

# Entrepreneurial Orientation and Performance: An Empirical Research on Christian Entrepreneurs in Dakshina Kannada District, Karnataka

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**Abstract—** In today's turbulent global economy, entrepreneurial activities are deemed vital to the country's nation's development. However, due to globalisation, small and medium-sized enterprises face growing pressure from competition from across the globe. Small enterprises are especially encouraged to implement an entrepreneurial mindset to recognise the company's competitive position in the market to ensure the firm will continue to exist. Entrepreneurial orientation is cited often as an antecedent of organisational performance. This study investigates the entrepreneurial orientation among Christian entrepreneurs in the Dakshina Kannada region and its impact on business performance. The study surveyed 259 entrepreneurs through personal interviews. The outcome of the study infers Christian entrepreneurs in Dakshina Kannada district lacks entrepreneurial orientation. At the same time, our study shows that entrepreneurial orientation positively influences business performance.

**Keywords—**K Entrepreneurial Orientation, Business performance, Christian Entrepreneurs, India, innovation, risk-taking, proactiveness, competitive aggressiveness, Autonomy.

## I. INTRODUCTION

Entrepreneurship generates employment and enhances the economic status of the country [1]–[4]. The growth of enterprises has boosted the livelihood of Indian citizens [5]. Segal et al. (2006) opined that an individual prefer self-employment over being employed. However, business uncertainty accompanied by market complexity has added hurdles for the smaller organisations to compete with the prominent players [7], [8]. Entrepreneurial orientation facilitates the initiation, organising of business, and managing challenges. (Rauch et al. (2009) consider entrepreneurial orientation as "the entrepreneurial strategy-making process that key decision-makers use to enact their firm's organisational purpose, sustain its vision, and create competitive advantage(s)". Kiss et al. (2012) suggested a more methodological approach to enhance the understanding of entrepreneurial orientation in a broader range of cultural and institutional contexts.

Entrepreneurial orientation and business performance have exhibited positive associations [11], [12]. But, conversely,

other studies did not demonstrate any association between entrepreneurial orientation and business performance [8], [13]. Moreover, Hughes & Morgan (2007) observed that entrepreneurial orientation does not influence business performance every time. While the dimensions such as innovation, proactiveness, risk-taking, competitive aggressiveness, and autonomy distinctly affect entrepreneurial performance [14]. The arguments above present conflicting thoughts and necessitate further research to explore the association between entrepreneurial orientation and performance. This study aims to determine the relationship between the entrepreneurial orientation and organisational performance of Christian entrepreneurs in Dakshina Kannada. Our study strengthens the literature on the entrepreneurial orientation of Christian entrepreneurs from an emerging market perspective.

## II. LITERATURE REVIEW

### *Entrepreneurial orientation*

Entrepreneurial orientation refers to the processes, practices, and decision-making activities involved in commencing a new business enterprise [15]. It promotes business performance [8], [14]. Entrepreneurial orientation encompasses three dimensions: innovativeness, proactiveness, and risk-taking [16]–[18]. According to Lumpkin & Dess (1996) innovativeness is the inclination en route to creativity, modernity, distinctiveness and experimentation driving the conception of new products and services. Furthermore, a proactive behavioural approach is essential in foreseeing potential business challenges and making appropriate decisions [19]. The risk-taking ability of the individuals reinforces goal setting and goal pursuit in entrepreneurship despite having hurdles [20], [21]. Self-motivation, confidence, and passion play a decisive role in enterprise creation [22]. In addition, competitive aggressiveness and autonomy have advocated entrepreneurial orientation [14]. Competitive aggressiveness is the business's capability to compete against its opponents and outfox them by executing business strategy [8]. Finally, personality traits such as independence in decision making are needed to promote new business ventures [23]. Researchers predominantly have consented to aggregation these five dimensions while

exploring entrepreneurship orientation [24], [25]. Accordingly, this study considers five dimensions described above for exploring the entrepreneurial orientation of Christian entrepreneurs.

#### Organisational performance

Organisational performance is subject to capital [11], organisational culture and size of the organisation (Rauch et al., 2004), strategic methods [12], and networking skills (Walter et al., 2006). For example, Covin et al. 2006 and Wiklund & Shepherd (2003) indicated superior business performance due to entrepreneurial orientation. In contrast, Dess & Lumpkin (2001) observed poor business performance owing to entrepreneurial orientation. While a study by Covin et al. (1994) did not reflect any correlation between entrepreneurial orientation and business performance. The market conditions and business expertise constitute the moderating variables of entrepreneurial orientation and business performance [28]. Our review of the extant literature on entrepreneurial orientation and business performance revealed inconsistency among the prior studies. Therefore, we presume individual dimensions of entrepreneurial orientation has varying impact on organisational performance. Accordingly, we hypothesises:

$H_1$ : Entrepreneurial innovativeness affects business performance.

$H_2$ : Entrepreneurial proactiveness affects business performance.

$H_3$ : Risk-taking ability of the entrepreneur affects business performance.

