

---

## Entrepreneurial Orientation: An Empirical Study of the Perceptions of Higher Managers in Small and Medium-Sized Enterprises in Annaba

HAOULI Mohamed\*

BADJI Mokhtar University ANNABA - ALGERIA

[Mohamed.haouli@univ-annaba.dz](mailto:Mohamed.haouli@univ-annaba.dz)

Received: 29/20/2020

SLIMANI Mounira

BADJI Mokhtar University ANNABA - ALGERIA

[Mounira.slimani@univ-annaba.dz](mailto:Mounira.slimani@univ-annaba.dz)

Published: 31/12/2020

Accepted: 21/11/2020

---

### Abstract:

The purpose of this study is to identify the behaviors constituting the entrepreneurial orientation (risk-taking, proactiveness and innovativeness) and the discovery of the reality in small and medium-sized enterprises located at Annaba Province. In order to achieve the goal of this study was the development of form and distributed to a random sample of employees in senior management levels, where 60 people numbered, and the ratio of 100%, where the response has been restored valid for statistical analysis.

Where was reached through the study on the results showed that enterprises has a positive attitude towards the behavior of entrepreneurial orientation.

**Keywords:** Entrepreneurial orientation; risk-taking, proactiveness, innovativeness.

**JelClassificationCodes:** L26.

---

\* Corresponding author.

## 1. INTRODUCTION:

The complex business environment and changing require the institutions to be entrepreneurial orientation, through their ability to manage the various and diverse resources efficiently and effectively to achieve creativity and proactive passing through to go to risk situations of uncertainty and Adventures of new business up to the renewal and success and continuity. The institutions can thrive only in a society where the spirit of entrepreneurship and those with special talents of people with willingness to take risks and embrace new ideas and understanding of the mechanisms available to compete.

In this regard, small and medium enterprises appear to represent an important tool to encourage the entrepreneurial orientation and entrepreneurship, the chances of survival and development before it became greater than the chances of large structures with large institutions. As is the case in the current global business environment, organizations of any size and forms are no longer dealing with a static environment facing the ocean but became variable carries a lot of developments. In the discharge time being that characterizes the intensity of competition and the increasing pace of competition in a fast and continuous changing environment in terms of technical and technological progress, large and extensive products and services selection-old palace, institutions in Algeria, like other institutions in the world have become more open, affected by the impact on the different circumstances competitive environment the past, especially with the economic liberalization and join the upcoming World Trade Organization, which will open the door to powerful foreign institutions with advanced organization, all of that is paid to the need to develop ideas and innovation and the need to awaken the spirit entrepreneurial in order to relate to the desire and the will to innovate and the search for risk, as well as pro-activeness so.

In this regard, this study is an attempt to provoke a major research problematic through the central question as follows:

### ***What is the reality of the behavior of entrepreneurial orientation in institutions under study?***

To answer this question, the study seeks to answer the following sub-questions:

- ✓ managers realize what behaviors Entrepreneurial orientation level?.
- ✓ What the availability of these behaviors at the level of the reality of the institutions under study?

This study aims to:

- ✓ clarify the behavior of entrepreneurial orientation dimensions;
- ✓ recognize the reality of the behavior of entrepreneurial orientation;
- ✓ provide some of the results in the current study encourage the practice of the institutions.

## 2. The theoretical framework of the study

The most widely used definition of entrepreneurial orientation is based on work by Miller 1983, developed further by Covin and Slevin 1989, and many others, and augmented by Lumpkin and Dess 1996 (SCHILLO, 2011, p. 21).

The entrepreneurial orientation is a behavioral contract at firm-level that is closely linked to strategic management and explains the processes, practices, and decision activities that lead to new entry in the quest of exploiting opportunities in the market place or shape its environment is a three dimensional construct of innovativeness, risk-taking, proactiveness (ALARAPE, 2009, p. 51).

Miller 1983 which characterizes the entrepreneurial firm as "one that engages in product market innovation, undertakes somewhat risky venture and is first to come up with proactive innovations, beating competitors to the punch" (BASSO, FAYOLLE, & BOUCHARD, 2009, p. 03).

Some studies found that entrepreneurial orientation enables small firms or new ventures, which are defined as firms newly built or less than ten years old to perform better than competitors and enhance firm performance.

**Risk-Taking:** is characterized by a firm taking such risks as engaging in uncertain ventures, making high resource commitments, and borrowing heavily. However, it is important to recognize that risk-taking involves engaging in calculates risks in order to obtain benefits, rather than a firm gambling with little thought about these risk (VORA, JAY, & POLLEY, 2012, p. 356). When managers make decision that commit large amounts of resources to projects with uncertain outcomes (SCHILLO, 2011, p. 21).

