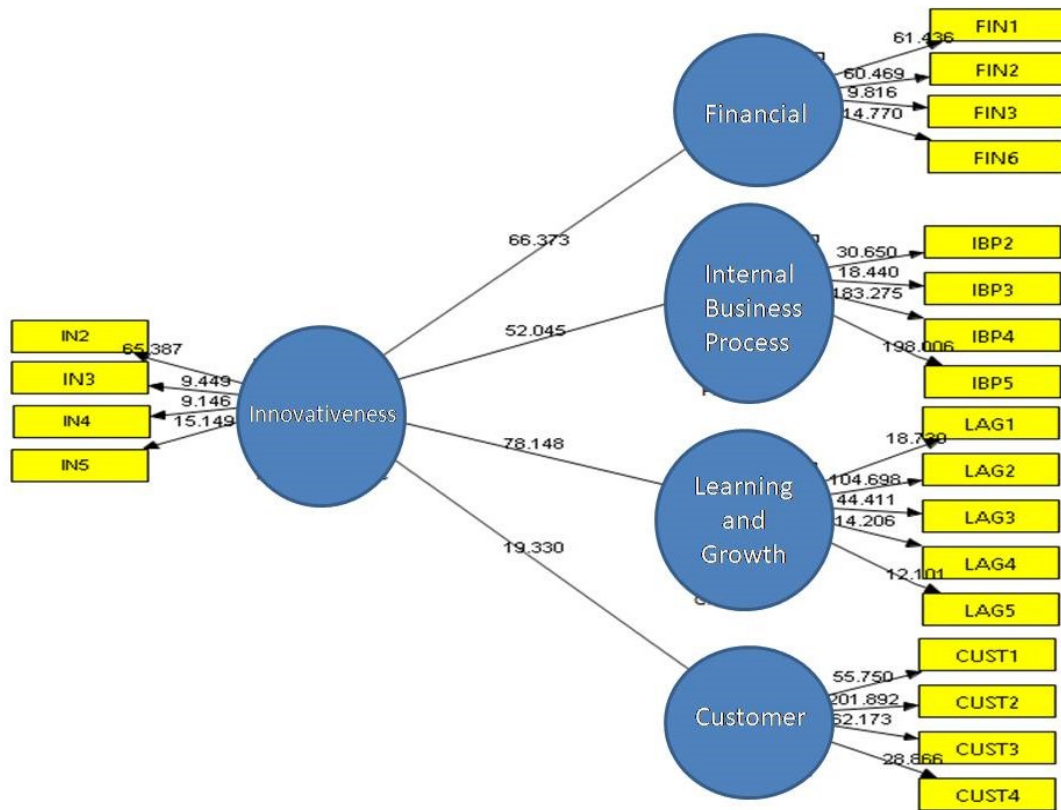
Factor loading for different statements of innovativeness construct is 0.889, 0.616, 0.509 and 0.698. The factor loading for all the constructs of business performance with innovativeness is greater than 0.50 which is acceptable. Data reveals that it has strong relationship with learning and growth.

Further to check the significance level of innovativeness on four different constructs of business performance, t-statistics has been applied. The results of T-statistics is given below:

**Table 5.5 T-Statistics**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )
Innovativeness -> Customer	0.6321	0.6363	0.0327	0.0327	19.3302
Innovativeness -> Financial Performance	0.7773	0.7794	0.0117	0.0117	66.3733
Innovativeness -> Internal Business Processes	0.7878	0.7904	0.0151	0.0151	52.0449
Innovativeness -> Learning & Growth	0.8106	0.8119	0.0104	0.0104	78.1479

Here T-statistics of innovativeness and customer perspective is very less i.e. 19.3302. It is insignificant but the impact on all the other dependent variables i.e. financial performance, internal business process and learning and growth are significant. The model representing t-statistics is explained below.



**Figure 5.2** *Structural model of relationship among innovativeness and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth. (T-statistics)*

### 5.2.1.2 Proactiveness and Business Performance

The behaviour of the firm which forces itself to think out of box and seeks new proposals irrespective of its existing product line defined proactiveness. That firm is considered as very proactive that believes in leading rather than following any other. Proactiveness ability of a firm definitely impacts the performance of business. To find out the relationship between proactiveness and business performance a structural equation modeling has been applied in Smart PLS. the following structural model attempts to describe the relationship among proactiveness and sub-dimensions of business performance i.e. Financial, Customer, Internal Business Process and Learning & Growth.

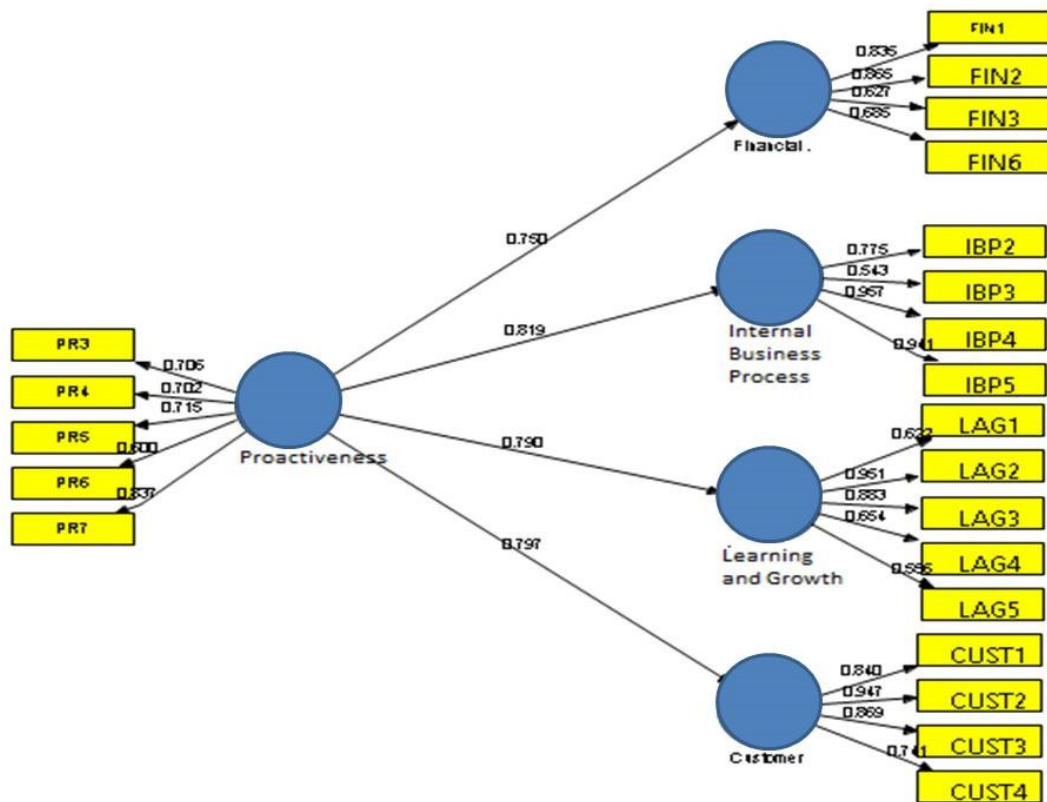


Figure 5.3 Structural model of relationship among proactiveness and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth.

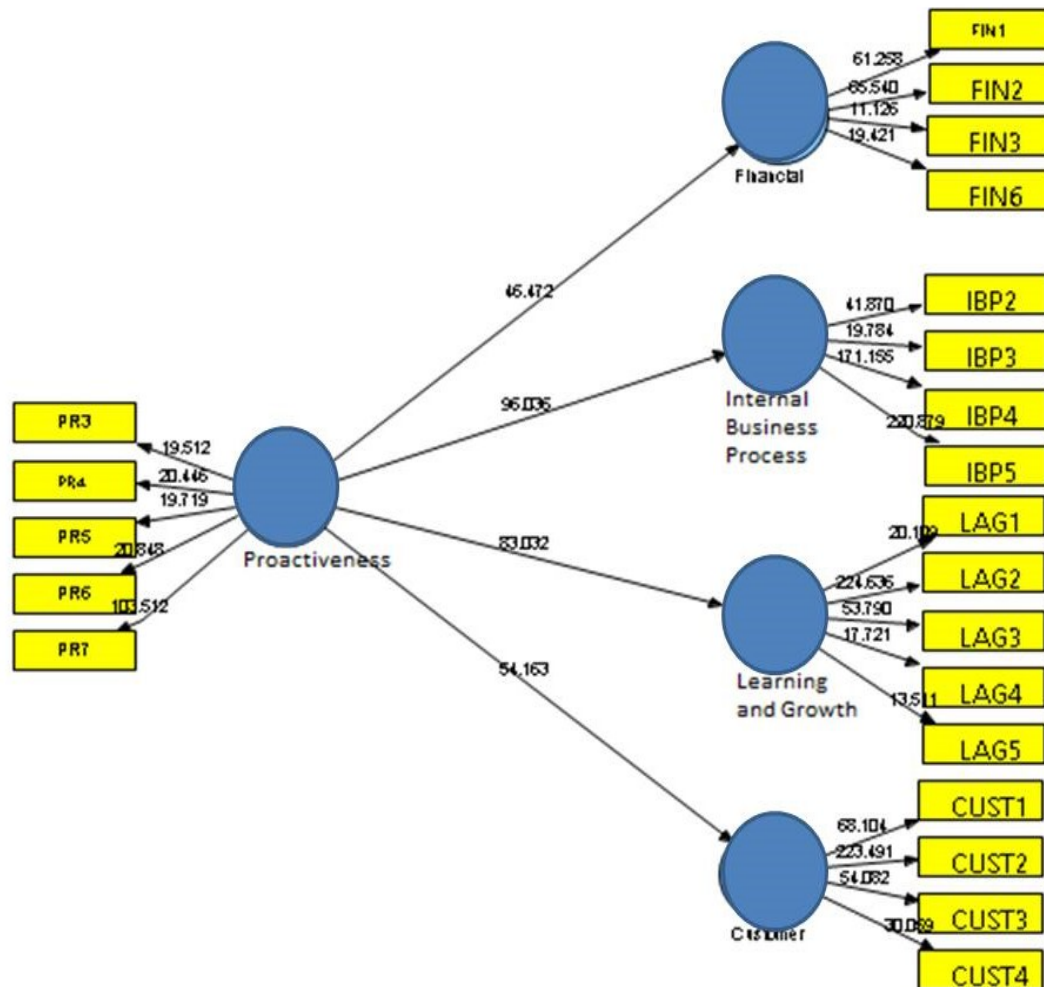
Factor loading for different statements of proactiveness construct is 0.706, 0.702, 0.715, 0.800 and 0.837. The factor loading for all the constructs of business performance with proactiveness is greater than 0.60 which is acceptable. Data reveals that it has strong relationship with internal business process.

Further to check the significance level of proactiveness on four different constructs of business performance, t-statistics has been applied. Here T- statistics of proactiveness on customer is 54.1627, on financial performance is 46.4719, on internal business process is 96.036 and on learning and growth is 83.0319.

**Table 5.6 T-Statistics**

PROACTIVENESS; DVS = CUSTOMER, FP, IBP, &LG					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
Proactiveness -> Customer	0.7971	0.798	0.0147	0.0147	54.1627
Proactiveness -> Financial Performance	0.75	0.7516	0.0161	0.0161	46.4719
Proactiveness -> Internal Business Processes	0.8187	0.82	0.0085	0.0085	96.036
Proactiveness -> Learning & Growth	0.7898	0.7916	0.0095	0.0095	83.0319

The model representing t-statistics is explained below.

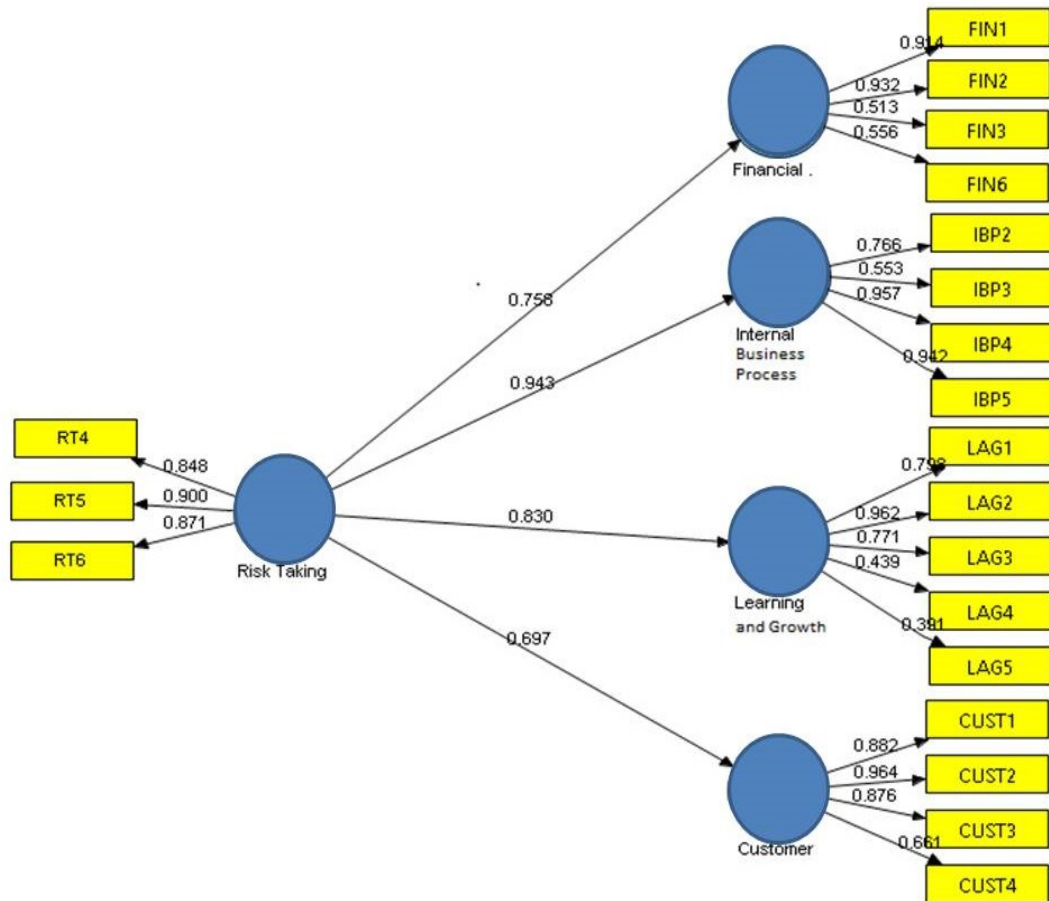


**Figure 5.4** *Structural model of relationship among proactiveness and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth. (T-statistics)*

Hence this model shows the significant impact of proactiveness with all the four constructs of business performance.

### 5.2.1.3 Risk taking and Business Performance

The primary component of an entrepreneurial mindset is the willingness to take risks. The company faces a wide range of financial, competitive, and technological risks as it expands; political party and their new policies, among other things. The business's performance may be affected by any of these risks. To determine the relationship between risk taking and business performance a structural equation modeling has been applied in Smart PLS. the following structural model attempts to describe the relationship among risk taking and sub-dimensions of business performance i.e. Financial, Customer, Internal Business Process and Learning & Growth.



*Figure 5.5 Structural model of relationship among risk taking and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth.*

Factor loading for different statements of risk taking construct is 0.846, 0.900 and 0.871. The factor loading for all the constructs of business performance with risk taking is greater than 0.60 which is acceptable. The factor loading of risk taking with customer is 0.697, with learning and growth is 0.830, with internal business process is 0.943 and with financial performance is 0.758. Data reveals a strong relationship with all the constructs of business performance.