$H_4$ : Competitive aggressiveness of the entrepreneur has an impact on the business performance.

$H_5$ : Entrepreneurial autonomy affects business performance.

### III. METHODOLOGY

The authors have followed the descriptive research design for the study. The study followed the survey method to study entrepreneurial orientation. District Industries Centre (DIC) membership list of Dakshina Kannada district served as the sample frame for identifying the respondents. Christian entrepreneurs who are operating their business currently in the Dakshina Kannada district constitute a population of 735. Entrepreneur's responses were obtained through personal interviews using a structured questionnaire was used for this study. Using Solvin's formula, the sample size estimated was 259 entrepreneurs. The authors performed a pilot study to test the content validity, construct validity, and criterion validity before administering to the respondents.

### IV. ANALYSIS AND DISCUSSION

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

TABLE I  
DEMOGRAPHIC AND BUSINESS PROFILE

Particulars		Frequency	Percentage
Gender	Male	213	82.24%
	Female	46	17.76%
	Total	259	100.00%
Age	20-30	4	1.54%
	31-40	32	12.36%
	41-50	151	58.30%
	51-60	59	22.78%
	61-70	9	3.47%
	Above 70	4	1.54%
	Total	259	100.00%
Sect	Roman Catholic	229	88.42%
	Syro-Malabar	1	0.39%
	Syro-Malankara	6	2.32%
	Protestants	23	8.88%
	Total	259	100.00%
Age of the Unit	Less than 5 years	28	10.81%
	5-10 years	86	33.20%
	11-15 years	59	22.78%
	More than 15 years	86	33.20%
	Total	259	100.00%
The nature of the unit	Manufacturing	131	50.58%
	Service	128	49.42%
	Total	259	100.00%

The sample consists of 82.24% male respondents and 17.76% female respondents. Most of the respondents (58.30%) are in the age group 41-50, 22.78% are from 51-60, and a few (1.54%) is from the 20-30 and above 70 age group. The majority of the respondents (88.42%) belong to Roman Catholic, 8.88% belong to Protestants, 2.32% are Syro Malankara, and 0.39% are Syro Malabar. The majority (66.4%) of the business units have more than five years of existence, while 10.81% have less than five years of existence. The study has an almost equal share of responses from the manufacturing (50.58%) and service (49.42%) sectors.

#### Regression analysis to measure the effect of entrepreneurial innovativeness on business performance

Tables II summarises the variables considered under entrepreneurial innovativeness and its influence on business performance.

TABLE II  
EFFECT OF ENTREPRENEURIAL INNOVATIVENESS ON BUSINESS PERFORMANCE

Variables under the innovativeness dimension	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.591	0.215		12.050	0.000
IN: My firm promotes minor changes in existing product line/services offering.	0.024	0.041	0.047	0.600	0.549
IN: My firm strongly emphasise the marketing of tried and tested products/services or R&D Technology rather than innovation	0.173	0.035	0.370	4.916	<b>0.000**</b>
IN: My firm makes minimal investment in new product/service development	-0.039	0.043	-0.060	-0.908	0.365

Among the three factors considered in table 2, the statement "My firm strongly emphasise the marketing of tried and tested products/services or R&D Technology rather than innovation" is found highly significant with  $\beta = 0.370$ ,  $p = 0.000$ . While the other two statements were not statistically significant with a p-value  $>0.05$ . The result implies that the entrepreneurs are comfortable with the existing portfolio of products/services and does not pursue innovation. The adjusted R-squared value for the business performance is  $\beta = 0.135$ ,  $p = 0.000$ . Thus, hypothesis H1 is accepted, i.e., entrepreneurial innovativeness affects business performance but, Christian entrepreneurs lack the same.

#### *Regression analysis to measure the effect of entrepreneurial proactiveness on business performance*

Tables III summarises the variables considered under entrepreneurial proactiveness and its influence on business performance.

TABLE III  
EFFECT OF ENTREPRENEURIAL PROACTIVENESS ON BUSINESS PERFORMANCE

Variables under the proactiveness dimension	Unstandardised Coefficients	Standardised Coefficients	t	Sig.

	B	Std. Error	Beta		
(Constant)	2.534	0.185		13.671	0.000
My firm adopts traditional methods to face the competition	0.047	0.034	0.099	1.384	0.168
My firm does not involve in strategic planning for competitive advantage	0.056	0.041	0.100	1.379	0.169
My firm depends on a self-sustainable model and focuses less on competition	0.070	0.032	0.152	2.196	<b>0.029*</b>

Among the three factors considered in table 3, the statement "My firm depends on a self-sustainable model and focuses less on competition" is found significant with  $\beta = 0.152$ ,  $p = 0.029$ . While the other two statements were not statistically significant with a p-value  $>0.05$ . The result implies that the entrepreneurs are reluctant in confronting the competition and focus on survival in the market. The adjusted R-squared value for the business performance is  $\beta = 0.068$ ,  $p = 0.000$ . Thus, hypothesis H2 is accepted, i.e. proactiveness affects business performance, but Christian entrepreneurs lack the same.