**Proactiveness:** suggests a forward-looking perspective characteristic of a marketplace leader that has the foresight to act in anticipation of future demand and shape the environment (LUMPKIN & DESS, 1996, p. 143). Proactiveness is related to initiative and first-mover advantages and to "taking Initiative by anticipating and pursuing new opportunities". Proactiveness is associated with leadership, and with not following, as a proactive enterprise". (CALLAGHAN & VENTER, 2011, p. 31).

**Innovativeness:** reflect a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new product, services, or technological processes (LUMPKIN & DESS, 1996, p. 142). For some theorists, innovativeness is intrinsically linked to entrepreneurship in that entrepreneur's create new combinations of resources by the very fact of their entry into the market. In the context of entrepreneurial orientation, innovativeness is defined more narrowly, emphasizing the importance of technological leadership to the company, as well as changes in its product lines (SCHILLO, 2011, p. 21).of the second subtitle.

### 3. methodology of study

**3.1 scientific research method used in the study:** the reliance on the descriptive approach which includes the use of the field method of data collection by the form and statistically analyzed to test the validity of hypotheses of the study, in addition to desktop scanning and to take advantage of books and scientific journals for the construction of the theoretical framework and research bibliographic by computer from the previous studies.

**3.2 The study population:** The study population consisted of all workers in the upper levels of management in small and medium enterprises in the study were selected random sample, as shown in Table 1:

**Table 1:** questioner distribution

Number of distributed questionnaire	Number of questionnaires recovered	Number of forms excluded	Number of forms subject to analysis	
			Number	Percentage
60	60	00	60	%100

Source: prepared by the researchers based on the results of the form

### 3.3 Tool of data collection:

After reviewing the literature relevant to the study, as well as some of the previous studies and the results obtained and the scales used, on the basis of that, the researcher developed a questionnaire to get to know the reality of the behavior of entrepreneurial orientation. And explain as follows constituent phrases form consisting of 14 questions as follows:

- Phrases from 1-4 concerning the conduct of risk-taking,
- Phrases from 5-9 concerning the conduct of pro-activeness,
- Phrases from 10-14 concerning the conduct of innovativeness

Answers these phrases are designed on the basis of scale Likert quintet, which includes a five-step scale as follows: Very Strongly Agree 5, Strongly Agree 4, Agree to some extent 3, Strongly Disagree 2, Very Strongly Disagree 1.

To judge on the approval of the responses was calculated level term as the latter is equal to the upper limit of the scale-minimum scale, and the range =  $5-1 = 4$ . Cell-range / upper limit of the length scale, and therefore the cell =  $4/5 =$  length of 0.80, then we add the result to the lowest grade in the scale, a 1, becoming the lower and upper boundaries of the areas of the arithmetic mean as described in Table 02:

**Table 02:** mean degree of approval

Mean	degree of approval
[1-800. [	Very weak of approval
[1.80-2.60 [	Weak approval
[2.60-3.30 [	Medium of approval
[3.40-4.20 [	High of approval
[4.20-5]	Too high of approval

**Source:** prepared by the researchersThe discharge data received and analyzed using the Statistical Package for Social Sciences Program SPSS version 19.

- **validity and reliability study tool:**

In order to determine the validity of the form to conduct the study was validity and reliability of this form is as follows test:

- tool sincerity: means the validity of the questionnaire to measure the dimensions of the themes that have been developed, where the relationship has been testing the link between the strength of each dimension and its association axis that belongs are shown in Table No. 03

- tool stability: stability crosses over the stability of the form, where, Cronbach's alpha  $\alpha$  were tested to measure the stability of the form used as a tool to measure in this study in terms of internal consistency, and the results were as shown in Table 03:

**Table 03:** Results of the reliability coefficient and sincerity study tool

Dimensions	Cronbach's alpha coefficient	Reliability coefficient
Risk-taking	0.913	0.955
Pro-activeness	0.876	0.935
Innovativeness	0.924	0.961
<b>Value of all dimensions</b>	<b>0.932</b>	<b>0.965</b>

**Source:** prepared by the researchers based on SPSS output 19

Note from the previous table that the Alpha Cronbach value for each of the dimensions of the form of more than 0.60 which is the lowest value that reflects the internal consistency of the dimensions of the form which reflects the degree of internal consistency of the axes Alastmarh.kma value of the alpha coefficient of Cronbach $\alpha$  = 0.932 for the form as a whole and this is what gives the form a strong degree of consistency qualify it to be a means to gather information.