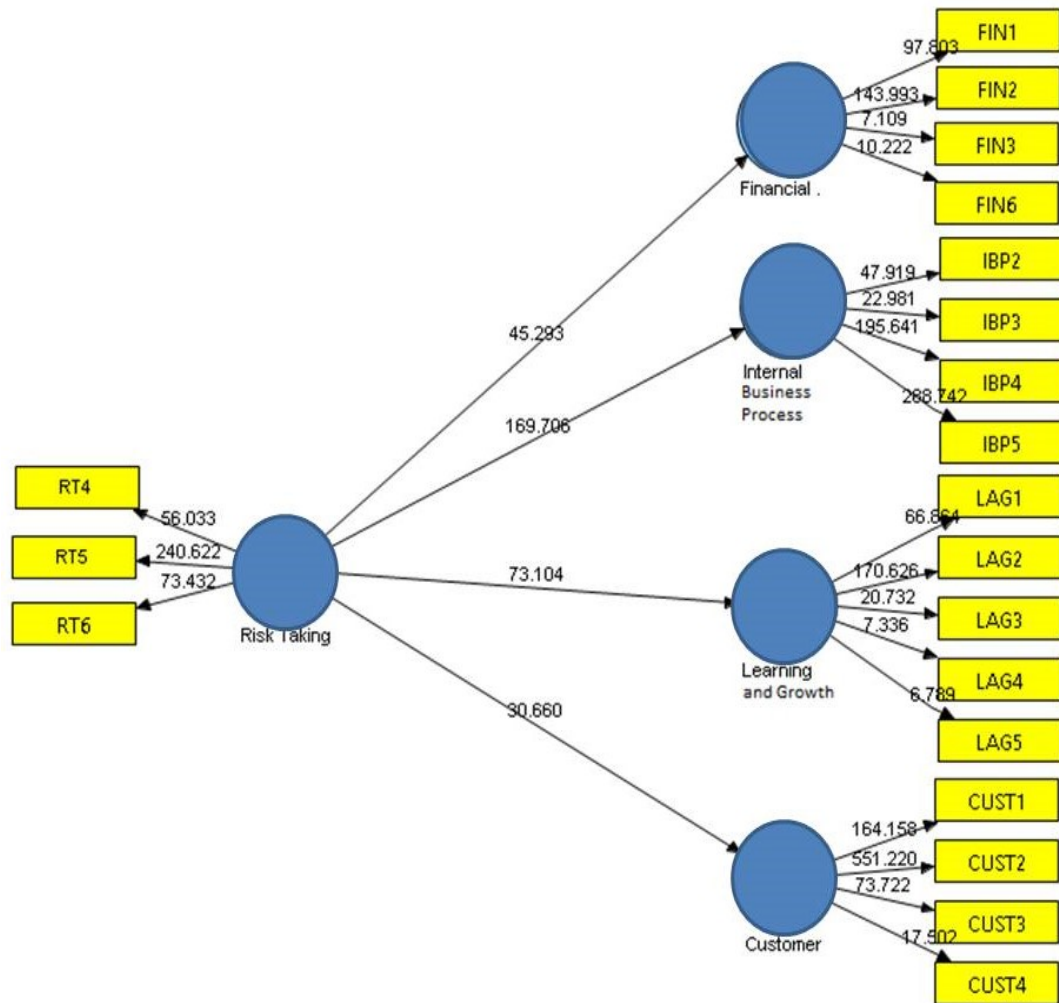
Further to check the significance level of risk taking on four different constructs of business performance, t-statistics has been applied. Here T- statistics of risk taking on customer is 30.6605, on financial performance is 45.293, on internal business process is 169.7058 and on learning and growth is 73.1037.

**Table 5.7 T-statistics**

RISKTAKING; DVS = CUSTOMER, FP, IBP, & LG					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ((O/STERR))
Risk Taking -> Customer	0.6975	0.6985	0.0227	0.0227	30.6605
Risk Taking -> Financial Performance	0.7578	0.7593	0.0167	0.0167	45.293
Risk Taking -> Internal Business Processes	0.9426	0.943	0.0056	0.0056	169.7058
Risk Taking -> Learning & Growth	0.8304	0.8319	0.0114	0.0114	73.1037

Here the values indicate that our hypotheses are correct and that a firm's performance is strongly influenced by its risk taking propensity.

The model representing T-statistics is below:



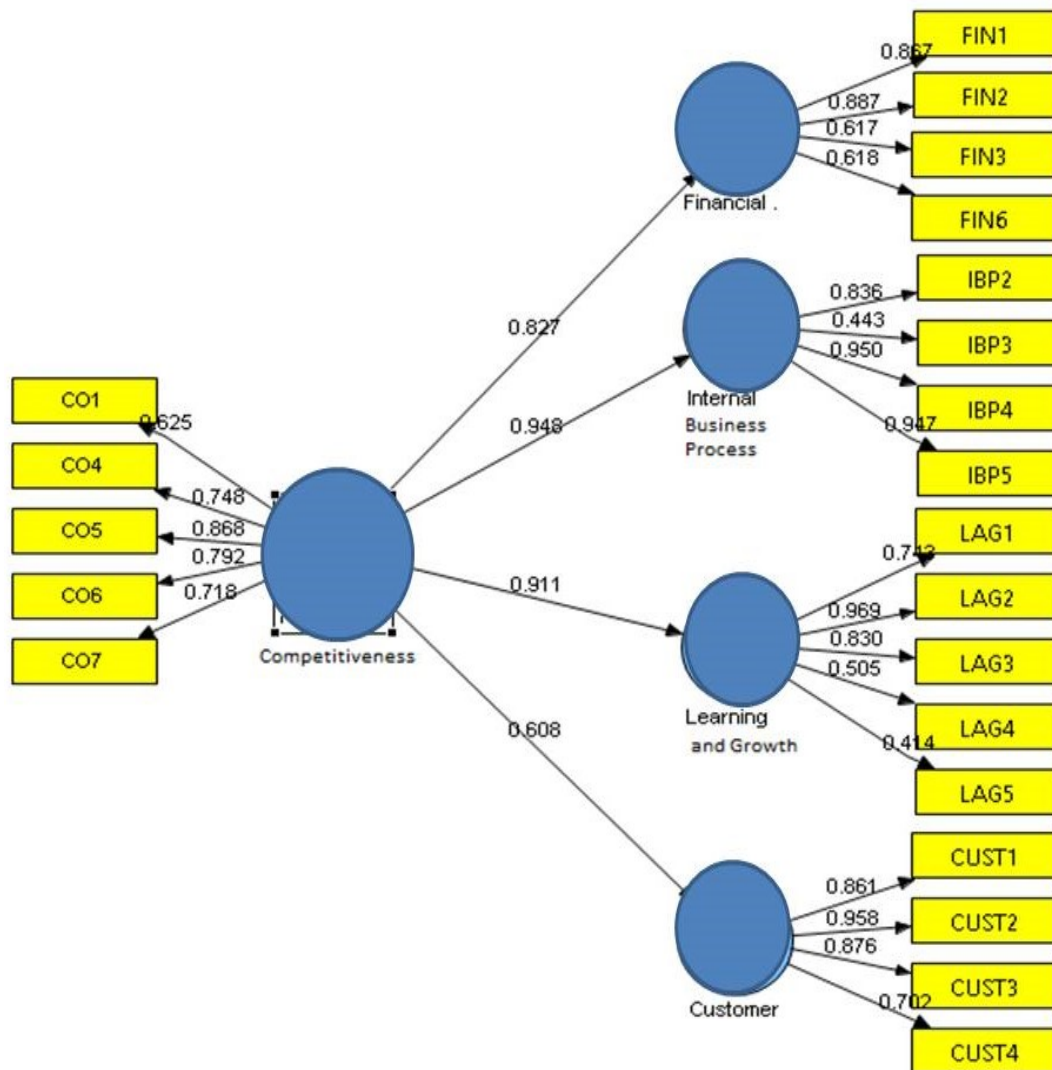
**Figure 5.6** *Structural model of relationship among risk taking and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth. (T-statistics)*

Hence T-statistics model clearly depicts the significant impact of risk taking construct of strategic orientation with all the four constructs of business performance.

#### **5.2.1.4 Competitiveness and Business Performance**

Competitiveness is the foremost component of entrepreneurial orientation. Every entrepreneur is required to be assertive for competition. To ascertain the connection between competitiveness and business performance a structural equation modeling has been applied in Smart PLS. the following structural model attempts to describe the relationship among risk taking and sub-dimensions of business performance i.e. Financial, Customer, Internal Business Process and Learning & Growth.

Factor loading process reveals which factors have the greatest impact. A loading approaching 0 suggests a weak influence on the variables, whereas values nearer to -1 or 1 indicate a substantial impact. In this study, seven items were initially used to measure the competitiveness construct. However, upon evaluation, it was found that two of these items did not yield satisfactory results and were subsequently excluded from the analysis. Ultimately, the study focused on the impact of five selected items from the competitiveness construct on firm performance. The factor loadings for these five items, which range from 0.6265 to 0.8676, are in close proximity to 1. This provides compelling evidence that the factor exerts a robust effect on the variables under consideration.

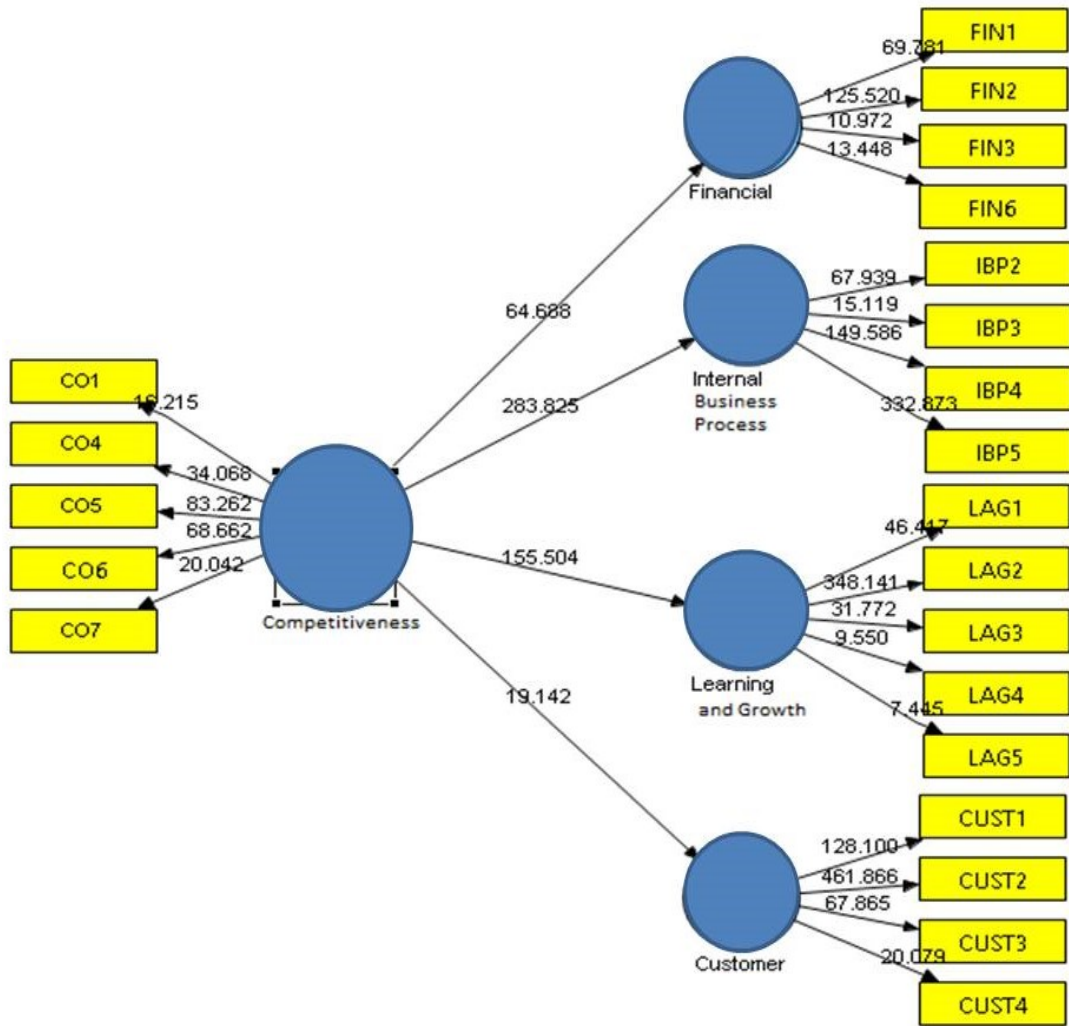


**Figure 5.7** *Structural model of relationship among competitiveness and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth.*

**Table 5.8 T-Statistics**

IV = COMPETITIVENESS; DVS = CUSTOMER, FP, IBP, &LG					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )
Competitiveness -> Customer	0.6077	0.6097	0.0317	0.0317	19.1422
Competitiveness -> Financial Performance	0.827	0.828	0.0128	0.0128	64.6881
Competitiveness -> Internal Business Processes	0.9477	0.9484	0.0033	0.0033	283.8255
Competitiveness -> Learning & Growth	0.9107	0.9116	0.0059	0.0059	155.5038

To check the significance level of competitiveness on four different constructs of business performance, t-statistics has been applied. Here T- statistics of competitiveness on customer is 19.1422, on financial performance is 64.6881, on internal business process is 283.8255 and on learning and growth is 155.5038. Here T-statistics of competitiveness and customer perspective is very less i.e. 19.1422. It shows insignificant results. Rest, the impact on all other dependent variables i.e. financial performance, internal business process and learning and growth are significant. The model representing t-statistics is explained below.



**Figure 5.8** *Structural model of relationship among competitiveness and subdimensions of business performance i.e. financial, customer, internal business process and learning & growth. (T-statistics)*

Here, the values indicate that our hypotheses are correct and that competitiveness has a significant impact on three aspects i.e. Financial Performance, Internal Business Process and Learning and growth. This construct reported weak association with regards to customer construct of performance of a firm.

### 5.2.2 Reliability and validity

Reliability and validity is needed to ensure that measures are free from both types of errors i.e. random error and systematic error. The function of reliability is to craft the measures free from random error and the extent of validity lies to produce the measures free from systematic error (Nunnally, 1978).

Reliability set the measures free from random error with the assumption of repeated trials. Respondents are same in this process and the conditions in which they are responding also remains similar. Reliability is basically related with the capability of research mechanism to fabricate like outcomes in repeated trails over a period of time (Leedy & Ormrod, 2001). Higher the reliability results in decrease in random error.

An imperative piece of reliability is internal consistency which elucidates the level of correlation of different items under the same construct. Higher the consistency validates the lower amount of random error. There are numerous ways to evaluate the internal consistency. Cronbach alpha is one of the trendy modes to check internal consistency. Cronbach alpha more than 0.7 is considered as good as it shows higher internal consistency. Cronbach alpha closer to 1 shows high reliability with less amount of error.

**Table 5.9 Reliability Statistics**

RELIABILITY STATISTICS				
	AVE	Composite Reliability	Cronbachs Alpha	R Square
Competitiveness	0.569	0.867	0.808	
Customer	0.729	0.914	0.872	0.6602
Financial Performance	0.576	0.841	0.752	0.768
Innovativeness	0.472	0.774	0.622	
Internal Business Processes	0.676	0.888	0.820	0.9467
Learning & Growth	0.541	0.848	0.805	0.9068
Proactiveness	0.512	0.838	0.764	
Risk Taking	0.762	0.906	0.845	

Average variance extracted must be greater than 0.5. Here AVE for competitiveness is 0.569, AVE for customer is 0.729, AVE for financial performance is 0.576, AVE for innovativeness is 0.472, AVE for internal business process is 0.676, AVE for learning and growth is 0.541, AVE for proactiveness is 0.512 and AVE for risk taking is 0.762. So here AVE for all the factors is greater than 0.5 except innovativeness.

Discussing about composite reliability which must be greater than 0.7, it is found satisfactory for all constructs. For competitiveness it is 0.867, for customer it is 0.914, for financial performance it is 0.841, for innovativeness it is 0.774, for internal business process it is 0.888, for learning and growth it is 0.848, for proactiveness it is 0.838 and for risk taking it is 0.906.

Cronbach alpha is also comfortable. Only the value for innovativeness is less than 0.7. Rest all other values are greater than 0.7. Hence these are acceptable.

## **Validity**

Construct validity can be examined through either by convergent validity or divergent validity (Campbell & Fiske, 1959). Evaluating standardized factor loadings, calculating AVE (Average Variance Extracted) and CR (Composite Reliability) all help in assessing convergent validity.

