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PhD Dissertation

**Entrepreneurial Orientation Impact on SMEs' Success in
Developing Countries
-The case of healthcare sector in Macedonia**

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Abstract

Newborn firms frequently face difficulties to survive the high mortality rates in first years of operations, especially in developing countries as their initial environment. Therefore, it is vital to develop an understanding of the complex mix of factors that affect business success in developing countries beyond the phase of initial financing. This study focuses on the entrepreneurial orientation strategy as significant firm-level phenomenon and its impact on business success in the specific context of developing countries. More precisely, the study has examined the dynamics of the five entrepreneurial orientation dimensions and their direct impact of firms' success, therefore elaborating risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness, under the moderating influence of limited resources and unfavourable entrepreneurial culture and position of immature market and unexploited profit opportunities. Multiple-case research strategy has been applied in order to examine the twenty propositions derived from the proposed theoretical framework. Participant companies have been part of the private healthcare sector in Macedonia, as one of the most prosperous and significant in the transition processes of the country throughout the years. Interviews with the founders have been supplemented by a quantitative examination of entrepreneurial orientation phenomenon among the members of the teams within the companies. Study results have indicated relatively low negative influence of the entrepreneurial culture and limited resources over the entrepreneurial orientation dimensions and the business success correspondingly. Nevertheless, the research has attributed a highly positive impact of the immature market position and the surrounding unexploited business opportunities. Overall, the study has provided valuable context-specific results that might guide managers in structuring strategies and operations that better suit local conditions and avoid adverse consequences.

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List of abbreviations

EO	Entrepreneurial orientation
EU	European Union
GEM	Global entrepreneurship monitor
SME	Small and medium sized enterprise
USA	United States of America
R&D	Research and development
GDP	Gross domestic product

Chapter 1: Introduction

“People living in the first decade of the twentieth century did not know modern dental and medical equipment, penicillin, bypass operations, safe births, control of genetically transmitted diseases, personal computers, compact discs, television sets, automobiles, opportunities for fast and cheap worldwide travel, affordable universities, central heating, air conditioning . . . technological change has transformed the quality of our lives.” Lipsey et al. (2005)

In fact, the quality of people’s life has been modified by the entrepreneurs who had the courage to turn the inventions into innovation, making them widely accessible, while looking for profit generation, profit maximization and filling monetary gaps in national economies.

1.1 The importance of entrepreneurship for developing countries

Despite the extensive research that has explored entrepreneurship and its revolution through decades, no specific theory has focused on entrepreneurship dimensions in developing countries as a separate field of interest. Even though the relationship between entrepreneurship and growth is among the most frequently discussed and analysed in the literature, the outcomes of these analysis seen to vary widely.

One side of the critical review reveals that the importance of entrepreneurship for countries’ development and growth is irrelevant and might even have a negative association. The supporters of this line of thinking argue that entrepreneurs in developing countries often are part of micro and small companies operating in the informal sector, in which way have little effect on poverty alleviation and growth. This pessimistic view on entrepreneurial role for development continues by adding additional emphasis on the unconstructive outcomes of all the programs and supporting policies for increasing entrepreneurial potential in developing countries. In fact, authors argue that general policy to increase number of entrepreneurs in developing countries may result in increasing the number of low ability entrepreneurs, which would additionally

degenerate the image of true entrepreneurship in the countries by losing trust by the banks and financial institution and creation of unfavourable entrepreneurial climate for potential young and innovative entrepreneurs. Namely, greatest concern among researchers has shown to be the lack of significant statistical evidence of whether entrepreneurship contributes to economic growth as a result of weak coordination of definitions, time-periods, quality of data and estimation methods in research, Naude (2010).

Still, it is of high relevance to acknowledge that even though there is no full consensus on the high entrepreneurial contribution to countries' economic growth and development, supporters for the positive relationship between entrepreneurship and growth are numerous. Specifically, several authors had arduously and systematically documented empirical evidence confirming that entrepreneurship and small firms (perceived as vehicles for entrepreneurial realization) are of exceptionally high importance for developing countries, especially in the structural transformation of countries from low income, agricultural based, into high income, technology based societies (Naude, 2008, Wennekers and Thurik, 1999).

1.1.1 Economic perspective towards entrepreneurial evolution

The evolution of entrepreneurial importance differs among countries. The entrepreneurial capacity of the economy has dramatically changed over the past decades as well. Different development strategies have been applied by the governments of developing countries, especially in the early stages of the transformational process.

