The Impact of Entrepreneurial Orientation, Strategic Capabilities, Management Style, and Growth Focus on Firm Performance

Ananda Mukherji, Texas A&M International University
Jyotsna Mukherji, Texas A&M International University
Peter Wright, The University of Memphis
Syed Hasan, George Mason University

EXECUTIVE SUMMARY

This paper extends existing concepts of entrepreneurship and develops a model that is tested. Work in this area lacks solid, testable theory and suffers from a lack of modeling. One critical shortcoming is the mixing up of research on entrepreneurs (who bear risk) with research on entrepreneurial employees (who do not bear risk). This conflation of the two very different and distinct concepts is not helpful in understanding the risk-bearing entrepreneur. There should be separate studies of entrepreneurial employees as it is not useful to mix up risk-bearing principals with agents who are paid employees. In this research, four entrepreneurial dimensions are developed and their impact on performance is tested on a sample of 167 entrepreneurial firms. Entrepreneurial orientation and strategic capabilities, as exogenous variables, appear to impact an entrepreneur's management style. Management style and an entrepreneur's growth focus, both mediating variable, then impact performance. The conclusion section discusses the shortcomings of current theorizing in the area of entrepreneurs and entrepreneurship and indicated future research areas. The limitations of this research are also highlighted.

Keywords: orientation, Strategic capabilities, Management style, Growth focus, Performance