### **Divergent Validity**

The basic concept behind calculating divergent validity is to check the uniqueness of every constructs in relation with other constructs. In inter correlation matrix of discriminant validity, value of main construct is high. The correlation is not high with all the rest of the constructs. Table 6.11 discloses inter-correlation matrix. As per this criterion, the constructs are said to be discriminant if AVE is greater than  $r^2$  (multiple square correlation). Square root of AVE has been placed at diagonals of correlation matrix and then researcher compared this value with the other values. In competitiveness, AVE is 0.569 and square root of AVE is 0.754 has been put at diagonal. Researcher finds this value greater than all the values across rows and columns. In the same manner, the values at diagonal of other constructs are greater than other values in corresponding rows and columns. The constructs of discriminant validity are discriminant from each other. The shared variances are less than unique variance. Hence they are said to be discriminant. There are two conditions for convergent validity. First, AVE should be greater than 0.5 and secondly, factor loading should be significant. Our both conditions are well satisfied. Hence our convergent validity is also intact. Here all the conditions of convergent validity, discriminant validity and reliability got satisfied. So it is feasible to say that the validity of our construct has been established. It demonstrates that our structures are only measuring what they are meant to measure. Now these constructs can be used to measure the phenomenon under study.

**Table 5.10 Discriminant Validity**

	Competitiveness	Customer	Financial Performance	Innovativeness	Internal Business Processes	Learning & Growth	Proactiveness
Competitiveness	<b>0.754</b>						
Customer	0.611	<b>0.854</b>					
Financial Performance	0.817	0.706	<b>0.759</b>				
Innovativeness	0.685	0.642	0.774	<b>0.687</b>			
Internal Business Processes	0.933	0.792	0.878	0.787	<b>0.822</b>		
Learning & Growth	0.883	0.551	0.859	0.822	0.827	<b>0.735</b>	
Proactiveness	0.742	0.791	0.746	0.884	0.820	0.806	<b>0.715</b>
Risk Taking	0.860	0.685	0.743	0.811	0.939	0.770	0.807

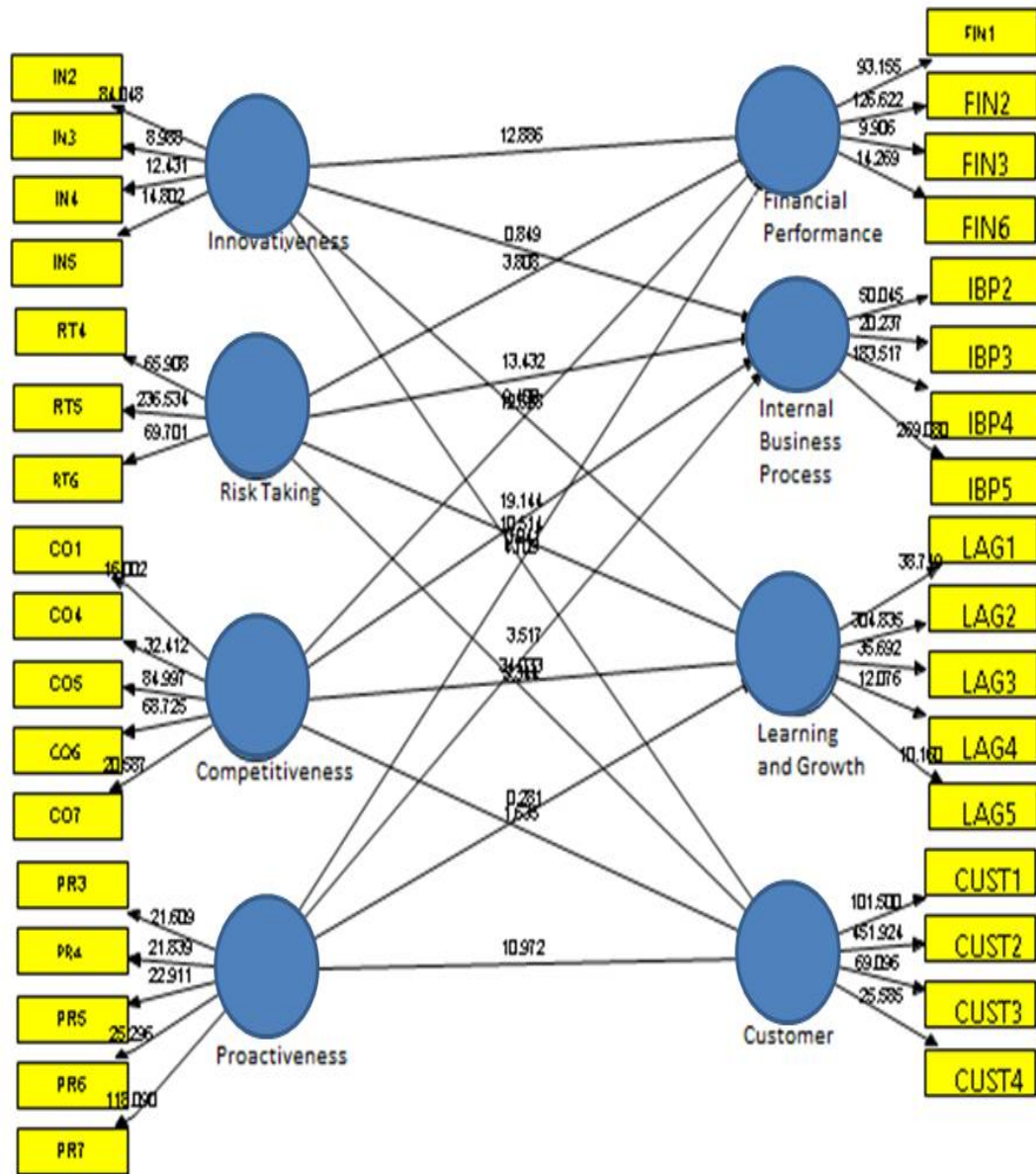
### T-Statistics

Further to check the significance level of different variables, t-statistics has been applied. Here an attempt is made to check the relationship of dependent variables with independent variables i.e. whether the dependent variables are affected by independent variable or not.

**Table 5.11 T-Statistics**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )	
Competitiveness -> Customer	-0.112	-0.107	0.069	0.069	1.635	NS
Competitiveness -> Financial Performance	0.716	0.715	0.057	0.057	12.628	Sig.
Competitiveness -> Internal Business Processes	0.466	0.469	0.024	0.024	19.144	Sig.
Competitiveness -> Learning & Growth	0.872	0.870	0.026	0.026	34.033	Sig.
Innovativeness -> Customer	-0.392	-0.379	0.083	0.083	4.709	Sig.
Innovativeness -> Financial Performance	0.555	0.555	0.043	0.043	12.886	Sig.
Innovativeness -> Internal Business Processes	0.024	0.028	0.028	0.028	0.849	NS
Innovativeness -> Learning & Growth	0.600	0.591	0.064	0.064	9.408	Sig.

Proactiveness -> Customer	0.954	0.943	0.087	0.087	10.972	Sig.
Proactiveness -> Financial Performance	-0.045	-0.049	0.048	0.048	0.941	NS
Proactiveness -> Internal Business Processes	0.099	0.096	0.028	0.028	3.517	Sig.
Proactiveness -> Learning & Growth	0.013	0.018	0.046	0.046	0.281	NS
Risk Taking -> Customer	0.331	0.325	0.062	0.062	5.344	Sig.
Risk Taking -> Financial Performance	-0.286	-0.282	0.075	0.075	3.808	Sig.
Risk Taking -> Internal Business Processes	0.438	0.435	0.033	0.033	13.432	Sig.
Risk Taking -> Learning & Growth	-0.476	-0.471	0.045	0.045	10.514	Sig.



Here is the model representing t-statistics of all the eight variables, four dependent variables and four independent variables.

**Figure 5.9 Confirmatory Factor Analysis Model**

### **5.3 Conclusion**

The findings reveal a positive relationship of Innovativeness with three constructs of business performance- Customer, financial performance and learning and growth. However, there is no significant relationship found with internal business processes. This indicates that while innovation drives growth, attracts more customers, and enhances financial performance; its impact on internal processes is limited.

Similarly, the study highlights a positive link between the proactiveness aspect of strategic orientation and two business performance dimensions—Customer and internal business processes. However, no significant associations were found with financial performance and learning and growth.

Furthermore, the research investigates the correlation between an entrepreneur's competitiveness ability and four distinct constructs of firm performance. It concludes that there is a connection between three firm performance constructs and the competitiveness dimension, with validity and reliability established for all three constructs. The study concludes that the competitiveness dimension of strategic orientation has a weaker association with Customer construct, implying that competitiveness does not notably affect customer growth or satisfaction levels.

Moreover, the research underscores a clear correlation between an entrepreneur's risk-taking propensity and all four dimensions of firm performance. This indicates that an entrepreneur's risk-taking behavior significantly influences the firm's performance across these constructs. The validity and reliability of these findings are confirmed, establishing construct validity.

In conclusion, the research affirms that risk-taking is linked with all four aspects of business performance, with the strongest associations observed in Internal Business Process and Learning and Growth, followed by Customers and Financial Performance.

## Chapter- 6

### Age of the Firm, Strategic Orientation and Business Performance

The rationale behind this chapter is to study the association of strategic orientation with the age of the firm and to access the role played by age of firm in strategic orientation-business performance relationship.

#### 6.1 Moderation Analysis

To check the moderating role of age of the firm on the relationship between Strategic Orientation and firm's performance, we had applied technique given by Andrew F. Hayes. In modern times, this technique has gained popularity. Hayes is the most popular person who significantly worked on moderation and mediation.

In this study, the relationship of all the constructs of strategic orientation with business performance has been examined separately by considering age as moderator.

##### *6.1.1 Moderating role of age of the firm on the relationship between Innovativeness (Construct of strategic orientation) and financial performance (firm's performance)*

<b>MODEL</b>	
Y	Financial Performance
X	Innovativeness
M	Age
Statistical Controls	Proactiveness, Risk Taking, Competitiveness
Sample Size	500

*Y is our dependent variable i.e. Financial Performance, X is independent variable i.e. Innovativeness and M is our moderator i.e. Age and control variables taken are proactiveness, risk taking and competitiveness.* We are trying to estimate the relationship between X and Y keeping the effect of proactiveness, risk taking and competitiveness constant.

**Table 6.1 Interaction Effect of age and Innovativeness if dependent variable is financial performance**

<b>MODEL</b>						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	.3022	.1497	2.0190	.0440	.0081	.5962
Age	-.1346	.0190	-7.1026	.0000	-.1719	-.0974
Innovativeness	.1597	.0448	3.5617	.0004	.0716	.2478
Interactions	-.2877	.0336	-8.5614	.0000	-.3538	-.2217
Proactiveness	.5781	.0663	8.7249	.0000	.4479	.7083
Risk taking	-.2043	.0489	-4.1793	.0000	-.3003	-.1082
Competitiveness	.4261	.0735	5.7996	.0000	.2817	.5704

Here the effect of age is -.1346, the standard error is .0190 and p value is 0.0000 that is significant. That explains that age negatively affects the financial performance. In this LLCI (lower limit confidence interval), ULCI (upper limit confidence interval) is also mentioned there. LLCI and ULCI explain whether the effect is significant or not. The effect is significant if both the values do not cross zero and it gives insignificant result if one value gives positive effect and another value gives negative result. The effect of innovativeness is highly significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is -0.1719 and ULCI is -.0974. The effect is significant as both the values are negative and do not cross 0. In the same manner, LLCI for innovativeness

is .0716 and ULCI is .2478. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction here is -.2877 and t-value is -8.5614. P value is 0.0000 which is highly significant. This shows that interaction effect of putting age and innovativeness together is highly significant. The effects of constant taken i.e. proactiveness, risk taking and competitiveness is also highly significant.

Here, ***Interaction = Innovativeness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

### **Conditional Processing**

**Table 6.2 Conditional effect of Innovativeness on Financial Performance at values of moderator**

<b>Conditional Effect of X on Y at values of the moderator (s)</b>						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.3997	.0347	11.5112	.0000	.3315	.4679
.0000	.1597	.0448	3.5617	.0004	.0716	.2478
.6400	-.0245	.0608	-.4025	.6875	-.1439	.0949

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is being judged here in this process. In this model, it could be seen that when age is decreasing, means subtraction of 1 standard deviation effects positively i.e. 0.3997. Simultaneously if age increases then it results in negative effect.

This shows that as long as the age increases, effectiveness will be decreased. At high level of age, the value is .6400 and effect is -.0245. The effect is so less that it

is even non-significant. P value at this point is greater than 0.0000 i.e. 0.6875. In gist, on higher level of age, relation between financial performance and innovativeness is found to be insignificant.

### JOHNSON- NEYMAN TECHNIQUE

In this study, we had also used Johnson- Neyman table. The effect of age at different levels is shown here in this technique.

**Table 6.3 Johnson-Neyman Technique (Innovativeness and Financial Performance)**

<i>Conditional Effect of X on Y at values of the moderator (M)</i>						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-1.3600	.5510	.0388	14.1971	.0000	.4748	.6273
-1.2600	.5223	.0374	13.9521	.0000	.4487	.5958
-1.1600	.4935	.0363	13.5905	.0000	.4221	.5648
-1.0600	.4647	.0355	13.1001	.0000	.3950	.5344
-.9600	.4359	.0349	12.4763	.0000	.3673	.5046
-.8600	.4072	.0347	11.7246	.0000	.3389	.4754
-.7600	.3784	.0348	10.8614	.0000	.3099	.4468
-.6600	.3496	.0353	9.9126	.0000	.2803	.4189
-.5600	.3208	.0360	8.9094	.0000	.2501	.3916
-.4600	.2921	.0370	7.8842	.0000	.2193	.3648
-.3600	.2633	.0383	6.8664	.0000	.1879	.3386
-.2600	.2345	.0399	5.8795	.0000	.1561	.3129
-.1600	.2057	.0416	4.9404	.0000	.1239	.2876
-.0600	.1770	.0436	4.0598	.0001	.0913	.2626
.0400	.1482	.0457	3.2427	.0013	.0584	.2380
.1400	.1194	.0480	2.4902	.0131	.0252	.2136

.2154	.0977	.0497	1.9648	.0500	.0000	.1954
.2400	.0906	.0503	1.8009	.0723	-.0082	.1895
.3400	.0619	.0528	1.1713	.2420	-.0419	.1656
.4400	.0331	.0554	.5974	.5505	-.0757	.1419
.5400	.0043	.0580	.0743	.9408	-.1097	.1184
.6400	-.0245	.0608	-.4025	.6875	-.1439	.0949

At initial stage, age is negative then p value is significant i.e. .0000. As the age grows, the P value becomes highly insignificant, which was highly significant when the age level was low. Moderator value defining Johnson- Neyman significance region is 0.2154. This is the region where p value has become insignificant. Thus conclusion can be drawn out that when age reaches at this level, after this region p value becomes insignificant. It means if the age of a firm comes to this level, we can see that this relationship between innovativeness and financial performance is not so meaningful.

When the age grows, LLCI and ULCI also does not results in significance as one value shows positive and another in negative and they cross zero. At .2400 age level, LLCI is -.0082 and ULCI is .1895. One value is negative and one is positive. Value crosses zero and therefore it results in insignificant outcomes.

This technique, therefore, helps in predicting other firms on the basis of same moderator that after reaching at what value of age, p value becomes insignificant.

**6.1.2 Moderating role of age of the firm on the relationship between Innovativeness (Construct of strategic orientation) and Internal Business Process (firm's performance)**

MODEL	
Y	IBP (Internal Business Process)
X	Innovativeness
M	Age
Statistical Controls	Proactiveness, Risk Taking, Competitiveness
Sample Size	500

*Internal Business Process is our dependent variable i.e. Y, Innovativeness is our independent variable which is represented as X and M is our moderator i.e. Age. Proactiveness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of proactiveness, risk taking and competitiveness constant.*

**Table 6.4 Interaction Effect of age and Innovativeness if dependent variable is Internal Business Process**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	.6214	.0630	9.8600	.0000	.4975	.7452
Age	.0368	.0093	3.9746	.0001	.0186	.0550
Innovativeness	.2465	.0175	14.1214	.0000	.2122	.2808
Interactions	-.1543	.0112	-13.8321	.0000	-.1762	-.1323
Proactiveness	.0859	.0298	2.8805	.0041	.0273	.1445
Risk taking	.2159	.0239	9.0509	.0000	.1690	.2628
Competitiveness	.7090	.0357	19.8403	.0000	.6388	.7792

Here the effect of age is .0368 and the standard error is 0.0093. P value shows significant effect. That explains that age positively affects the internal business process. In this LLCI, ULCI and confidence level is also mentioned there. The effect of innovativeness is highly significant and interaction effect is also highly significant. In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is .0186 and ULCI is .0550. The effect is significant as both the values are positive and do not cross 0. In the same manner, LLCI for innovativeness is .2122 and ULCI is .2808. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction is -.1543, t-value is -13.8321 and p value is highly significant. This shows that interaction effect of putting age and innovativeness together is highly significant. The effects of constant taken i.e. proactiveness, risk taking and competitiveness is also highly significant.