Audretsch et al. (2006) analyzed this process through three historical periods. The earliest post-war Solow's capital economy has not shed bright light on entrepreneurship (small businesses and start ups) due to the focus of his model on capital investment and labour which seemed to be deployed most efficiently by large organizations. In Romer's knowledge economy, where the predominant importance of knowledge has come on stage, small firms and start ups has again been brought to margin in their contribution to growth, simply because of their (mainly financial) inability to invest in knowledge. However, besides the authors' view that benefits of globalization and knowledge spill-over will be enjoyed only by big firms, in the mid 1970s, small firms began to increase their importance in USA, as well as in Europe, present through increase in GDP per firm and increase in gross job flows. In 1990s, entrepreneurship has re-

emerged its role to economic growth mainly based on technological change, competition, flexibility for labour diversification, personalized products preferences, increase importance of innovation and ability to absorb and commercialize knowledge produced outside the firm.

Moreover, Naude (2011) elaborates the entrepreneurial transformation through the lances of development economics. The author divides this process into three phases. The first, post-war period (indicated as Development consensus), presents the period where the industrialization of poor economies had the central role, celebrating the important role of government intervention, while failing to recognize the potential of entrepreneurship. This exposed importance of the government interventions starts to fail at the next phase of Washington consensus, recognizing that state creates obstacles to entrepreneurship and even incites unproductive activities. On the other hand, this period (1980-2000) is seen as evolutionary when it comes to entrepreneurial significance. The third post-Washington phase brings back the importance of institutions, as well as democracy, globalization and allocation and incentives for entrepreneurial talent.

Furthermore, concerning industrial policies, few basic approaches of industrial policy have been prominent. Many developing countries documented a sharp trend toward import substitution strategy - a process of industrialization by producing previously imported goods for the needs of domestic market. However, since no evident success has been reported as a result of these policies, many developing countries have approached the export promotion strategic actions. Nevertheless, none of the implemented industrial policies and strategies has shown to be sufficient for achieving a decent economic development. It is also implicit in the literature that these approaches have resulted in greater government intervention and market distortion, while eliminating the significance of the entrepreneur for the desired economic results, Act and Virgill (2009). While such state interventions and approaches may be perceived as constrain on entrepreneurship, they are generally motivation for the natural process of real entrepreneurial processes to begin.

Additionally, another hypothesis in the literature also confirms that small and medium sized businesses should be the base for development of transition countries by acting as a central cornerstone for the industrial policies, especially in accelerating the process of reallocation of resources from the public to the private sector, Levitsky (1996); Kolodko (2000). In this line of thinking, as large firms from the public sector have been going through the process of restructuring and privatization, a great number of small and medium firms became necessary to

absorb the laid off labour and provide additional employment for the new entrants on the labour market.

After failed attempts for economic advancement by pursuing import substitution and export promotion strategies, as well as after the privatization phase in transition economies, governments in developing countries have turned to providing an enriched entrepreneurial environment, a climate that supports SMEs by encouraging and supporting business start-ups and welcoming foreign direct investments. Although elaborated through different perspectives, the authors agree on low recognition of entrepreneurship during the post-war period, as well as on its increased place on the stage after 1980s when globalization and changed attitude toward entrepreneurship has made its influence.

1.1.2 Contemporary entrepreneurial benefits to national economies and societies

Entrepreneurship has proven to be important for successful economic transition of developing countries, national development, innovation and employment expansion. Moreover, true entrepreneurship is significant not only for satisfying economic growth needs and fill of monetary gaps in society, but also for improvement of citizens' status and well being. With the involved investments, innovations and creation of new markets, entrepreneurship contributes highly to enlarging people's choices, leading directly to improvement in human development. Thus, drawing on the human development index insights, one may conclude that the improved public health measures, the easier access to internet and education and hard fight against corruption and similar economic policy matters would certainly result in increased life expectancy, better educated nation and higher GDP of the country.

Acting as a catalyst for change, benefits from the entrepreneurship are certainly more than monetary and general. The new profession as entrepreneur brings greater independence in people's existence, positive change in lifestyle, a sense of identity and achievement, social prestige and most often considerably higher job satisfaction compared to wage employment.