#### *Regression analysis to measure the effect of entrepreneurial risk-taking ability on business performance*

Tables IV summarises the variables considered under entrepreneurial risk-taking ability and its influence on business performance.

TABLE IV  
EFFECT OF ENTREPRENEURIAL RISK-TAKING ABILITY ON BUSINESS

Variables under the risk-taking dimension	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
(Constant)	B	Std. Error	Beta		
	2.348	0.192			
My firm tends to take low-risk projects with a standard and specific	0.057	0.029	0.117	1.958	0.051

rate of return					
My firm encourages employees to adhere to the process and practices of the firm and avoid risk-taking actions	0.164	0.034	0.288	4.836	<b>0.000**</b>

Among the two factors considered in table 4, the statement " My firm encourages employees to adhere to the process and practices of the firm and avoid risk-taking actions " is found highly significant with  $\beta = 0.288$ ,  $p = 0.000$ . While the other statement was not statistically significant with a p-value  $>0.05$ . The result implies that the entrepreneurs encourage risk aversion in their business and follow standard practices. The adjusted R-squared value for the business performance is  $\beta = 0.096$ ,  $p = 0.000$ . Thus, hypothesis H3 is accepted, i.e., risk-taking ability affects business performance, but Christian entrepreneurs lack the same.

*Regression analysis to measure the effect of entrepreneurial competitive aggressiveness on business performance*

Tables V summarises the variables considered under entrepreneurial competitive aggressiveness and its influence on business performance.

TABLE V  
EFFECT OF ENTREPRENEURIAL COMPETITIVE AGGRESSIVENESS ON BUSINESS PERFORMANCE

Variables under the competitive aggressiveness dimension	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.261	0.160		14.119	0.000
My firm typically follow the actions competitors initiate	0.141	0.033	0.296	4.260	<b>0.000**</b>
My firm typically seeks to avoid competitive clashes, preferring a live & let	0.032	0.031	0.070	1.038	0.300

live posture.					
My firm focuses on tackling existing competition rather than exploring new opportunities	0.057	0.031	0.122	1.861	0.064

Among the three factors considered in table 5, the statement " My firm typically follow the actions competitors initiate " is found highly significant with  $\beta = 0.296$ ,  $p = 0.000$ . While the other two statements were not statistically significant with a p-value  $>0.05$ . The result implies that the entrepreneurs follow the prevailing competitors' strategy and does not explore novelty. The adjusted R-squared value for the business performance is  $\beta = 0.158$ ,  $p = 0.000$ . Thus, hypothesis H4 is accepted, i.e., competitive aggressiveness affects business performance, but Christian entrepreneurs lack the same.

*Regression analysis to measure the effect of entrepreneurial autonomy on business performance*

Tables VI summarises the variables considered under entrepreneurial autonomy and their influence on business performance.

TABLE VI  
EFFECT OF ENTREPRENEURIAL AUTONOMY ON BUSINESS PERFORMANCE

Variables under autonomy dimension	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.616	0.137		19.089	0.000
My firm expects the employees to operate within the traditional hierarchy and get the best results.	0.116	0.029	0.250	3.991	<b>0.000**</b>
My firm directs the employees to rely on senior managers to guide their work.	0.072	0.044	0.136	1.648	0.101



In my firm employees are required to follow the decisions of the management	0.006	0.056	0.009	0.116	0.908
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Among the three factors considered in table 6, the statement "My firm expects the employees to operate within the traditional hierarchy and get the best results" is found highly significant with  $\beta = 0.250$ ,  $p = 0.000$ . While the other two statements were not statistically significant with a  $p$ -value  $> 0.05$ . The result implies that the entrepreneurs promote following superiors' orders and discourage employee autonomy from taking critical decisions. The adjusted R-squared value for the business performance is  $\beta = 0.093$ ,  $p = 0.000$ . Thus, hypothesis  $H_5$  is accepted, i.e., entrepreneurial autonomy affects business performance, but Christian entrepreneurs don't advocate the same.

#### V. CONCLUSION

Researchers have generally consented to the deviation in entrepreneurial activity across the world. However, the literature does not evidence universal solutions in promoting entrepreneurship. In the case of India, the government has already launched many programmes to assist Indian entrepreneurs and provide micro-finance, low-interest rate loans to entrepreneurs from low socioeconomic backgrounds. Considering the sluggish economic growth, have the central and state governments succeeded in fostering entrepreneurial orientation among Christian entrepreneurs in the Dakshina Kannada district? The study results suggest that all five dimensions of entrepreneurial orientation, namely innovativeness, proactiveness, risk-taking, competitive aggressiveness, and autonomy, impact business performance. But the Christian entrepreneurs in Dakshina Kannada district lack these five dimensions, and ultimately entrepreneurial orientation.

The study is limited to one coastal district in Karnataka. Further studies in diverse contexts will strengthen the literature. The literature survey highlights the shortage of studies on cast-based entrepreneurship in India. Future studies can focus on exploring entrepreneurial orientation in other religions in India and other developing nations.

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