Here, ***Interaction = Innovativeness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

**Table 6.5** *Conditional effect of Innovativeness on Internal Business Process at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.3752	.0132	28.5078	.0000	.3493	.4011
.0000	.2465	.0175	14.1214	.0000	.2122	.2808
.6400	.1478	.0229	6.4624	.0000	.1029	.1927

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects positively i.e. 0.3752. Simultaneously if age increases then it shows decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the value is .6400 and effect is .1478. The value is significant even if effect is decreasing. P value is 0.0000 which means that at on higher level of age, relation between internal business process and innovativeness is still significant.

**6.1.3 Moderating role of age of the firm on the relationship between Innovativeness (Construct of strategic orientation) and Learning and growth (firm's performance)**

MODEL	
Y	Learning and Growth
X	Innovativeness
M	Age
Statistical Controls	Proactiveness, Risk Taking, Competitiveness
Sample Size	500

*Learning and Growth is our dependent variable i.e. Y, Innovativeness is our independent variable which is represented as X and M is our moderator i.e. Age. Proactiveness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of proactiveness, risk taking and competitiveness constant.*

**Table 6.6 Interaction Effect of age and Innovativeness if dependent variable is Learning and Growth**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	2.2846	.0960	23.7978	.0000	2.0960	2.4733
Age	.1407	.0078	18.1293	.0000	.1255	.1560
Innovativeness	.9574	.0228	42.0275	.0000	.9127	1.0022
Interactions	.0599	.0130	4.6042	.0000	.0343	.0855
Proactiveness	-.3594	.0334	-10.7495	.0000	-.4251	-.2937
Risk taking	-.4985	.0158	-31.4594	.0000	-.5296	-.4674
Competitiveness	1.1750	.0258	45.5287	.0000	1.1243	1.2257

Here the effect of age is .1407, the standard error is .0078 and p value is significant. That explains that age positively affects the learning and growth. In this LLCI, ULCI and confidence level is also mentioned there. The effect of innovativeness is highly significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is .1255 and ULCI is .1560. The effect is significant as both the values are positive and do not cross 0. In the same manner, LLCI for innovativeness is .9127 and ULCI is 1.0022. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction is .0599, t-value is 4.6042 and p value is highly significant. This shows that interaction effect of putting age and innovativeness together is highly significant. The effects of constant taken i.e. proactiveness, risk taking and competitiveness is also highly significant.

Here, ***Interaction = Innovativeness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

**Table 6.7** Conditional effect of Innovativeness on Learning and Growth at values of moderator

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.9075	.0174	52.0104	.0000	.8732	.9417
.0000	.9574	.0228	42.0275	.0000	.9127	1.0022
.6400	.9958	.0290	34.2900	.0000	.9387	1.0528

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects in decreasing order i.e. 0.9075. Simultaneously if age increases then it shows increase in effect i.e. 0.9958.

This shows that as long as age increases effectiveness will be increased. At high level of age, the value is .6400 and effect is .9958. The value is significant at increasing effect also. P value is 0.0000 which means that at on higher level of age, relation between learning and growth and innovativeness is still significant.

**6.1.4 Moderating role of age of the firm on the relationship between Innovativeness (Construct of strategic orientation) and Customer (firm's performance)**

MODEL	
Y	Customer
X	Innovativeness
M	Age
Statistical Controls	Proactiveness, Risk Taking, Competitiveness
Sample Size	500

*Customer is our dependent variable i.e. Y, Innovativeness is our independent variable which is represented as X and M is our moderator i.e. Age. Proactiveness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of proactiveness, risk taking and competitiveness constant.*

**Table 6.8 Interaction Effect of age and Innovativeness if dependent variable is customer**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	-2.0255	.2382	-8.5042	.0000	-2.4935	-1.5575
Age	-.0172	.0235	-.7309	.4652	-.0633	.0290
Innovativeness	-.6077	.0653	-9.3021	.0000	-.7361	-.4794
Interactions	-.0495	.0421	-1.1757	.2403	-.1321	.0332
Proactiveness	1.4286	.0859	16.6246	.0000	1.2598	1.5975
Risk taking	.3268	.0840	3.8915	.0001	.1618	.4918
Competitiveness	-.2359	.1151	-2.0488	.0410	-.4621	-.0097

Here the effect of age is -.0172, the standard error is .0235 and p value highly insignificant. That explains that age negatively affects the customer. In this LLCI, ULCI and confidence level is also mentioned there. The effect of innovativeness is significant but the interaction effect is not significant.

In this model, LLCI and ULCI crosses 0, hence the effect is not significant. LLCI for age is -.0633 and ULCI is 0.0290. The effect is insignificant as one value is negative and other one is positive. These values cross 0.

Coefficient of interaction is -.0495, t-value is -1.1757 and p value is highly insignificant. This shows that interaction effect of putting age and innovativeness together is highly insignificant. The effects of constant taken i.e. proactiveness, risk taking is significant but the p value of competitiveness is greater than 0.

Here, ***Interaction = Innovativeness x Age***

Further there is no requirement to check conditional effect of X on Y at values of moderator as the interaction effect is found insignificant.

**6.1.5 Moderating role of age of the firm on the relationship between Proactiveness (Construct of strategic orientation) and financial performance (firm's performance)**

<b>MODEL</b>	
Y	Financial Performance
X	Proactiveness
M	Age
Statistical Controls	Innovativeness, Risk Taking, Competitiveness
Sample Size	500

*Financial Performance is our dependent variable i.e. Y, Proactiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of innovativeness, risk taking and competitiveness constant.*

**Table 6.9 Interaction Effect of age and proactiveness if dependent variable is financial performance**

<b>MODEL</b>						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	2.4688	.2721	9.0738	.0000	1.9343	3.0034
Age	-.1584	.0160	-9.9267	.0000	-.1898	-.1271
Proactiveness	.8074	.0772	10.4588	.0000	.6558	.9591
Interaction	-.5679	.0425	-13.3647	.0000	-.6514	-.4844
Risk taking	-.2082	.0378	-5.5019	.0000	-.2826	-.1339
Competitiveness	.4066	.0562	7.2362	.0000	.2962	.5170
Innovativeness	.0449	.0387	1.1606	.2464	-.0311	.1210

Here the effect of age is -.1584, the standard error is .0160 and p value is significant. That explains that age negatively affects the financial performance. The effect of proactiveness is found highly significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is -.1898 and ULCI is -.1271. The effect is significant as both the values are negative and do not cross 0. In the same manner, LLCI for proactiveness is .6558 and ULCI is .9591. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction is -.5679, t-value is -13.3647 and p value is highly significant. This shows that interaction effect of putting age and proactiveness together is highly significant. The effect of constants taken i.e. risk taking and competitiveness is also highly significant but the effect of innovativeness is highly insignificant.

Here, ***Interaction = Proactiveness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

*Table 6.10 Conditional effect of Proactiveness on Financial Performance at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	1.2812	.1093	11.7211	.0000	1.0664	1.4959
.0000	.8074	.0772	10.4588	.0000	.6558	.9591
.6400	.4440	.0554	8.0129	.0000	.3351	.5528

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation affects positively i.e. 1.2812. Simultaneously if age increases then it shows decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the value is .6400 and effect is .4440. The value is significant even if effect is decreasing. P value is 0.0000 which means that at on higher level of age, relation between financial performance and proactiveness is still significant.

**6.1.6 Moderating role of age of the firm on the relationship between Proactiveness (Construct of strategic orientation) and Internal Business Process (firm's performance)**

MODEL	
Y	Internal Business Process
X	Proactiveness
M	Age
Statistical Controls	Innovativeness, Risk Taking, Competitiveness
Sample Size	500

*Internal Business Process is our dependent variable i.e. Y, Proactiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of innovativeness, risk taking and competitiveness constant.*

**Table 6.11 Interaction Effect of age and proactiveness if dependent variable is Internal Business Process**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	.1054	.1107	.9522	.3415	-.1121	.3229
Age	.0291	.0074	3.9177	.0001	.0145	.0436
Proactiveness	.1719	.0326	5.2641	.0000	.1077	.2360
Interaction	-.2689	.0163	-16.5121	.0000	-.3009	-.2369
Risk taking	.2123	.0179	11.8596	.0000	.1771	.2475
Competitiveness	.7188	.0260	27.6208	.0000	.6676	.7699
Innovativeness	.2064	.0131	15.7624	.0000	.1807	.2321

Here the effect of age is .0291, the standard error is .0074 and p value is significant. That explains that age affects the Internal Business Process. In this LLCI, ULCI and confidence level is also mentioned there. The effect of proactiveness is highly significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is .0145 and ULCI is .0436. The effect is significant as both the values are positive and do not cross 0. In the same manner, LLCI for proactiveness is .1077 and ULCI is .2360. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction is -.2689, t-value is -16.5121 and p value is highly significant. This shows that interaction effect of putting age and proactiveness together is highly significant. The effect of constants taken i.e. innovativeness, risk taking and competitiveness is also highly significant

Here, ***Interaction = Proactiveness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

### Conditional Processing

**Table 6.12 Conditional effect of Proactiveness on Internal Business Process at values of moderator**

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.3962	.0438	9.0464	.0000	.3101	.4822
.0000	.1719	.0326	5.2641	.0000	.1077	.2360
.6400	-.0002	.0257	-.0095	.9924	-.0508	.0503

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it

effects positively i.e. .3962. Simultaneously if age increases then it shows decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the p value is .9924 and effect is -.0002.

The effect is so less that it is even non-significant. P value is .9924 this value is greater than 0.0. It means that at on higher level of age, relation between internal business process and proactiveness is insignificant.

### JOHNSON- NEYMAN TECHNIQUE

To study the effect, we had also applied Johnson- Neyman table. The effect of age at different levels is shown here in this technique.

**Table 6.13 Johnson-Neyman Technique (Proactiveness and Internal Business Process)**

<i>Conditional Effect of X on Y at values of the moderator (M)</i>						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-1.3600	.5576	.0514	10.4536	.0000	.4366	.6387
-1.2600	.5107	.0500	10.2238	.0000	.4126	.6089
-1.1600	.4838	.0485	9.9781	.0000	.3886	.5791
-1.0600	.4569	.0470	9.7148	.0000	.3645	.5493
-.9600	.4300	.0456	9.4323	.0000	.3405	.5196
-.8600	.4031	.0442	9.1287	.0000	.3164	.4899
-.7600	.3763	.0427	8.8018	.0000	.2923	.4602
-.6600	.3494	.0413	8.4493	.0000	.2681	.4306
-.5600	.3225	.0400	8.0685	.0000	.2439	.4010
-.4600	.2956	.0386	7.6568	.0000	.2197	.3714
-.3600	.2687	.0373	7.2107	.0000	.1955	.3419
-.2600	.2418	.0359	6.7269	.0000	.1712	.3124

-.1600	.2149	.0347	6.2015	.0000	.1468	.2830
-.0600	.1880	.0334	5.6304	.0000	.1224	.2536
.0400	.1611	.0322	5.0094	.0000	.0979	.2243
.1400	.1342	.0310	4.3338	.0000	.0734	.1951
.2400	.1073	.0298	3.5992	.0004	.0487	.1659
.3400	.0804	.0287	2.8011	.0053	.0240	.1369
.4367	.0544	.0277	1.9648	.0500	.0000	.1088
.4400	.0535	.0277	1.9355	.0535	-.0008	.1079
.5400	.0266	.0267	.9992	.3182	-.0257	.0790
.6400	-.0002	.0257	-.0095	.9924	-.0508	.0503

At initial stage, when the age is negative then p value is significant i.e. .0000. Up to a certain point of age, the p value was found significant. After that point as the age grows, the P value becomes highly insignificant. Moderator value defining Johnson-Neyman significance region is 0.4367. This is the region where p value has become insignificant. Thus conclusion can be drawn out that when age reaches at this level, after this region p value becomes insignificant. It means if the age of a firm comes to this level, we can see that this relationship between proactiveness and internal business process is not so meaningful.

When the age grows, LLCI and ULCI also does not results in significance as one value shows positive and another in negative and they cross zero. At .4400 age level, LLCI is -.0008 and ULCI is .1079. One value is negative and one is positive. Value crosses zero and therefore it results in insignificant outcomes.

This technique, therefore, helps in predicting other firms on the basis of same moderator that after reaching at what value of age, p value becomes insignificant.

**6.1.7 Moderating role of age of the firm on the relationship between Proactiveness (Construct of strategic orientation) and Learning and Growth (firm's performance)**

<b>MODEL</b>	
Y	Learning and Growth
X	Proactiveness
M	Age
Statistical Controls	Innovativeness, Risk Taking, Competitiveness
Sample Size	500

*Learning and Growth is our dependent variable i.e. Y, Proactiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of proactiveness, risk taking and competitiveness constant.*

**Table 6.14 Interaction Effect of age and proactiveness if dependent variable is Learning and Growth**

<b>MODEL</b>						
	Coefficient	Standard Error	t	P	LLCI	ULCI
Constant	-2.5550	.1158	-22.0715	.0000	-2.7824	-2.3275
Age	.1280	.0077	16.5504	.0000	.1128	.1432
Proactiveness	-.2767	.0307	-9.0175	.0000	-.3370	-.2164
Interactions	-.0072	.0155	-.4637	.6430	-.0376	.0232
Risk taking	-.4925	.0167	-29.4258	.0000	-.5254	-.4596
Competitiveness	1.1077	.0234	47.3712	.0000	1.0618	1.01537
Innovativeness	.9057	.0199	45.4735	.0000	.8666	.9449

Here the effect of age is .1280, the standard error is .0077 and p value highly significant. That explains that age positively affects the learning and growth performance. In this LLCI, ULCI and confidence level is also mentioned there. The effect of proactiveness is significant but the interaction effect is not significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is .1128 and ULCI is .1432. The effect is significant as both the values are positive. These values do not cross 0. LLCI for proactiveness is -.3370 and ULCI is -.2164. This effect is significant as both LLCI and ULCI are negative and do not cross zero.

Coefficient of interaction is -.0072, t-value is -.4637 and p value is highly insignificant. This shows that interaction effect of putting age and proactiveness together is highly insignificant.

Here, ***Interaction = Proactiveness x Age***

As the interaction effect is found insignificant, there is no need to check further the conditional effect of X on Y at values of moderator.

**6.1.8 Moderating role of age of the firm on the relationship between Proactiveness (Construct of strategic orientation) and Customer (firm's performance)**

MODEL	
Y	Customer
X	Proactiveness
M	Age
Statistical Controls	Innovativeness, Risk Taking, Competitiveness
Sample Size	500

*Customer is our dependent variable i.e. Y, Proactiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, risk taking and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of innovativeness, risk taking and competitiveness constant.*

**Table 6.15 Interaction Effect of age and proactiveness if dependent variable is customer**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	7.9993	.3397	23.5466	.0000	7.3318	8.6667
Age	-.0833	.0145	-5.7351	.0000	-.1119	-.0548
Proactiveness	1.9258	.0999	19.2757	.0000	1.7295	2.1221
Interaction	-.5375	.0494	-10.8894	.0000	-.6345	-.4405
Risk taking	.3442	.0177	4.8425	.0000	.2046	.4839
Competitiveness	-.4895	.0736	-6.6502	.0000	-.6341	-.3449
Innovativeness	-.8925	.0467	-19.1181	.0000	-.9842	-.8008

Here the effect of age is -.0833, the standard error is .0145 and p value is significant. That explains that age negatively affects the customer. In this LLCI, ULCI and confidence level is also mentioned there. The effect of proactiveness is highly significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is -.1119 and ULCI is -.0548. The effect is significant as both the values are negative and do not cross 0. In the same manner, LLCI for proactiveness is 1.7295 and ULCI is 2.1221. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction is -.5375, t-value is -10.8894 and p value is highly significant. This shows that interaction effect of putting age and proactiveness together is highly significant. The effect of constants taken i.e. risk taking, innovativeness and competitiveness is also highly significant.

Here, ***Interaction = Proactiveness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

### Conditional Processing

**Table 6.16 Conditional effect of Proactiveness on Customer at values of moderator**

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	2.3741	.1369	17.3460	.0000	2.1052	2.6430
.0000	1.9258	.0999	19.2757	.0000	1.7295	2.1221
.6400	1.5818	.0746	21.2031	.0000	1.4352	1.7283

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects positively i.e. 2.3471. Simultaneously if age increases then it shows decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the effect is 1.5818. The value is significant even at decreasing effect. P value is 0.0000 which means that at on higher level of age, relation between customer and proactiveness is still significant.