As employment rates in developing countries are relatively low, a very often route for exit of unemployment has shown to be the self-employment, which is often the most desirable outcome of supporting entrepreneurial programs and policies. The role played by the self-

employment, measured through the self-employment ratio (defined as the proportion of the labour force who are self-employed or business owners) in the process of evaluation of entrepreneurship is enormous. However, while literature outlines the significance of self-employment as catalyst benefit from entrepreneurship, research in developing countries acknowledges that the increase in self-employment contributes to economic growth over the short term, but has negative effects on development in long term horizon, Adusei (2016). A logical thinking behind this conclusion is the overemphasised supporting entrepreneurial policies and pervasive attraction of low ability entrepreneurs. Respectively, as detailed by Quatraro & Vivarelli (2004), this type of “survival-driven” entrepreneurs, which very often decide to stay small and informal, makes their contribution to the performance of developing countries relatively controversial and fragmented.

However, besides the assumed “artificial” unemployment rate reduction, small businesses often emerge as a result of act upon a perceived opportunity on the market. What has been less anticipated is the fact that markets in developing countries are often less mature, offer more available opportunities and face reduced competitive threats compared to markets in developed countries. A range of training programs assist in generating new ideas of potential entrepreneurs and the more comprehensive programs add some type of financial aid for idea realization. Thus, drawing on the positive entrepreneurial insight, the positive effects that innovative entrepreneurs bring to the countries’ development should not be unfairly neglected.

Therefore, entrepreneurial orientation strategy has been considered as highly important for support and persuasion of successful entrepreneurial processes. Established as a firm-level phenomenon, it emphasizes the existence and importance of the firm-level entrepreneurship. Through a dynamic combination of its five strategic dimensions (risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness), it allows businesses to act confidently upon the screened unmet opportunities.

Massive stream of literature focusing on entrepreneurship, as well as numerous empirical evidence and examples, show that the role played by innovation in the development processes of countries is of utmost importance. Lipsey et al., (2005), provide best evidence for this claim by stating: “people living in the first decade of the twentieth century did not know modern dental and medical equipment, penicillin, bypass operations, safe births, control of genetically transmitted diseases, personal computers, compact discs, television sets, automobiles,

opportunities for fast and cheap worldwide travel, affordable universities, central heating, air conditioning . . . technological change has transformed the quality of our lives.” In fact, the quality of people’s life has been improved by the entrepreneurs who have been brave enough to turn the inventions into innovation and have made these innovations accessible, while looking for profit generation and profit maximization. It should be clearly acknowledge that the level of innovation significance and appreciation differ from country to country, mainly as a result of different level of development. If one is aware of the fact that greater innovation means higher national development, developing countries in their path to advancement should absolutely impose a full commitment to innovation processes.

The advantage of developing countries in terms of innovation and its contribution to healthy entrepreneurial activities and growth is the level of radical innovation that is acceptable for the market and the related country. In this view, whereas in advanced economies with intense competition and frequent research and development (R&D) activities, it is expected to introduce a kind of radical innovation in order to make competitive advantage, the situation in developing countries considerably differs. In lack of financial strength to take the leading position with cutting edge R&D outcomes, entrepreneurs in developing countries mainly develop technological absorption capacity and enter the domestic market by introducing innovation that are new for the country, rather than new for the global market. Available literature seems to support the view that this kind of innovation may play an important role in technological upgrading and efficient allocation of production factors, Naude (2011); Damanpour and Evan (1984); Damanpour, (1991).

Entrepreneurship in developing countries may not be observed in isolation of specifics of its surrounding; therefore lots of issues remain to be resolved. The answers are to be found in the market capacities of developing countries, countries’ regulations and labor capacities issues. Developing-country markets are often small, with series of imperfections as lack of infrastructure, low purchasing power and lack of institutional support for entrepreneurs. Therefore, drawing on this insight, incentives for domestic entrepreneurs to radically innovate are minor. The strength of law and regulation in the counties is of utmost important since without regular property rights and contract enforcement protection, entrepreneurs would challenge the investment in any kind of innovation. And finally, in order innovations and entrepreneuris

processes to occur, a wide range of diverse, knowledgeable and specialized labor is necessary, which developing country-markets are rarely able to provide.

Besides the positive effects on economic and social development in developing countries and the increased number of SMEs in these countries, entrepreneurship and SMEs have never reached their full potential and accomplish the goal of evident social and economic advancement.

