

## **Employing Multiple Strategic Orientations leading to Enhance the Social Entrepreneurial Orientation, Social Innovation and EP**

### **Abstract**

#### **Purpose**

The primary purpose of this study is to validate an integrative novel theoretical model for assessing the associations among proposed multiple strategic orientations and entrepreneurial orientation (EO) in order to enhance social innovation (SI) and entrepreneurial performance (EP).

The entrepreneurial orientation (EO) construct, has attracted increasing scholarly attention and has become one of the more important constructs in the study of corporate entrepreneurship and management (Hernández-Linares et al. 2018), but as Rodrigo-Alarcón, (2018) referred to the origins of EO remain unclear and researchers should move toward the study of less explored areas to explain and predict EO.

For this fundamental reason, the main aim of our work is to study how the accumulation of our five proposed key essential elements (Social capital, Knowledge management, Learning Orientation, Market Orientation and Technological Dynamism) can promote EO.

In addition, this paper is to demonstrate several strategic guidelines to enterprises in a way that enterprises to obtain EP advantages and SI in a short period of time. Specifically, we provide clear answers to this question that how some firms are more entrepreneurially oriented than other firms?

Owing to the fact that (EO) has been conceptualized and theoretically contextualized as a firm level phenomenon of entrepreneurship (Zhu & Matsuno, 2016) and also as Barile et al, (2017) state that managers can foster actors' participation by developing integrated strategies for managing all platforms and by enabling information and knowledge exchanges, we have selected five components in the base of review of previous researches that proposed infrastructure strategic orientations to enhance (SI) and (EP), which are social capital, knowledge management, Learning Orientation, Market Orientation, and Technological Dynamism).

#### **Originality/value**

Previous studies on EO have been fragmented in that they have explained one or some components to examine the effect on EO. This study provides a holistic view of the components as aforementioned strategies. Also the present study demonstrates the mechanism of comprehensive strategies effect on (EO) and describes how (SI) and (EP) improves through the augmentation of (EO) by aforementioned strategies.

### Research methodology

The study apply the Structural Equations Model as a quantitative method to discover the relationships amongst the variables. A survey instrument will develope in order to test the research model. Data for the study will collect from a sample of the managers of Italian SMEs.

### Research Findings

The development of better methods for the improvement of (EO) is crucial. In this paper, we proposed some strategy to extract more from external resources which enhances their (EO) and we would suggest that managers simultaneously focus on these constructs to achieve superior in (SI) and (EP). this paper is to demonstrate several strategic guidelines to enterprises in a way that enterprises to obtain EP advantages and SI in a short period of time.

### Research implications

This study has provided insights to (EO) for researchers because it explains the integrated infrastructure strategies that can to enhance the outcomes.

Moreover, Despite the extensive literature linking EO to firm performance (Sciascia et al., 2014), only a few studies have analyzed its antecedents (De Clercq et al., 2013), Therefore, the business managers can embrace our new research model as a way to enhance the organization's Entrepreneurial Performance. This study attempts to advance the Social Innovation and Entrepreneurial Performance through EO.

### Practical implications

In order to manage rapid change and global competition in business environments, Researcher and Managers should create new business opportunities and continuously question what and how they can contribute to these chances. Firms will be aware of external environment and new changes in customers' needs and so will be more innovative and perform better. In this regard, this paper is to demonstrate several strategic guidelines to enterprises in a way that enterprises to obtain EP advantages and SI in a short period of time. Specifically, we provide clear answers to this question that how some firms are more entrepreneurially oriented than other firms?

**Keywords:** Social capital, Knowledge management, Learning Orientation, Market Orientation and Technological Dynamism,(EO), (EP), (SI).

### Research Hypotheses:

**1. Social capital :** SC refers to resources derived from social relationships (Payne et al. 2011). SC is a key element for the development of entrepreneurial behavior, promoting access to resources, markets, and technologies (Rodrigo-Alarcón et al. 2018). Nahapiet and Ghoshal (1998) defined social capital as a valuable asset of individual network structure and synthesize it into three main dimensions: cognitive, relational, and structural. SC can be considered to be a strategic resource as it is unique, difficult to imitate, and invisible to competitors (Stam and

Elfring, 2008). To the extent that research on social capital in entrepreneurial orientation has dealt with inter-personal relations, it has typically either been assumed to be endogenous to network structure (Liu, 2013) or an independent predictor (De Clercq et al., 2013; Stam and Elfring, 2008). With respect to cognitive social capital having common norms and goals favors the exchange of valuable information (Tang, 2010), which promotes an EO (Rodrigo-Alarcón et al. 2018). Hence, **H1 . SC has a positive Effect on SEO.**

**2. Knowledge management** : KM, refers to a vendor's accessing diverse knowledge from customers and applying that knowledge to services and products that can be the source of a sustainable competitive advantage in the night market (McEvily, 2002) and general applicability to enhance innovation (Liu et al., 2014). This study uses two variables to measure knowledge management: knowledge diversity and knowledge application, both reflect innovation and are widely used in existing studies (Arnold et al., 2011; Chen and Huang, 2009). Knowledge, might be an important source of EO that drives a firm's strategic orientation, allowing it to respond to new opportunities and environmental changes (Wiklund and Shepherd, 2003). Knowledge, permits the firm to predict the dynamic environment more accurately, anticipate future trends of commercial potential, and evaluate the appropriateness of strategic and tactical actions (Hoarau and Kline, 2014). Hence, **H2 . KM, has a positive Effect on SEO.**