**6.1.9 Moderating role of age of the firm on the relationship between Risk Taking (Construct of strategic orientation) and financial performance (firm's performance)**

<b>MODEL</b>	
Y	Financial Performance
X	Risk Taking
M	Age
Statistical Controls	Competitiveness, Innovativeness, Proactiveness
Sample Size	500

*Financial Performance is our dependent variable i.e. Y, Risk Taking is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, proactiveness and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of competitiveness, innovativeness and proactiveness constant.*

**Table 6.17 Interaction Effect of age and risk taking if dependent variable is financial performance**

<b>MODEL</b>						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	-1.1750	.2502	-4.6967	.0440	-1.6666	-.6835
Age	-.0661	.0120	-5.5332	.0000	-.0896	-.0426
Risk taking	-.2016	.0477	-4.2244	.0004	-.2954	-.1078
Interactions	-.2564	.0156	-16.4221	.0000	-.2871	-.2257
Competitiveness	.6875	.0504	13.6444	.0000	.5885	.7866
Innovativeness	.2062	.0328	6.2960	.0000	.1419	.2706
Proactiveness	.3852	.0470	8.1974	.0000	.2929	.4776

Here the effect of age is -.0661, the standard error is .0120 and p value is significant. That explains that age negatively affects the financial performance. The effect of risk taking is significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is -.0896 and ULCI is -.0426. The effect is significant as both the values are negative and do not cross 0. In the same manner, LLCI for risk taking is -.2954 and ULCI is -.1078. This effect is also significant as both LLCI and ULCI are negative and do not cross zero.

Coefficient of interaction here is -.2564, t-value is -16.4221 and p value is 0.0000 which is highly significant. This shows that interaction effect of putting age and risk taking together is highly significant. The effect of constant taken i.e. competitiveness, innovativeness and proactiveness is also highly significant.

Here, ***Interaction = Risk Taking x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

**Conditional Processing**

**Table 6.18 Conditional effect of Risk Taking on Financial Performance at values of moderator**

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.0123	.0508	.2412	.8095	-.0876	.1121
.0000	-.2016	.0477	-4.2244	.0000	-.2954	-.1078
.6400	-.3657	.0477	-7.6675	.0000	-.4594	-.2720

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it

effects positively i.e. 0.123. Simultaneously if age increases then it results in negative effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the effect is -.3657. When the age decreases, P value found is 0.8095 this value is greater than 0.0. It means that at on lower level of age, relation between financial performance and risk taking is insignificant.

### **JOHNSON- NEYMAN TECHNIQUE**

In this, we had also used Johnson- Neyman table. The effect of age at different levels is shown here in this technique.

***Table 6.19 Johnson-Neyman Technique (Risk Taking and Financial Performance)***

<b><i>Conditional Effect of X on Y at values of the moderator (M)</i></b>						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-1.3600	.1471	.0543	2.7095	.0070	.0404	.2537
-1.2600	.1214	.0535	2.2681	.0238	.0162	.2266
-1.1930	.1043	.0531	1.9648	.0500	.0000	.2085
-1.1600	.0958	.0528	1.8131	.0704	-.0080	.1996
-1.0600	.0702	.0522	1.3449	.1793	-.0323	.1727
-.9600	.0445	.0515	.8639	.3881	-.0567	.1458
-.8600	.0189	.0509	.3707	.7111	-.0812	.1190
-.7600	-.2268	.0504	-1.1340	.2593	-.1058	.0923
-.6600	-.0324	.0499	-.6492	.5165	-.1304	.0656
-.5600	-.0580	.0494	-1.1739	.2410	-.1552	.0391
-.4600	-.0837	.0490	-1.7068	.0885	-.1800	.0126
-.4121	-.0960	.0488	-1.9648	.0500	-.1919	.0000
-.3600	-.1093	.0487	-2.2468	.0251	-.2049	-.0137
-.2600	-.1349	.0483	-2.7922	.0054	-.2299	-.0400

-.1600	-.1606	.0481	-3.3415	.0009	-.2550	-.0662
-.0600	-.1862	.0478	-3.8931	.0001	-.2802	-.0922
.0400	-.2119	.0477	-4.4452	.0000	-.3055	-.1182
.1400	-.2375	.0475	-4.9960	.0000	-.3309	-.1441
.2400	-.2631	.0475	-5.5436	.0000	-.3564	-.1699
.3400	-.2888	.0474	-6.0864	.0000	-.3820	-.1956
.4400	-.3144	.0475	-6.6224	.0000	-.4077	-.2211
.5400	-.3401	.0476	-7.1499	.0000	-.4335	-.2466
.6400	-.3657	.0477	-7.6675	.0000	-.4594	-.2720

Just at starting age, p value found is less than 0.05 but it was found greater than 0.0000. As the age increases, p value becomes highly insignificant. Moderator value defining Johnson- Neyman first significance region is -1.1930. This is the region from where p value has become highly insignificant. Thus conclusion can be drawn out that when age reaches at this level, after this region p value becomes insignificant. It means if the age of a firm comes to this level, we can see that this relationship between risk taking and financial performance is not so meaningful. After achieving a certain age, the insignificant effect start converting into significance. Moderator value defining Johnson- Neyman second significance region is -.4121. This is the region from where p value again starts showing significance.

Conclusion can be drawn out that at the initial stage of age, the relation is significant but very soon it starts showing insignificant effect and after reaching at one level, it again starts showing significant relation. It means after a certain age level of the firm, this relationship between risk taking and financial performance is so impactful.

**6.1.10 Moderating role of age of the firm on the relationship between Risk Taking (Construct of strategic orientation) and Internal Business Process (firm's performance)**

MODEL	
Y	Internal Business Process
X	Risk Taking
M	Age
Statistical Controls	Competitiveness, Innovativeness, Proactiveness
Sample Size	500

*Internal Business Process is our dependent variable i.e. Y, Risk Taking is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, proactiveness and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of competitiveness, innovativeness and proactiveness constant.*

**Table 6.20 Interaction Effect of age and risk taking if dependent variable is Internal Business Process**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	-.0388	.1222	-.3172	.7512	-.2789	.2013
Age	.0726	.0072	10.0790	.0000	.0584	.0867
Risk taking	.2150	.0226	9.5004	.0000	.1705	.2594
Interactions	-.1172	.0098	-11.9568	.0000	-.1365	-.0979
Competitiveness	.8525	.0292	29.1801	.0000	.7951	.9099
Innovativeness	.2858	.0145	19.6440	.0000	.2572	.3143
Proactiveness	-.0308	.0247	-1.2476	.2128	-.0794	.0177

Here the effect of age is .0726, the standard error is .0072 and p value is significant. That explains that age positively affects the internal business process. In this LLCI, ULCI and confidence level is also mentioned there. The effect of risk taking is highly significant and interaction effect is also highly significant.

In this model, LLCI and ULCI do not cross 0, hence the effect is significant. LLCI for age is .0584 and ULCI is .0867. The effect is significant as both the values are positive and do not cross 0. In the same manner, LLCI for risk taking is .1705 and ULCI is .2594. This effect is also significant as both LLCI and ULCI are positive and do not cross zero.

Coefficient of interaction is -.1172, t-value is -11.9568 and p value is highly significant. This shows that interaction effect of putting age and risk taking together is highly significant. The effect of constant taken i.e. competitiveness and innovativeness is highly significant but the effect of proactiveness is highly insignificant.

Here, ***Interaction = Risk Taking x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

*Table 6.21 Conditional effect of Risk Taking on Internal Business Process at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.3127	.0250	12.5068	.0000	.2636	.3618
.0000	.2150	.0226	9.5004	.0000	.1705	.2594
.6400	.1399	.0227	6.1627	.0000	.0953	.1846

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects positively i.e. 0.3127. Simultaneously if age increases then it shows decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the effect is .1399. The value is significant even if effect is decreasing. P value is 0.0000 which means that at on higher level of age, relation between internal business process and risk taking is still significant.

**6.1.11 Moderating role of age of the firm on the relationship between Risk Taking (Construct of strategic orientation) and learning and growth (firm's performance)**

<b>MODEL</b>	
Y	Learning and Growth
X	Risk Taking
M	Age
Statistical Controls	Competitiveness, Innovativeness, Proactiveness
Sample Size	500

*Learning and Growth is our dependent variable i.e. Y, Risk Taking is our independent variable which is represented as X and M is our moderator i.e. Age. Innovativeness, proactiveness and competitiveness are the control variables taken. We are trying to estimate the relationship between X and Y keeping the effect of competitiveness, innovativeness and proactiveness constant.*

**Table 6.22 Interaction Effect of age and risk taking if dependent variable is Learning and Growth**

<b>MODEL</b>						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	-2.6881	.0739	-36.3849	.0000	-2.8333	-2.5430
Age	.1288	.0073	17.6738	.0000	.1144	.1431
Risk taking	-.4934	.0165	-29.8182	.0000	-.5259	-.4609
Interactions	.0051	.0090	.5722	.5675	-.0125	.0228
Competitiveness	1.1127	.0197	56.5288	.0000	1.0740	1.1513
Innovativeness	.9137	.0200	45.7597	.0000	.8745	.9529
Proactiveness	-.2875	.0266	-10.7980	.0000	-.3398	-.2352

Here the effect of age is .1288, the standard error is .0073 and p value is significant. That explains that age positively affects the learning & growth. In this LLCI, ULCI and confidence level is also mentioned there. The effect of risk taking is highly significant and interaction effect is also highly insignificant.

Coefficient of interaction is .0051, t-value is .5722 and p value is highly insignificant. This shows that interaction effect of putting age and risk taking together is highly insignificant.

Here, ***Interaction = Risk Taking x Age***

As the interaction effect is found insignificant, there is no need to check further the conditional effect of X on Y at values of moderator.

**6.1.12 Moderating role of age of the firm on the relationship between Risk Taking (Construct of strategic orientation) and customer (firm's performance)**

<b>MODEL</b>	
Y	Customer
X	Risk Taking
M	Age
Statistical Controls	Competitiveness, Innovativeness, Proactiveness
Sample Size	500

*Customer is our dependent variable i.e. Y, Risk Taking is our independent variable which is represented as X and M is our moderator i.e. Age. Innovation, proactiveness and competitiveness are the Control variables taken.* We want to estimate the relationship between X and Y while keeping the effect of being innovative, proactive and willingness to take risks the same.

**Table 6.23 Interaction Effect of age and risk taking if dependent variable is customer**

<b>MODEL</b>						
	Coefficient	Standard Error	t	P	LLCI	ULCI
Constant	1.1873	.4737	2.5063	.0125	.2565	2.1181
Age	-.0044	.0168	-.2604	.7947	-.0375	.0287
Risk taking	.3297	.0835	3.9467	.0001	.1656	.4939
Interactions	-.0653	.0329	-1.9847	.0477	-.1300	-.0007
Competitiveness	-.1944	.0916	-2.1222	.0343	-.3745	-.0144
Innovativeness	-.6147	.0560	-10.9789	.0000	-.7247	-.5047
Proactiveness	1.4095	.0678	20.7972	.0000	1.2763	1.5426

Here the effect of age is -.0044, the standard error is .0168 and p value is highly insignificant. That explains that age negatively affects the customer. The effect of risk taking is significant.

Coefficient of interaction is -.0653, t-value is -1.9847 and p value is .0477. This shows that interaction effect of putting age and risk taking together is not so significant. The effect of constant taken i.e. proactiveness and innovativeness is highly significant but the p value for competitiveness is .0343.

Here, ***Interaction = Risk Taking x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

*Table 6.24 Conditional effect of Risk Taking on Customer at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.3842	.0975	3.9395	.0001	.1926	.5759
.0000	.3297	.0835	3.9467	.0001	.1656	.4939
.6400	.2879	.0778	3.6987	.0002	.1350	.4409

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects positively i.e. 0.3842. Simultaneously if age increases then it shows decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the effect is .2879. The value is significant even if effect is decreasing. P value is 0.0002 which means that at on higher level of age, relation between customer and risk taking is still significant.

**6.1.13 Moderating role of age of the firm on the relationship between Competitiveness (Construct of strategic orientation) and financial performance (firm's performance)**

MODEL	
Y	Financial Performance
X	Competitiveness
M	Age
Statistical Controls	Innovativeness, Proactiveness, Risk Taking
Sample Size	500

*Financial Performance is our dependent variable i.e. Y, Competitiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovation, proactiveness and willingness to take risks are the Control variables taken.* We want to estimate the relationship between X and Y while keeping the effect of being innovative, proactive and willingness to take risks the same.

**Table 6.25 Interaction Effect of age and Competitiveness if dependent variable is financial performance**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	1.4358	.1574	9.1219	.0000	1.1265	1.7451
Age	-.0748	.0133	-5.6421	.0000	-.1009	-.0488
Competitiveness	.5336	.0699	7.6288	.0000	.3962	.6710
Interactions	-.3531	.0406	-8.6868	.0000	-.4329	-.2732
Innovativeness	.0760	.0522	1.4554	.1462	-.0266	.1787
Proactiveness	.5247	.0533	9.8404	.0000	.4199	.6294
Risk taking	-.1400	.0558	-2.5110	.0124	-.2496	-.0305

Here the effect of age is -.0748, the standard error is .0133 and p value is significant. That explains that age negatively affects the financial performance. In this LLCI, ULCI and confidence level is also mentioned there. The effect of competitiveness is significant and interaction effect is also highly significant. In this model, LLCI and ULCI do not cross 0, hence the effect is significant

Coefficient of interaction is -.3531, t-value is -8.6868 and p value is highly significant. This shows that interaction effect of putting age and competitiveness together is highly significant. The effect of constant taken i.e. innovativeness, proactiveness and risk taking is also highly significant.

Here, ***Interaction = Competitiveness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

*Table 6.26 Conditional effect of Competitiveness on Financial Performance at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.8281	.0517	16.0194	.0000	.7265	.9297
.0000	.5336	.0699	7.6288	.0000	.3962	.6710
.6400	.3077	.0903	3.4070	.0007	.1302	.4851

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects positively i.e. 0.8281. Simultaneously if age increases then it results in decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the effect is .3077. When the age decreases, p value found is 0.0007. It means that at on lower level of age, relation between financial performance and competitiveness is still significant.

**6.1.14 Moderating role of age of the firm on the relationship between Competitiveness (Construct of strategic orientation) and Internal Business Process (firm's performance)**

MODEL	
Y	Internal Business Process
X	Competitiveness
M	Age
Statistical Controls	Innovativeness, Proactiveness, Risk Taking
Sample Size	500

*Internal Business Process is our dependent variable i.e. Y, Competitiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovation, proactiveness and willingness to take risks are the Control variables taken.* We want to estimate the relationship between X and Y while keeping the effect of being innovative, proactive and willingness to take risks the same.

**Table 6.27 Interaction Effect of age and Competitiveness if dependent variable is Internal Business Process**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	2.2808	.0950	24.0127	.0000	2.0942	2.4675
Age	.0677	.0087	7.8135	.0000	.0507	.0847
Competitiveness	.8324	.0374	22.2678	.0000	.7589	.9058
Interactions	-.0709	.0235	-3.0219	.0026	-.1171	-.0248
Innovativeness	.3059	.0253	12.0818	.0000	.2562	.3557
Proactiveness	-.0460	.0349	-1.3202	.1874	-.1146	.0225
Risk taking	.2196	.0271	8.1122	.0000	.1664	.2728

Here the effect of age is .0677, the standard error is .0087 and p value is significant. That explains that age positively affects the internal business process. In this LLCI, ULCI and confidence level is also mentioned there. The effect of competitiveness is significant and interaction effect is also quite significant. In this model, LLCI and ULCI do not cross 0, hence the effect is significant

Coefficient of interaction is -.0709, t-value is -3.0219 and p value is quite significant. This shows that interaction effect of putting age and competitiveness together is significant. The effect of constant taken i.e. innovativeness and risk taking is also highly significant but the effect of proactiveness is insignificant.

Here, ***Interaction = Competitiveness x Age***

Next we have conditional effect of X on Y at values of moderator. This is called conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Effect of age is shown here.

