Review of: "Impact of entrepreneurial orientation on business performance: Analysis of small-medium sized corn enterprises"

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Impact of entrepreneurial orientation on business performance: Analysis of small-medium sized corn enterprises. Review

Introduction

The study addresses the influence of entrepreneurial orientation, captured by the dimensions of autonomy, innovation, proactiveness, risk-taking, and competitive aggressiveness, on SMEs' performance, measured with different perspectives (i.e., financial, market, and quality). The topic is of some interest and relevant nowadays. In this vein, to make your study more interesting, it is important to position, already in the introduction, your study within a current field of research. In that, I would suggest you consider the study of Murray (1971). Within your selected research field, point out the main scholars' contributions, the research gaps, and, therefore, your contribution to addressing the existing research gaps (e.g., see Wales, 2016). Concerning the latter issue, while you well stated that your paper may offer some implications for managing SMEs' in Indonesia, it can also address some theoretical issues, as well, such as extending the scope of current theories on entrepreneurial orientation across different contexts (see Sutton & Staw, 1995). In this vein, it could be interesting to see whether the entrepreneurial orientation scale needs to be adapted to your specific context of the application or not. Moreover, extant studies clarified that the main association between entrepreneurial orientation and firms' performance is mechanisms and context-dependent. Accordingly, you can introduce some mediation variables and environmental level moderators and test the effect of these variables on the entrepreneurial orientation-SMEs' performance association. In this case, your study can address such additional questions on how and under what conditions entrepreneurial orientation will influence SMEs' performance.

Theory

In elaborating your theory, it is necessary to carefully review the literature on your topic of interest. In doing so, I suggest referring to the methodological contribution of Wolfswinkel et al. (2011). Given extant contribution you can then elaborate your theoretical framework, expanding your main effect with additional mediators/moderating variables. For example, the entrepreneurial orientation effect on SMEs' performance may be channeled by introduced innovations in both technical (e.g., new productive processes), organizational (e.g., new organizational designs), and marketing (e.g., new markets) fields. At the same time, you can consider some moderating variables, capturing the characteristics of the entrepreneurs as well as the environment in which the SMEs are operating.

Empirical analysis

In setting up your analysis, it is relevant to define the concept of SMEs. Across different countries and industries, SMEs are defined differently. Secondly, it is important to specify the person to whom the concept of entrepreneurial orientation is applied. It is referred to the CEO, all top managers, or the entire organization of these firms. I believe that these different levels may induce a different effect on SMEs' performance. I also noticed that you collected data through a survey via a cross-sectional design. One problem associated with such a design is the inability to control for endogeneity (see Hamilton & Nickerson, 2003). In other words, it is the entrepreneurial orientation that will influence SMEs' performance or, vice versa, SMEs' performance will trigger different levels of entrepreneurial orientation. One possibility to overcome this problem, without using a longitudinal design, is to observe the entrepreneurial orientation at time T and measure SMEs' performance at time T+1. Another issue is the mono-responded bias (see Donaldson & Grant-Vallone, 2002). To address this problem, you can interview different representatives of each sampled SME, calculate the inter-interviewed agreement, and, accordingly, use your regression average and standard deviation of obtained responses. Finally, the problem of unexplained heterogeneity must be considered (Oster, 2019). In this vein, I suggest adding control variables (e.g., SME size, SME age, SME leverage, and Top managers' education) which are correlated with entrepreneurial orientation and SME performance may drive the main effect.

Conclusions

The current paper version just summarizes the main findings. However, it is important to point out the main contribution of your study, for theory and practice, along with the main study's limitations and opportunities for future research.

Good luck with your research!

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