**3. Learning Orientation** : LO, defined as a set of organizational values that indicate the propensity of firms to create and use knowledge (Hanvanich et al. 2006), has been found as leading to enhanced EO (Han et al. 2013). Hence, **H3. LO, has a positive Effect on SEO.**

**4. Market Orientation** : MO, defined as the set of cross functional processes and activities directed at creating and satisfying customers through continuous needs-assessments (Deshpandé & Farley, 1998), has been found to boost EO (Liu, Luo, & Shi, 2003). Hence, **H4 . MO, has a positive Effect on SEO.**

**5. Technological Dynamism** : TD, refers to the perception of swift changes in the technological development of the industry in which the firm is immersed (González, López-Sáez, 2015 ). Technological dynamism, forces firms to change products and markets or market segments to retain their competitiveness (Sciascia et al., 2006). In addition, TD encourages managers to engage in more proactive behavior to reach new market segments and anticipate the entry of new rivals (Simsek et al., 2010). Technological dynamism, encourages managers to develop an EO, exhibiting higher innovativeness, proactiveness and risk-taking to face continuous changes and to detect and exploit the opportunities arising in the environment (M. García-Villaverdea et al. 2018). Hence, **H5 . TD, has a positive Effect on SEO.**

**6. Social Entrepreneurial Orientation**: SEO, is a strategic behavioral orientation aimed at resolving social market failures and creating greater social value to maximize social impact (Dwivedi and Weerawardena, 2018). We use six dimensions of SEO (innovativeness,

proactiveness, risk management, effectual orientation and social mission orientation) that this six dimensions adapted from the literatures on SE (Weerawardena et al. 2010 ;Weerawardena & Sullivan Mort, 2006).

**7. Social innovation:** SI, refers to the generation and implementation of new product/service ideas for addressing social problems (Dwivedi and Weerawardena, 2018). The primary strategy for social value creation is social innovation (Weerawardena & Sullivan Mort, 2012). SI, Comprising service and product innovation as separate dimensions (Weerawardena, 2003). Social Innovation specify as a outcome of SEO. Dwivedi and Weerawardena, (2018) also find support for SEO has positive influence on social innovation that lead to social value creation. Hence, **H6: SEO, has a positive Effect on SI.**

**8. Entrepreneurial performance:** Despite the extensive literature linking EO to firm performance (Avlonitis and Salavou, 2007, Sciascia et al., 2014), only a few studies have analyzed its antecedents (De Clercq et al., 2013, Kyrgidou and Spyropoulou, 2013). Understanding the relationship between entrepreneurial orientation and entrepreneurial performance is an important research topic (Gao et al. 2018). Some papers found that entrepreneurial orientation can significantly improve entrepreneurial performance, especially in the initial stage and the growth stage (Covin and Slevin, 1989; Wiklund and Shepherd, 2003; Wiklund and Shepherd, 2005). Different meta-analyses have confirmed the positive effect of EO on firm performance (Rauch, Wiklund, Lumpkin, & Frese, 2009; Rosenbusch, Rauch, & Bausch, 2013), emphasizing the need for firms to promote EO to face challenging and volatile environments and achieve success (Wang, 2008). Hence, **H7: SEO has a positive Effect on EP.**

**Research Model:**

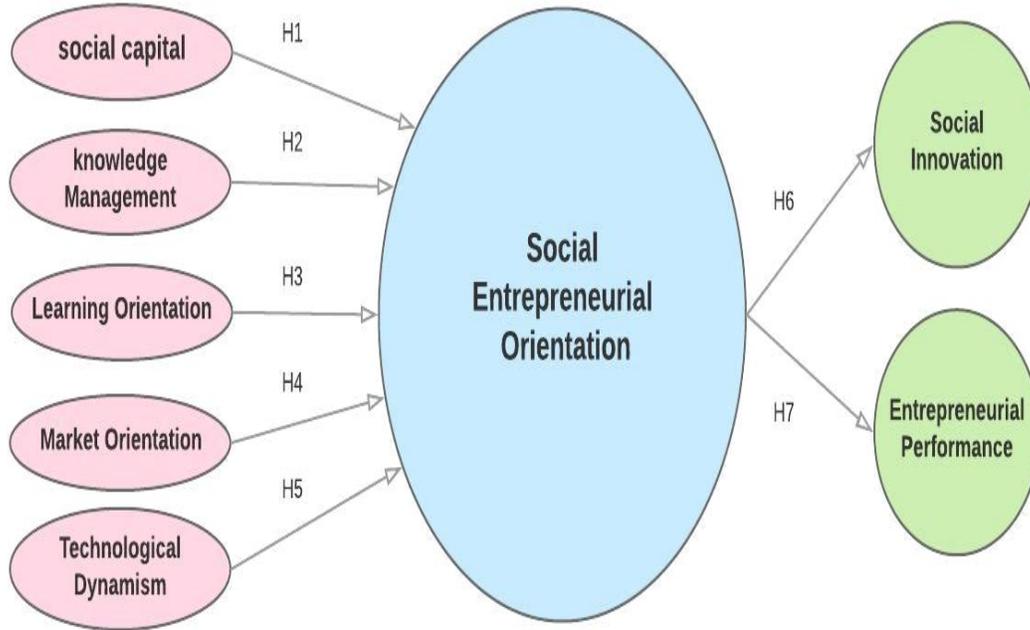


Fig. 1. Proposed Research Model

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