## Conditional Processing

*Table 6.28 Conditional effect of Competitiveness on Internal Business Process at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	.8915	.0307	29.0238	.0000	.8312	.9519
.0000	.8324	.0374	22.2678	.0000	.7589	.9058
.6400	.7870	.0476	16.5345	.0000	.6934	.8805

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation, it effects positively i.e. 0.8915. Simultaneously if age increases then it results in decreasing effect.

This shows that as long as age increases effectiveness will be decreased. At high level of age, the effect is .7870. When the age decreases, p value found is .0000. It means that at on lower level of age, relation between internal business process and competitiveness is still significant.

**6.1.15 Moderating role of age of the firm on the relationship between Competitiveness (Construct of strategic orientation) and Learning and growth (firm's performance)**

MODEL	
Y	Learning and Growth
X	Competitiveness
M	Age
Statistical Controls	Innovativeness, Proactiveness, Risk Taking
Sample Size	500

*Learning and Growth is our dependent variable i.e. Y, Competitiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovation, proactiveness and willingness to take risks are the Control variables taken.* We want to estimate the relationship between X and Y while keeping the effect of being innovative, proactive and willingness to take risks the same.

**Table 6.29 Interaction Effect of age and Competitiveness if dependent variable is learning and growth**

MODEL						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	2.3495	.0729	32.2067	.0000	2.2061	2.4928
Age	.1281	.0075	17.0494	.0000	.1133	.1429
Competitiveness	1.1629	.0255	45.6455	.0000	1.1129	1.2130
Interactions	.0920	.0151	6.0801	.0000	.0623	.1218
Innovativeness	.9912	.0219	45.2656	.0000	.9481	1.0342
Proactiveness	-.3645	.0309	-11.7831	.0000	-.4252	-.3037
Risk taking	-.5167	.0166	-31.2165	.0000	-.5492	-.4842

Here the effect of age is .1281, the standard error is .0075 and p value is significant. That explains that age positively affects the learning and growth. In this LLCI, ULCI and confidence level is also mentioned there. The effect of competitiveness is significant and interaction effect is also quite significant. In this model, LLCI and ULCI do not cross 0, hence the effect is significant.

Coefficient of interaction is .0920, t-value is 6.0801 and p value is found significant. This shows that interaction effect of putting age and competitiveness together is highly significant. The constants i.e. innovativeness, proactiveness and risk taking has also a very significant impact.

Here, ***Interaction = Competitiveness x Age***

Next we have conditional effect of X on Y at moderator values. The term for this is conditional processing. The mean and a plus or minus one standard deviation from the mean are the values for quantitative moderators. Age effects are shown here.

## Conditional Processing

*Table 6.30 Conditional effect of Competitiveness on Learning and Growth at values of moderator*

Conditional Effect of X on Y at values of the moderator (s)						
Age	Effect	Standard Error	T	P	LLCI	ULCI
-.8341	1.0862	.0170	63.7079	.0000	1.0527	1.1197
.0000	1.1629	.0255	45.6455	.0000	1.1129	1.2130
.6400	1.2218	.0338	36.1834	.0000	1.1555	1.2882

This is the data of average mean age level. Effect of plus 1 and minus 1 of standard deviation is judged. When age decreases, means subtraction of 1 standard deviation affects in decrease in effect i.e. from 1.1629 to 1.0862. Simultaneously if age increases, it shows increasing effect i.e. from 1.1629 to 1.2218.

This shows that as long as age increases effectiveness will be increased. At high level of age, the effect is 1.2218. The value is significant at increasing effect also. P value is 0.0000 which means that at on higher level of age, relation between learning and growth and competitiveness is still significant.

**6.1.16 Moderating role of age of the firm on the relationship between Competitiveness (a strategic orientation construct) and Customer performance**

<b>MODEL</b>	
Y	Customer
X	Competitiveness
M	Age
Statistical Controls	Innovativeness, Proactiveness, Risk Taking
Sample Size	500

*Customer is our dependent variable i.e. Y, Competitiveness is our independent variable which is represented as X and M is our moderator i.e. Age. Innovation, proactiveness and willingness to take risks are the Control variables taken. We want to estimate the relationship between X and Y while keeping the effect of being innovative, proactive and willingness to take risks the same.*

**Table 6.31 Interaction Effect of age and Competitiveness if dependent variable is customer**

<b>MODEL</b>						
	Coefficient	Standard Error	T	P	LLCI	ULCI
Constant	-.2532	.1497	-1.6911	.0914	-.5474	.0410
Age	-.0079	.0200	-.3970	.6916	-.0472	.0313
Competitiveness	-.1581	.1123	-1.4077	.1599	-.3789	.0626
Interactions	.0461	.0693	.6646	.5066	-.0901	.1823
Innovativeness	-.5280	.0878	-6.0145	.0000	-.7005	-.3555
Proactiveness	1.3263	.0764	17.3614	.0000	1.1762	1.4763
Risk taking	.3101	.0938	3.3076	.0010	.1259	.4943

Here the effect of age is -.0079, the standard error is .0200 and p value is highly insignificant. That explains that age negatively affects the customer. In this LLCI, ULCI and confidence level is also mentioned there. The effect of competitiveness is highly insignificant and interaction effect is also insignificant.

Here, *Interaction = Competitiveness x Age*

As the interaction effect is found insignificant, there is no need to check further the conditional effect of X on Y at values of moderator.

## **6.2 Summary**

Interaction and conditional effects of different constructs of strategic orientation on perspective of business performance concludes that moderator plays a very important role in defining the connection among strategic orientation and business performance. Interaction and conditional effects of innovativeness and competitiveness on perspective of business performance concludes that moderator (age of the firm) plays a very significant role in defining the relationship between innovativeness and all the attributes of business performance except customer attribute. An interaction effect between proactiveness & risk taking with learning and growth is found insignificant.

## Chapter – 7

### Findings, Conclusion, Suggestions, Implications

#### And Recommendations

The study was carried out by keeping in mind the objectives concerned with challenges faced in micro entrepreneurship, awareness regarding different promotional schemes, impact of strategic orientation on business performance and to access the role of demographic variables in relationship with strategic orientation and business performance. This chapter wrap ups the study with the **core findings, conclusion based on key findings, recommendations and the practical implications** for academicians, budding researchers, entrepreneurs and government authorities.

In the study, primary record has been used. The original data has been collected from 500 micro entrepreneurs of Haryana state and for secondary data researcher is dependent upon literature and records of DC-MSME. Among 500 selected micro entrepreneurs, 116 are young firms, 88 are moderately old and 296 are matured firms. The taken sample truly represents the whole population.

In micro entrepreneurship, numerous challenges are found out in the literature and to verify those challenges, some questions have been asked and analysis has been done on the basis of factor loadings. CFA technique has been applied. In descriptive statistics, mean score for all statements of each construct has been found out individually and attempt has been made to draw out the conclusions. In this study, firms are divided in three sections on the basis of age i.e. young firms, moderately old firms and matured firms. There are numerous challenges which micro entrepreneurs are facing. Challenges of firms may differ on the basis of age. Young firms may face different challenges in comparison of matured firms and moderately old firms. In the same manner, matured firms face different challenges in comparison to young and moderately old firms. Same theory is applicable in case of moderately old firms. An endeavor to check variations in challenges with respect to age of firms has been carried out. Reliability and discriminant validity has been checked out. To test the

homogeneity of variance, Levene's statistics and ANOVA techniques have been used. Due to violation of hypothesis, researcher used robust test of equality of means i.e. Welch and Brown-Forsythe test. At last, an effort is made to check the significance of constructs by Post-hoc multi comparison Games Howell test.

To minimize the effects of different problems and challenges and to assist the micro entrepreneurs, government has launched many schemes, but researcher wants to check the level of education of micro entrepreneurs about all the schemes run by government for them. A set of questions have been framed and information has been collected from micro entrepreneurs about the schemes run by DC-MSME. Descriptive analysis has been carried out and conclusions have been drawn on the basis of their respective mean and standard deviation.

Further, the study carries the concept of strategic orientation and its impacts on business performance. In this study, four dimensions of strategic orientation i.e. innovativeness, proactiveness, risk taking and competitiveness have been considered and the relationship with the performance of an enterprise is accessed. To monitor the performance of an enterprise balanced scorecard approach has been used which measures the performance with the perspectives of customer, internal business process, finance and learning and growth. The analysis initiated with factor loadings and CFA technique have been used to confirm the impact of each statement of every construct. Reliability and validity have been checked out for strategic orientation and business performance constructs. T-statistics have been applied to check the significance of path coefficients.

In addition, study focused on accessing the role of demographic variable i.e. age in relationship with strategic orientation and business performance. On the basis of age, firms are categorized in three sections i.e. matured firms, moderately old firms and young firms. For this objective, Andrew F. Hayes technique has been used.

## **7.1 Findings of the study:**

The findings have been categorized into different sections as per analysis:

### **7.1.1 Challenges of Micro Entrepreneurship**

The results reveal that the micro enterprises are facing various kinds of challenges but the extent is different. Micro enterprises are facing some challenges in quantum and some are negligible in their business enterprise. Findings are as follow:

- Micro enterprises are facing maximum marketing challenges with mean score of 4.2720. Moreover, moderately old firms face more marketing challenges followed by young and matured firms. The finding is aligned with the study of Shiralashetti (2012) who had also mentioned about the same problem in his study.
- The findings reveal that the micro enterprises find difficulties in handling customer complaints and have not adopted any formal system of handling customer complaints.
- Micro enterprises have an inadequate access to market linkages and market intelligence.
- The result reveals that enterprises pay limited attention towards their distribution channels and selling and promotional activities.
- The operational challenge has emerged as another major challenge for enterprises. Ulrich Schoof (2006) in his study also described operations as a significant challenge. The reach of these enterprises is restricted themselves to local suppliers only. Micro enterprises find it difficult to purchase latest technology. These enterprises do not have formal planning and controlling system also.
- Study finds that the leaders of micro entrepreneurship find it difficult to take the enterprise to the next level. The possible reason behind this issue could be lack of professional trained limited exposure. The mean score obtained for this challenge is 4.1967. Schoemaker (1991) also present the same view in his study.

- The survey reveals that finance emerge as another major challenge with an average score of 4.0773. Nishanth & Zakkariya (2014) also support finance as a challenge in their study. Micro enterprises face difficulties while arranging funds and have a significant dependence on local moneylenders. The funding reveals that these enterprises have not adopted any formal system of financial planning and controlling.
- Micro enterprises in the state of Haryana face a significant challenge in their HR practices. Hill & Stewart (2000) emphasized HR as a main challenge. There is lack of training programs for employees, ill-defined performance evaluation and appraisal system of their enterprise.
- There is a variation in the data of challenges with respect to age of firms. Moderately old firms face all the challenges in maxima. Data reveals that young firms face financial challenge, marketing challenge and leadership challenge more than that of matured firms whereas HR challenge and operational challenges are faced by matured firms more than young firms.
- Through multi-comparison test, it has been found that challenges of firms are different if we compare the data on age basis. Challenges of young firms are different than moderately old and matured firms. Similarly, challenges of matured are unique and significantly different in comparison to moderately old and young ones. Same thing is applicable in context of moderately old firms.

### **7.1.2 Awareness Regarding Government Initiatives and Promotional Schemes**

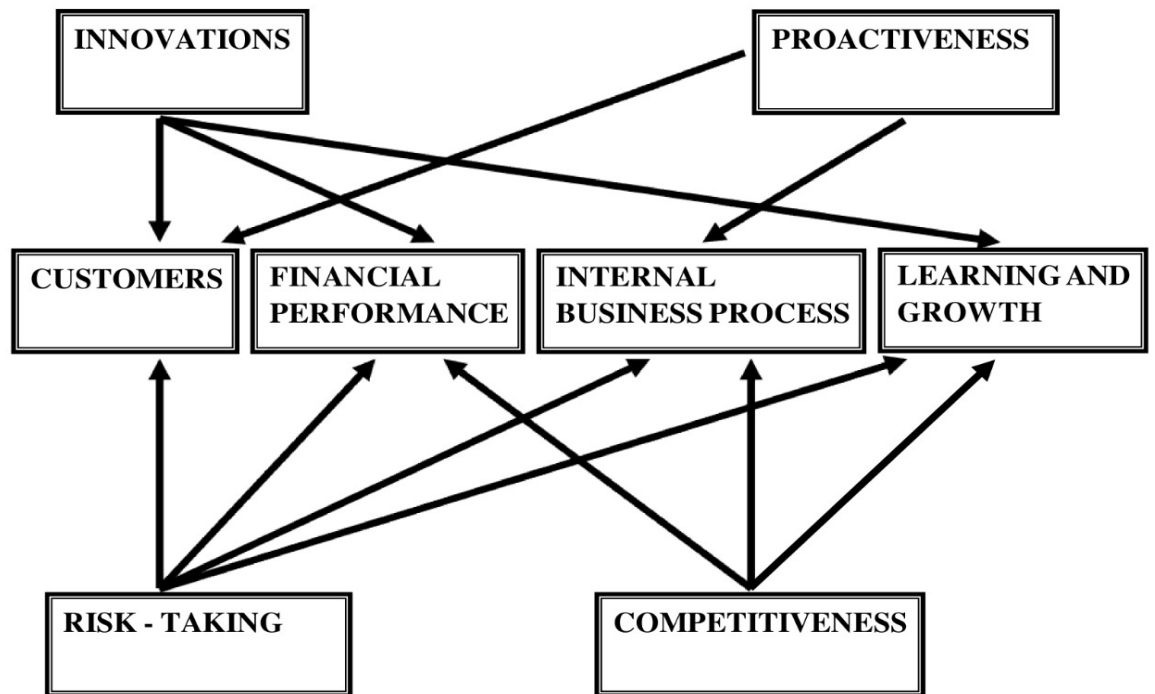
The study attempts to assess the level of awareness of micro enterprises towards different schemes for the promotion of micro enterprises. The study also attempts to examine the perception of micro enterprises about the attitude of government officials towards micro entrepreneurs. Descriptive analysis has been constructed and their findings are as follows:

The results reveal that a limited awareness among micro entrepreneurs about the various schemes for promotion of micro enterprises. Micro enterprises find it difficult to avail the benefits available under different schemes and observed a skeptical attitude of regulatory bodies. It has been found that micro entrepreneurs have little knowledge about the marketing assistance schemes, counseling services and technical assistance and other schemes being provided by DC-MSME.

### **7.1.3 Relationship of Strategic Orientation and Business Performance**

The study finds strategic orientation as a higher order construct having i.e. innovativeness, proactiveness, risk taking and competitiveness as its attributes. The study adopts balanced scorecard approach to access the business performance of micro enterprises on attributes such as finance, internal business process, learning & growth and customer.

- Results show the positive relationship of Innovativeness with three attributes of business performance i.e. Customer, financial performance and learning and growth but finds no relation with internal business process.
- The study shows the positive relationship of proactiveness dimension of strategic orientation with customer and internal business process attributes of business performance. Results do not find any association of proactiveness with financial performance and learning and growth.
- The study investigated the association between an entrepreneur's ability to compete and four different attributes of firm's performance. The study establishes a link between competitiveness dimension with three dimensions of performance of the firm. Study concluded that competitiveness dimension of strategic orientation has weaker association with Customer perspective of Performance.
- The study demonstrates that an entrepreneur's propensity to take risks is linked to all four attributes of a company's performance. All four perspectives of a company's performance are shown to be impacted by an entrepreneur's propensity to take risks.
- Based upon the findings, redefined model explaining the relationship of constructs of strategic orientation and business performance is:



*Figure 7.1 Relationships of Strategic Orientation and Business Performance*

#### 7.1.4 Moderating Effect of Age of Firm on the Relationship of Strategic Orientation and Business Performance

To check the moderating effect of age of the firm on the relationship between strategic orientation and firm's performance, technique given by Andrew F. Hayes has been used. In this study, the association of all the dimensions of strategic orientation with business performance has been examined separately by considering age as moderator. The findings of the study are:

- Interaction effect of putting age and innovativeness together is found highly significant on financial performance as per Hayes's technique. Further to check the *Conditional Effect of innovativeness on financial performance at values of the moderator (M) age*, Johnson- Neyman table is used. At initial stage, p value is found significant. As the age grows, the P value becomes highly insignificant. It concludes that after reaching at certain age, the relationship between innovativeness and financial performance does not remain so meaningful.
- Interaction effect of age and innovativeness together is found highly significant on internal business process performance and learning and growth perspective of performance but the interaction effect is found highly insignificant with customer perspective of business performance.
- The interaction effect of proactiveness on learning and growth is found highly insignificant.
- The interaction effect and conditional effect of proactiveness on business performance is found highly significant.
- The interaction effect of proactiveness on internal business process is found significant but as per Johnson- Neyman technique it is concluded that at high level of age p value is highly insignificant. Moderator value defining Johnson- Neyman significance region is 0.4367. This is the region where p value has become insignificant. Thus conclusion can be drawn out that when age reaches at this level, after this region p value becomes insignificant.
- The interaction effect of risk taking and financial performance is found highly significant. When Johnson- Neyman technique is used, it has been found that

at initial stage of age, p value was not so significant but with the increase in age, the p value starts showing significant effect.