- **statistical methods used:** for the purpose of statistical analysis and hypothesis testing was used the following statistical methods:

- Percentages to describe the characteristics of the study sample, and to determine their responses to each of the following phrases Entrepreneurial orientation;

## Entrepreneurial Orientation: An Empirical Study of the Perceptions of Higher Managers in Small and Medium-Sized Enterprises in Annaba

-Mean to determine the relative importance of the responses to the study sample after each of Entrepreneurial orientation;

-Standard deviation to the extent of concentration and dispersion of answers about the study sample form phrases;

- Alpha Cronbach $\alpha$  to measure the reliability of study tool;

### 3.4 analysis and discussion of results

- **reality orientation Entrepreneurial description:**

We have been extracting the arithmetic mean and standard deviation and the mean weighted answers for respondents form phrases, and Table 04 summarizes the results were as follows:

**Table 04:** athematic mean

Dimension	Mean	Standard deviation	Coefficient of variation	Degree of approval
Risk-taking	3.21	1.118	34.82	Medium
Pro-activeness	3.43	1.181	34.43	High
Innovativeness	3.07	1.149	37.42	Medium

Source: prepared by the researchers based on SPSS output 19

**Is clear from Table 07 as follows:**

- Medium degree of approval in terms of the realization of the study sample to conduct risk individuals, where the estimated results of the arithmetic mean weighted by 3.21. This result explains that a small and medium-sized enterprise under study opens the door to the introduction of new and creative ideas and trying to apply even simple levels, and even if it carries with it the rate of risk. Also under study institutions in permanent confrontation with the challenges of the work environment and working in situations of uncertainty or uncertainty, and often concomitant risks as well as the possibility of exposure to losses of various kinds, and this has dragged well as its strong tendency towards investment high-risk projects. This result is interpreted by encouraging individuals working in institutions under consideration for the payment of interest and activity around the discovery of citizen awareness of profits which is the basic objective of the small and medium enterprises, and characteristics that are characterized by helping to achieve this.

-high Level approval in respect of proactive behavior, and stresses that the result of the arithmetic mean weighted estimated at 3.43. It is an indication that small and medium enterprises in the study seeks to understand the environmental variables and to identify the changes in the sector in which it operates, also is trying hard to get a competitive position strong through Find seize opportunities and face the threats, and attention is clear customers and meet the current needs and goes beyond research and expectation future needs.

The reason is due to the need to keep up with the new changes and look for ways to enable organizations sat on the rents excellence.

- Medium degree of approval for the realization of the study sample to conduct innovative individuals, and expressed as a result of the arithmetic mean weighted value terms stood at 3.07. This result reflects the lack of sufficient attention to creative innovative activities, institutions under study are not considered a pioneer in the field of activity compared with its competitors, despite its support for research and development and attempts to amendment in the products or services offered or even ask what's new. The reason could be that the nature of the small and medium enterprises place especially for the financial side, which is limited and access to sources of funds are limited or difficult to obtain the study in view of its needs research and development of a lot of money.

#### **4. CONCLUSION:**

The results of this study as follow:

- Prevail manifestations of behaviors Entrepreneurial orientation in small and medium enterprises in the study, and varying convergent and arguing, according to the perceptions of the study sample;
- Reflect the views of the study sample and a clear desire to enter the entrepreneurial world through strong inclination to invest in high-risk projects and without fear of failure;
- Emphasizes the study sample answers their desire to business development in the institutions under study through the development of personnel capabilities and encourage them to put forward new ideas;
- The small and medium enterprises in the study to fortify its competitive position through the monitor developments in the external environment and on customers, competitors and respond to the changes to ensure the survival and continuity;
- Despite the limited possibilities for small and medium enterprises in the study, but they are interested in the field of research and development, in order to gain confidence and satisfaction of customers;
- Institutions under study with the ability to create and innovate and this is reflected in their quest to provide products / modified or new services to meet the current and future needs of customers.

It can be said that the oriented entrepreneurial organizations touted entities incubator for projects and business support and contribute strongly in sustainable economic and social development through the search for new resources and possess substantial capabilities used in generating opportunities through market development and job creation and the introduction of advanced technology to improve goods and services, whether it be within local or international scale, as well as support creativity and innovation.

# Entrepreneurial Orientation: An Empirical Study of the Perceptions of Higher Managers in Small and Medium-Sized Enterprises in Annaba

---

## 5. Bibliography List :

1. ALARAPE, A. (2009). assessing the relationship between the perceived business environment and firm's entrepreneurial orientation. *Ethiopian journal of environmental studies and management*, 2(1).
2. BASSO, O, FAYOLLE, A, & BOUCHARD, V. (2009). corporate entrepreneurship: challenges and new perspectives. *the international journal of entrepreneurship and innovation*.
3. CALLAGHAN, C., & VENTER, R. (2011). an investigation of the entrepreneurial orientation: context and entrepreneurial performance of inner-city. *Southern African business review*, 18(03).
4. LUMPKIN, G., & DESS, G. (1996). clarifying the entrepreneurial orientation construct and linking it to performance. *academy of management review*, 21(12).
5. SCHILLO, S. (2011, novembre). entrepreneurial orientation and company performance: can the academic literature guide managers. *technology innovation management review*, 1(2).
6. VORA, D., JAY, V., & POLLEY, D. (2012, may). applying entrepreneurial orientation to a medium sized firm. *international journal of entrepreneurial behaviour and research*, 18(03).