- Interaction and conditional effect of risk taking on internal business process is found highly significant whereas it is found insignificant with customer perspective of business performance.
- For learning and growth, the interaction effect of risk taking is found insignificant.
- Interaction and conditional effect of competitiveness on financial performance, internal business process and learning & growth is found highly significant whereas it is found insignificant with customer perspective of business performance.

## 7.2 Conclusion

The study has been conducted to examine the challenges faced in micro entrepreneurship, to assess the awareness level of micro entrepreneurs regarding different promotional schemes, to judge the impact of strategic orientation on business performance and to assess the role of maturity of an enterprise in relationship with strategic orientation and business performance. In the process, primary research has been conducted and a sample of 500 micro enterprises from Haryana state had been selected. The findings reveal that micro enterprises are facing numerous challenges. In this study researcher has categorized all the challenges in 5 sections i.e. financial challenges, marketing challenges, HR challenges, operational challenges and challenges related to leadership. The study reveals that micro enterprises of Haryana state are facing marketing challenges more in comparison to other challenges followed by operational, leadership, financial and HR challenges. Through multi-comparison test, conclusion can be drawn out that challenges of young firms are different than moderately old and matured firms. Similarly, challenges of matured are unique and significantly different in comparison to moderately old and young ones. Moderately old firms have different challenges with respect to young and matured firms.

Next, study has been done to check the awareness level of Haryana state micro enterprises towards promotional schemes being run by DC-MSME. Results depicted that micro enterprises are not able to take the full advantage of various promotional schemes being run by Government of India for the growth and development of micro entrepreneurship. This is due to insufficient knowledge of micro enterprises about the schemes. Statistics show that maximum entrepreneurs are aware about the training and development programs being run by DC-MSME. But on the other hand, they accepted that the documentation process is difficult to comply under various promotional schemes and they usually observe a skeptical attitude of regulatory bodies. Talking about financial, technical, marketing and counseling services, it is found that they have least knowledge regarding marketing support given by the government.

Next, the association of strategic orientation and business performance depicts the result that the strategic orientation has connection with the different attributes of business performance. Risk taking ability of an entrepreneur results in better performance in all the aspects. Innovativeness construct leads to better financial performance, learning and growth and customer satisfaction and wide market share. Competitiveness ability of an entrepreneur results in better financial performance, better learning and growth and internal business process. Proactiveness has a relationship with internal business process and customer perspective of business performance.

Interaction and conditional effects of different constructs of strategic orientation on perspective of business performance concludes that moderator plays a very important role in defining the connection among strategic orientation and business performance. Interaction and conditional effects of innovativeness on perspective of business performance concludes that moderator (age of the firm) plays a very significant role in defining the relationship between innovativeness and financial performance, internal business process and learning and growth. But interaction effect between innovativeness and customer is found weak.

Interaction and conditional effects of proactiveness on perspective of business performance concludes that moderator (age of the firm) plays a very significant role in defining the relationship between proactiveness and financial performance, internal business process and customer. An interaction effect between proactiveness and learning and growth is found insignificant. Interaction and conditional effects of risk taking on perspective of business performance concludes that moderator (age of the firm) plays a very important role in defining the connection between risk taking and financial performance, internal business process and customer. An interaction effect between risk taking and learning and growth is found insignificant.

Interaction and conditional effects of competitiveness on perspective of business performance concludes that moderator (age of the firm) plays a very significant role in defining the relationship between competitiveness and financial performance, internal business process and learning & Growth. An interaction effect between competitiveness and customer is found insignificant.

## **7.3 Recommendations**

In accordance of the analysis of data, the study emerges out with the following recommendations. These recommendations have been categorized into different sections as per analysis:

### **7.3.1 Challenges of Micro Entrepreneurship**

Based on the findings presented, here are some recommendations for micro enterprises to address the identified challenges:

- Micro enterprises need to develop a comprehensive marketing strategy that includes online and offline channels. They need to invest in market research to better understand customer needs and preferences.
- Enterprises need to implement a formal system for handling customer complaints to improve customer satisfaction and loyalty. Provide training to staff on effective customer service and complaint resolution can also be one of the recommendations.
- The study proposes the recommendation of review and optimizes distribution channels to reach a wider customer base. Micro enterprises are advised to increase investment in selling and promotional activities to enhance brand visibility and customer acquisition.
- Micro enterprises are required to evaluate and streamline operational processes to reduce inefficiencies. There is a need to explore opportunities for adopting cost-effective technologies and consider collaborating with local suppliers for better access.
- Micro enterprises may arrange leadership training and development programs for key personnel to equip them with the skills needed to lead the enterprise effectively.
- A formal financial planning and controlling system can help to manage funds efficiently. Diversify funding sources and explore options beyond local moneylenders, such as grants, microfinance institutions, or investor partnerships would be beneficial.

- It is recognized that different challenges may be more pronounced at different stages of a micro enterprise's development. It is advised to customize strategies and interventions based on the specific challenges faced by young, moderately old, and matured firms.

These recommendations are tailored to address the specific challenges identified in the study. It's important for micro enterprises to assess their individual circumstances and implement strategies that align with their unique needs and resources. Additionally, periodic reassessment and adaptation of strategies will be crucial for sustained growth and success.

### **7.3.2 Awareness Regarding Government Initiatives and Promotional Schemes**

Findings related to awareness of government initiatives and promotional schemes among micro entrepreneurs do not give satisfactory responses. Based on the findings, the following suggestions and strategies are recommended:

- Strengthen communication channels between DC-MSME and micro entrepreneurs to improve awareness of available training programs.
- Utilize various mediums such as workshops, seminars, and online platforms for effective dissemination of information.
- Advocate for simplified and streamlined documentation processes for availing benefits of different schemes.
- Develop targeted educational programs to increase knowledge about marketing assistance schemes provided by DC-MSME.
- Develop easy-to-understand guides and resources explaining the various schemes and their application procedures.
- Provide step-by-step instructions to alleviate any confusion or uncertainty.
- Establish a feedback mechanism where entrepreneurs can provide input on the challenges they face with regulatory procedures. Use this feedback to make necessary improvements and simplify documentation processes.
- Ensure that micro entrepreneurs receive regular updates and notifications about new schemes, changes in procedures, and deadlines.
- Provide comprehensive training sessions to micro entrepreneurs on how to navigate government initiatives and avail benefits.
- Provide timely notifications to ensure entrepreneurs are aware of the latest developments.
- Raise awareness about the counseling and technical assistance services provided by DC-MSME through targeted marketing and outreach efforts.
- Share success stories of micro entrepreneurs who have successfully utilized government schemes to inspire others and demonstrate the benefits.
- Utilize multiple platforms such as websites, newsletters, and local events for dissemination.

- Develop easily accessible resources that explain the legal aspects of different schemes.
- Encourage micro entrepreneurs to visit the DC-MSME office for interactions, feedback, and to seek assistance.
- Highlight the benefits of direct engagement in terms of accessing resources and networking opportunities.
- Emphasize how these programs can expand market reach and improve profitability.
- Appoint local ambassadors or liaisons who can serve as points of contact and provide guidance to micro entrepreneurs on accessing DC-MSME resources.

By implementing these suggestions, micro entrepreneurs will have improved access to financial resources, legal knowledge, and support services provided by DC-MSME. Additionally, they will be more likely to engage with the office and take advantage of the available assistance. This will ultimately contribute to the growth and success of their businesses.

### **7.3.3 Relationship of Strategic Orientation and Business Performance**

Based on the findings of the study, the following recommendations can be made to enhance the strategic orientation and business performance of micro enterprises:

- Encourage a culture of innovation within micro enterprises. Provide resources, training, and incentives for employees to generate and implement innovative ideas.
- Encourage proactive decision-making by providing entrepreneurs with the necessary information and tools to anticipate and respond to market trends and opportunities. Foster a mindset that values forward-thinking and anticipatory strategies.
- Provide support and resources to help micro enterprises identify and leverage their unique competitive advantages. Encourage market research and analysis to understand customer needs and competitors' strategies.
- Develop strategies for identifying, evaluating, and mitigating risks associated with business operations. Cultivate a culture that encourages calculated risk-taking, where employees feel empowered to take well-considered risks in pursuit of business objectives.
- Conduct a thorough evaluation of internal processes to identify areas for improvement, efficiency gains, and cost reduction. Implement technology and systems that streamline operations and enhance productivity.
- Focus heavily on comprehending customer needs and preferences through market research and feedback channels. Tailor products, services, and marketing efforts to meet and exceed customer expectations.
- Provide continuous learning opportunities for employees to acquire new skills and knowledge relevant to the industry and the business. Foster a culture of continuous improvement and adaptability.
- Encourage micro enterprises to adopt the balanced scorecard approach to assess and monitor their business performance across multiple dimensions. Provide training and resources to support effective implementation and utilization of the balanced scorecard.

By implementing these recommendations, micro enterprises can enhance their strategic orientation and improve business performance across various dimensions.

This will contribute to their long-term sustainability and growth in the competitive business environment.

#### **7.3.4 Moderating Effect of Age of Firm on the Relationship of Strategic Orientation and Business Performance**

Based on the findings of the study regarding the moderating effect of age on the relationship between strategic orientation and firm's performance, the following recommendations can be made:

- Younger firms need to encourage prioritizing innovativeness as it has a significant positive impact on financial performance. However, for more established firms, consider diversifying strategies beyond innovativeness.
- Recognize the importance of innovativeness for both younger and matured firms in enhancing internal business processes. Encourage continuous innovation to streamline operations.
- Foster a culture of innovation to support continuous learning and growth, especially for younger firms. This can be a key driver of performance in this dimension.
- Recognize the significant impact of proactiveness on firm's performance across various dimensions. Encourage proactive strategies in both younger and more established firms.
- Encourage risk-taking behaviors, particularly in older firms, as it has a positive impact on financial performance. Provide support mechanisms to mitigate potential risks.
- Acknowledge the significant impact of risk-taking on internal business processes. Promote a culture that embraces calculated risk-taking for process improvements.
- While risk-taking may not significantly impact customer perspective for firms of any age, focus on other customer-centric strategies to enhance performance in this dimension.
- Emphasize competitiveness as it has a significant positive impact on financial performance, internal business processes, and learning & growth. Tailor strategies to strengthen competitiveness.
- Recognize that competitiveness may not significantly impact customer perspective. Focus on other customer-centric strategies to enhance performance in this dimension.

Overall, it is important to tailor strategic orientation efforts based on the age and maturity level of the firm. Younger firms may benefit more from a focus on innovativeness and proactiveness, while older firms may need to prioritize risk-taking and competitiveness to drive performance. Regularly reassess and adapt strategies as firms evolve over time.

## **7.4 Implications**

The results of the study have vital implications for policy makers, academicians and practitioners.

### **7.4.1 Implications for Academicians & Researchers:**

Researchers can study and address the specific challenges faced by micro enterprises, with particular emphasis on marketing, customer complaint handling, market linkages, and intelligence. There is a clear need for academic institutions to develop training programs targeted towards micro enterprise leaders, focusing on areas like marketing strategies, customer complaint management, and financial planning. Researchers can adopt an interdisciplinary approach when studying micro enterprises, encompassing areas such as marketing, finance, human resources, and operations management. This will provide a more comprehensive understanding of the challenges they face. Conducting longitudinal studies to track the evolution of micro enterprises over time can provide valuable insights into how these challenges change and evolve with the age of the firm.

Researchers can focus on exploring effective channels for disseminating information about government schemes and programs tailored specifically for micro enterprises. Further research need to delve into understanding the factors influencing the perception of micro entrepreneurs towards government officials and regulatory bodies. This could involve qualitative studies to uncover underlying attitudes and beliefs. Academicians can conduct studies to evaluate the effectiveness of existing schemes for promoting micro enterprises. This could involve assessing the accessibility and utilization of benefits by micro entrepreneurs.

Academicians can continue to refine the concept of strategic orientation, recognizing it as a higher-order construct consisting of innovativeness, risk-taking, proactiveness and competitiveness. Further research can explore the interplay and relative importance of these attributes. Future researchers can adopt the balanced scorecard approach for assessing the business performance of micro enterprises. This approach provides a holistic view, encompassing finance, internal processes, learning and growth, and customer perspectives. Researchers may delve deeper into

understanding the nature of the relationships between strategic orientation attributes and performance dimensions. For example, exploring why innovativeness is not strongly associated with internal business processes could yield valuable insights.

Researchers can incorporate age as a moderating factor when studying the relationship between strategic orientation and firm performance. This approach provides nuanced insights into how the impact may change over time. The study highlights the dynamic nature of the relationships between strategic orientation dimensions and firm performance as age changes. Academicians can explore the underlying mechanisms that drive these changes. The findings suggest the presence of threshold effects, particularly in the case of innovativeness and financial performance. Future research could delve into identifying specific thresholds for other strategic orientation attributes.

#### **7.4.2 Implications for Policy Makers/Government:**

Government policies can be designed to address the specific challenges identified, with a focus on supporting micro enterprises in areas like marketing, access to market linkages, financial planning, and HR practices. Encouraging and supporting micro enterprises in adopting formal systems for customer complaint handling, financial planning, and controlling can enhance their operational efficiency and sustainability. Policymakers can work towards providing easier access to formal sources of funding for micro enterprises, reducing their dependence on local moneylenders.

There is a clear need for government agencies to launch targeted awareness campaigns to ensure that micro entrepreneurs are well-informed about the various schemes available. This could include workshops, seminars, and user-friendly informational materials. Policymakers can work on simplifying the process for micro entrepreneurs to avail benefits from different schemes. This could involve streamlining application procedures, reducing bureaucratic red tape, and providing clear guidelines. Government officials may proactively engage with micro entrepreneurs to understand their concerns, address grievances, and improve the perception of regulatory bodies. This could involve regular interaction forums and feedback mechanisms. Tailoring schemes to meet the specific needs of micro enterprises, including marketing assistance, counseling services, and technical support, can greatly enhance their effectiveness and impact.

Policymakers can design programs and initiatives that encourage and support entrepreneurs in taking calculated risks. This can have a positive impact on all aspects of business performance. Policies may encourage micro enterprises to adopt proactive strategies, as this dimension of strategic orientation is found to positively influence customer satisfaction and internal business processes.

Policymakers can design support programs that cater to the specific needs and challenges faced by firms at different stages of maturity. For example, providing targeted resources for young firms may differ from those needed by established enterprises. Given the significant interaction effect between innovativeness and financial performance in younger firms, policies can encourage and incentivize innovation, particularly in the early stages of a firm's lifecycle.

### **7.4.3 Implications for Society:**

Supporting micro enterprises can contribute significantly to local economic growth by creating job opportunities and fostering entrepreneurship. Initiatives aimed at facilitating access to modern technology can help micro enterprises overcome operational challenges and improve their competitiveness in the market. Improving customer complaint handling processes can lead to increased customer satisfaction, which in turn can have positive ripple effects on the reputation and growth of these enterprises.

Society can play a role in empowering micro entrepreneurs by providing them with information and resources to take advantage of government schemes. This could involve community-level workshops and information-sharing sessions. Civil society organizations and advocacy groups can work towards influencing policy changes that improve the accessibility and effectiveness of government schemes for micro enterprises. Society can contribute to changing perceptions of micro entrepreneurs and regulatory bodies by fostering a culture of support and recognition for their contributions to the economy. Society can act as intermediaries in disseminating information about government schemes, acting as a bridge between micro entrepreneurs and relevant authorities.

Society can support micro enterprises by creating an environment that fosters innovation. This includes providing access to resources, mentorship, and platforms for collaboration. Recognizing the significance of competitiveness in driving business performance, society can promote initiatives that enhance the competitiveness of micro enterprises, such as training programs and networking opportunities. Society can facilitate learning and growth for micro enterprises through educational programs, workshops, and access to relevant knowledge resources. Encouraging a culture that embraces calculated risk-taking can lead to more vibrant and dynamic micro-enterprise sectors, ultimately benefiting the economy.

Society can contribute to fostering an environment where innovation is encouraged and supported, especially in young firms. This can be achieved through educational initiatives, mentorship programs, and innovation hubs. As firms mature, there may be a shift in the factors that drive performance. Society can support experienced entrepreneurs by providing opportunities for knowledge exchange and

networking. Society can play a role in creating an ecosystem that supports calculated risk-taking, which has been shown to significantly impact firm performance. This could involve providing access to venture capital and mentorship. Recognizing the impact of competitiveness on various aspects of firm performance, society can promote initiatives that enhance competitiveness through training, networking, and capacity-building programs.

In conclusion, addressing the identified challenges faced by micro enterprises requires a coordinated effort from academicians, policymakers, and society at large. By doing so, there is potential to significantly enhance the resilience and sustainability of these enterprises, ultimately contributing to economic development and job creation. By addressing the limited awareness and skeptical attitudes identified in this study, stakeholders can work together to create an environment where micro enterprises can thrive and contribute meaningfully to economic development.

Overall, understanding the nuanced relationships between strategic orientation attributes and business performance dimensions provides valuable insights for academics, policymakers, and society to better support and facilitate the growth and success of micro enterprises. By acknowledging the moderating effect of firm age on the relationship between strategic orientation and firm performance, stakeholders can develop more targeted and effective strategies to support the growth and success of businesses at different stages of their lifecycle.

## **7.5 Future Research**

The same learning can be done in other states or districts of the country. Comparison between different states can be done with respect to challenges and awareness level of government schemes. The effect of strategic orientation of an entrepreneur on the performance of the business can be compared inter-state. This effect can be judged on longitudinal basis. In longitudinal design effect before the trial period and after the trial period is judged separately. Efforts done by government to increase the awareness of micro entrepreneurs can be studied separately.

In the present study, micro entrepreneurs from Haryana state were respondents and they have been categorized on the basis of their age only. Further research can be done by considering other demographic variable like nature, area etc. By comparing the firms on the criteria of nature, one may be able to compare the challenges across different firms and orientation needed as per the nature of different firms.

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## Annexure I

### Questionnaire

Dear Sir/Madam

I, Heena, Ph.D. scholar from Lovely Professional University, am doing research on Micro Enterprises. Kindly spare some time from your busy schedule and contribute in this. This is purely an academic research and your identity will be kept confidential.

#### **Personal Details**

Name of enterprise: \_\_\_\_\_

Year of establishment: \_\_\_\_\_

Place of the enterprise/ address \_\_\_\_\_

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Location of enterprise:	Urban	Semi-Urban	Rural
This enterprise is established by:	My own	My Father	My Forefather
Nature of enterprise:	Manufacturing	Trading	Service
Number of employees:	less than 5	5-10	More than 10

Following statements relate to the Strategic orientation of your organization. Please indicate your level of agreement with following statements as per the key given below.

S. No.	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	My enterprise has introduced many new products or services in the last 5 years.	5	4	3	2	1
2	My enterprise has a strong emphasis on R&D technological leadership, and innovations.	5	4	3	2	1
3	My enterprise tries new ways of doing things and seeks unusual, novel solutions.	5	4	3	2	1
4	My enterprise regularly upgrades its old products to meet consumer demands.	5	4	3	2	1
5	When it comes to problem-solving, my enterprise value creative new solutions more than the solutions of conventional wisdom.	5	4	3	2	1
6	My enterprise regularly benchmarks its operating practices against the best players in the industry.	5	4	3	2	1
7	My enterprise has a strong emphasis on implementing of new ways of promotion.	5	4	3	2	1
8	My enterprise offer product/service with unique features which differentiates it from competitor's offerings.	5	4	3	2	1

9	My enterprise believes that environmental and technological changes create new opportunities in the market place.	5	4	3	2	1
10	My enterprise actively collects and evaluates information on consumer needs and preferences.	5	4	3	2	1
11	My enterprise actively collects and evaluates information on technological developments and other environment related factors.	5	4	3	2	1
12	In general, there is an ongoing, active search for big opportunities in my enterprise.	5	4	3	2	1
13	My enterprise actively participates in various social events/workshops etc to acquire new knowledge/networking.	5	4	3	2	1
14	My enterprise regularly listens to customer feedback and actively works on the same.	5	4	3	2	1
15	My enterprise regularly discusses the consequences of market trends and new developments in the industry.	5	4	3	2	1
16	My enterprise never hesitates to invest money in new machinery and technology.	5	4	3	2	1
17	My enterprise has a tendency to support projects where the expected returns are uncertain. *	5	4	3	2	1
18	My enterprise typically adopts a “wait and see posture” in order to minimize the	5	4	3	2	1

	probability of making costly decisions.*					
19	My enterprise believes that owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the enterprise's objectives.	5	4	3	2	1
20	The culture of my enterprise promotes risk taking among employees at various levels.	5	4	3	2	1
21	My enterprise is regarded as a risk taker in its peer group.	5	4	3	2	1
22	In uncertain situations my enterprise is not afraid to take substantial risks.	5	4	3	2	1
23	My enterprise aspires to be a market leader.	5	4	3	2	1
24	My enterprise often sacrifices profitability (offer high commissions, incentives etc.) to gain market share.	5	4	3	2	1
25	My enterprise adopts an aggressive attitude towards its competitors.	5	4	3	2	1
26	My enterprise always attempts to attract the customer base of its rivals.	5	4	3	2	1
27	My enterprise always attempts to attract the resource base of its rivals.	5	4	3	2	1
28	My enterprise often sets prices below competition.	5	4	3	2	1
29	My enterprise regularly collects the information about the product, practices and policies of its competitors'.	5	4	3	2	1
30	My enterprise typically seeks to avoid competitive clashes, preferring a "live-and-let live" posture.*	5	4	3	2	1

With reference to your enterprise, Please circle the number in each scale that best approximates the actual conditions in your business unit.

<u>S.</u> <u>No.</u>	<b>Statements</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	My enterprise has a well defined vision and mission statement.*	5	4	3	2	1
2	My enterprise faces challenges in arranging funds.	5	4	3	2	1
3	The reach of my enterprise, in terms of funds arrangement is restricted to local boundaries.	5	4	3	2	1
4	My enterprise has not adopted formal system of financial planning and controlling.	5	4	3	2	1
5	My enterprise finds difficulties in meeting its financial obligations (Debt/Loan/EMIs etc.) as per the timelines.	5	4	3	2	1
6	My enterprise finds difficult to compete with its competitors.	5	4	3	2	1
7	My enterprise has inadequate access to market linkages and market intelligence.	5	4	3	2	1
8	My enterprise pays limited attention towards the selling and promotional activities.	5	4	3	2	1
9	My enterprise face challenges in developing new products/services.	5	4	3	2	1
10	My enterprise pays limited attention towards branding activities.	5	4	3	2	1
11	My enterprise pays inadequate attention towards its distribution channel.	5	4	3	2	1
12	My enterprise is not very regular in taking customer feedback.	5	4	3	2	1

13	My enterprise does not have a formal system of handling customer complaints.	5	4	3	2	1
14	The HR practices of my enterprise are poorly defined and documented.	5	4	3	2	1
15	My enterprise faces challenges in hiring competent managerial professionals.	5	4	3	2	1
16	My enterprise finds difficulties in conducting regular training programs for employees.	5	4	3	2	1
17	My enterprise finds difficulties in retaining employees.	5	4	3	2	1
18	The performance evaluation and appraisal system is not well defined in my enterprise.	5	4	3	2	1
19	My enterprise finds the dominance of the supplier.	5	4	3	2	1
20	My enterprise is labour intensive (highly dependent on labour rather than technology).	5	4	3	2	1
21	My enterprise is restricted to local suppliers only.	5	4	3	2	1
22	My enterprise finds the latest technology very costly.	5	4	3	2	1
23	My enterprise does not have formal system of production, planning and controlling.	5	4	3	2	1
24	The leaders of my enterprise are not professionally educated.	5	4	3	2	1
25	The leaders of my enterprise find it difficult to take the enterprise to next level.	5	4	3	2	1
26	The leaders of my enterprise are visionary in nature. *	5	4	3	2	1
27	The leaders of my enterprise always listen to the problems of the employees.*	5	4	3	2	1

Kindly rate your level of understanding with regard to the various promotional schemes of the Government of India for micro entrepreneurs.

<u>S. No.</u>	<b>My Enterprise is aware about the fact...</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	... In recent past Government of India has introduced many schemes for the promotion of micro enterprises.	5	4	3	2	1
2	... Government is regularly updating its old policies for the promotion of micro enterprises.	5	4	3	2	1
3	...it regularly visits and interacts with DC-MSME office.	5	4	3	2	1
4	... it can avail credit under the various schemes offered by DC-MSME.	5	4	3	2	1
5	... DC-MSME is providing sufficient financial assistance to micro entrepreneurs.	5	4	3	2	1
6	... DC-MSME is providing technical assistance to micro entrepreneurs.	5	4	3	2	1
7	... DC-MSME is providing sufficient training and development programs for micro entrepreneurs.	5	4	3	2	1
8	... DC-MSME is providing marketing support to micro entrepreneurs.	5	4	3	2	1
9	... DC-MSME is providing counseling services to micro entrepreneurs.	5	4	3	2	1
10	... it is difficult to take benefit from the various schemes offered by DC-MSME.	5	4	3	2	1
11	... the documentation process specified under various schemes is difficult to comply with.	5	4	3	2	1
12	...it always observes a skeptical attitude of regulatory bodies.	5	4	3	2	1
13	...it has little legal knowledge of various schemes.	5	4	3	2	1

Compared to the major competitor in your industry in the last three years, how has your enterprise performed on the following parameters? (Encircle)

S.No.	Compared to the major competitors, My enterprise...	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	... has higher sales growth	5	4	3	2	1
2	... has higher return on investment	5	4	3	2	1
3	... is more profitable	5	4	3	2	1
4	...has better return on assets	5	4	3	2	1
5	...has better working capital	5	4	3	2	1
6	...has higher operating Income.	5	4	3	2	1
7	... has the better service quality	5	4	3	2	1
8	... has better product innovation	5	4	3	2	1
9	... has better product quality	5	4	3	2	1
10	...has better process innovation	5	4	3	2	1
11	... has higher operating efficiency	5	4	3	2	1
12	...has higher employee satisfaction.	5	4	3	2	1
13	...has higher revenue per employee.	5	4	3	2	1
14	...has higher profit per employee.	5	4	3	2	1
15	...has lesser employee's absenteeism rate.	5	4	3	2	1
16	...has better employee's productivity rate.	5	4	3	2	1
17	... has higher customers satisfaction	5	4	3	2	1
18	... more number of customers	5	4	3	2	1
19	...has a wider product range.	5	4	3	2	1
20	...has higher market share.	5	4	3	2	1

## Annexure II

### Conferences/ Seminars

S.No.	Name of the Conference/Seminar	Date	Title of Paper	Organized By
1	International conference on Rethinking the Environment: Sustainability in the Modern Era	March 25-26, 2022	Green Entrepreneurship: The concept and Evaluation	DME Law School, Noida with University of Santiago de Compostela, Spain and United Nations
2	Women Entrepreneurship and Inclusive Growth	March 11, 2022	Emancipating Women Entrepreneurship by Measuring Challenges and Discussing Government Schemes	Sanatan Dharma College, Ambala Cantt
3	Gender Sensitive Issues and Women Empowerment	February 25, 2022	Entrepreneurship Development Schemes: A Step Towards Women Empowerment	Sanatan Dharma College, Ambala Cantt
4	International Conference on Women Entrepreneurs from the Grassroots to Global	February 24-25, 2022	Challenges Faced by Women Entrepreneurs in Micro Sector	Entrepreneurship Development Institute of India, Ahmedabad

5	Pandemic and Future of Business	June 26, 2021	Micro Entrepreneurship: Preparing for New Phase	Sanatan Dharma College, Ambala Cantt
6	Fourteenth Biennial Conference on Entrepreneurship (International)	Feb. 25-27, 2021	Extricate Future Investigation: A Study of Extant Literature in Entrepreneurship & Risk Taking	Entrepreneurship Development Institute of India, Ahmedabad
7	Handling Mental Health and Psychological Resilience during COVID Pandemic	23rd – 25th May 2020	Impact of Covid-19 on Entrepreneurship	Directorate of Higher Education, Haryana
8	Intellectual Rights: Emerging Issues and Challenges	January 25, 2020	Intellectual Property Rights: Emerging Challenges for E- Commerce Companies	Sanatan Dharma College, Ambala Cantt.
9	Entrepreneurship and Economic Development of India	January 11, 2020	Bibliometric Analysis on Entrepreneurship	Sanatan Dharma College, Ambala Cantt.
10	International Conference on Business Agility in Volatile Times	November 7- 8, 2019	Micro- Entrepreneurship: Review of Existing Literature and Scope for Future Research	Lovely Professional University, Phagwara

### FDP/Workshop/Courses

S. No.	Topic	Date	Organized By	FDP/Workshop/ Courses
1	Research Essentials	January 31, 2022 to February 5, 2022	Chandigarh University, Gharuan, Mohali, Punjab	FDP
2	Factor Analysis with SPSS Software	January 12, 2022	Sanatan Dharma College, Ambala Cantt	Workshop
3	Managing Research References & Citations with Mendeley Software	August 31, 2021	Sanatan Dharma College, Ambala Cantt	Workshop
4	Research Paradigms	May 3, 2021 to May 8, 2021	Research & Development Cell, St. Francis College, Koramangala, Bangalore	Workshop
5	Government Initiatives for Young Entrepreneurs	April 20, 2021	Sanatan Dharma College, Ambala Cantt	Workshop
6	Research Methodology	March 15, 2021 to March 20, 2021	Government College for Girls, Ludhiana	FDP
7	Social Entrepreneurship:	Feb. 19, 2021	Sanatan Dharma College,	Workshop

	Dimensions, Opportunities and Challenges		Ambala Cantt	
8	Inferential Statistics	May 23, 2020	Stella Matutina College of Education	Workshop
9	Research Methodology	May 19, 2020 to May 23, 2020	MAR Gregorios College of Arts & Science	Course
10	Intellectual Property Rights	May 19, 2020	S. A. Jain (PG) College, Ambala City	FDP
11	ARPIT Refresher Course in Commerce	Sept. 2019 to Feb. 2020	Swayam Portal	AICTE approved FDP course

## Webinars

S. No.	Topic	Date	Organized by
1	Boost your Internal Power to be a Future Entrepreneur	June 22, 2021	Sanatan Dharma College, Ambala Cantt
2	Research and Publication Ethics in Humanity and Social Science	April 14, 2021	Shri H K Commerce College, Ahmedabad
3	Aatmanirbhar Bharat: Roadmap for Haryana	Feb. 26, 2021	S.A. Jain (P.G.) College, Ambala City
4	Role of Intellectual property in innovations and incubations for Entrepreneurship	February 8, 2021	Sanatan Dharma College, Ambala Cantt in collaboration with National Research Development Corporation (An Enterprises of DSIR, Ministry of Science and Technology, Govt. of India)
5	COVID-19 and Mental Health After Lock-down Period	May 25, 2020	MVP Samaj's Art's, Commerce and Science College, Tryambakeshwar
6	Impact Of Covid-19 Pandemic on Indian Economy	May 25, 2020	PDEA's Annasaheb Magar Mahavidyalaya, Hadapsar Pune
7	Guidelines for Writing a Research Paper	May 22, 2020	Research Committee, Arasu Engineering

			College, Kumbakonam
8	MSME Perspective Post COVID-19 with respect to Supply Chain, Markets & Government Stimulus	May 22, 2020	G. S. College of Commerce & Economics (Autonomous College) , Jabalpur
9	A Multidisciplinary Systems Approach To 21 <sup>st</sup> Century Education 4.0 Based Experiential Learning, For Enabling Employment, Research, Innovation & Entrepreneurship	May 16, 2020	KKurukshetra University Technology Incubation Center
10	Intellectual Property Rights (IPR)	May 15, 2020	Albertian Centre for Human Resource Development and Research, St. Albert's College
11	Benchmarks of Research	May 15, 2020	Loyola College of Education, Chennai
12	Teaching and Learning Modes Post Covid-19	April 29, 2020	Punjabi University, Patiala