As far as industry dynamics in developing countries are concern, they show not very favourable results regarding new business start ups. In fact, Johnson (2005) show substantial evidence that more than 50% of the new firms in developing countries exit the market within first five years of performance. This calls for the urgent intervention and supportive activities that would reduce start-up failure. Therefore, it is vital to develop an understanding of the complex set of developing countries circumstances and barriers under which entrepreneurs and their businesses need to operate. Consequently, policymakers often see the support of small businesses in developing countries as a driving force for business survival, success and growth, as well as step toward elimination of the high unemployment, lack of innovative activities, and revolution of low income households in developing countries.

1.1.3 Defining the concept of entrepreneurship through theoretical perspective

Definition and analysis of entrepreneurship are naturally expected to find their place in the history of economic theory. However, economic theory has relatively little to say about entrepreneurship, due to the difficulty to fit in with the mainstream economic models that proven useful for other purposes. Therefore, economists that tried to incorporate entrepreneurship into these conventional economics, had to either find innovative ways to integrate entrepreneur into the functional economic models, or even to find alternative ways to explain how the economy and the entrepreneurship function, Swedberg (2000). Summary of the theoretical perspective toward entrepreneurship is presented in Table 1.

The term of entrepreneurship has been used and defined along with the practice of trading, or even simple production and sale of goods related to agriculture, art or even farming. The simplest definition comes from Cantillon's theory who uses the term "undertaker", and points that anyone who invests (in the sense of acquiring and employing resources) with the

Author	Year	Definition	Main concepts
Cantillon	1755	"Anyone who invests (in the sense of acquiring and employing resources) with the purpose of selling goods in the future at an uncertain price is an entrepreneur"	"uncertainty" "judgmental nature of the entrepreneurial activities"
Frank Knight	1921	"Uncertainty is result of agents possessing partial knowledge (incomplete information) of the unique events in the external reality that are part of the entrepreneurship." " business decision making process relies on uncertainty and is based on "judgment", "common sense" and "intuition", rather than a formal process of logic."	"uncertainty" "judgment", "common sense" "intuition"
Shumpeter	1930	"Function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry."	"agent of change" "innovation" "entrepreneurship happens when economy is in a state of equilibrium"
Fredrich von Hayek	1945	"Introduction of the importance and use of practical knowledge in the entrepreneurial theory." "Not previous knowledge one may have, but actually the practical new knowledge created through the process of entrepreneurship"	"practical knowledge" "discovery process"
Israel Kirzner	1973	"Entrepreneurship consists in the perception of previously unnoticed profit opportunities, where "opportunities" are essentially synonymous with arbitrage possibilities" opportunities are actually market errors that need to be corrected, and only after enough competitors appear to eliminate those opportunities, the market will move toward true equilibrium"	"unnoticed profit opportunities" "market disequilibrium"
Ronald Burt	1992	"Individuals who have social connections with individuals who are also mutually connected are not likely to have sound social capital"	"social capital" "networks"

purpose of selling goods in the future at an uncertain price is an entrepreneur, Cantillon et al., (1755). The focal point in his definition is the uncertainty and the judgmental nature of the entrepreneurial activities. However, Cantillon's theory is not in the same lineage as Schumpeter's "creative destruction". As most dominant figure in the field of entrepreneurship research, Shumpeter explains that the function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry. In his studies, he demonstrated that the entrepreneur represents the agent of change inside an economy and that by its actions economic growth can be achieved, Shumpeter (2003). Accordingly, Shumpeter's work in early 1930s has been devoted mainly to the entrepreneur's role of innovation, change and contribution to development, supporting the view that actions of entrepreneurship happens when economy is in a state of equilibrium. As remarked in the work of Shumpeter (2003), although multidisciplinary in his approach, Shumpeter has produced the first competent history of entrepreneurship in the economic theory. After Shumpeter, Austrian economist Frank Knight, building on the work of Cantillon, raised up again the significance of the concept of uncertainty in the entrepreneurial definition framework. Knight explains that uncertainty is result of agents possessing partial knowledge (incomplete information) of the unique events in the external reality that are part of the entrepreneurship. The author further explains that business decision making process relies on uncertainty and is based on "judgment", "common sense" and "intuition", rather than a formal process of logic, Cosgel and Langlois (1993). According to Knight, entrepreneur is given the function to assume a risk associated with uncertainty, Thurik and Carree (2002). Furthermore, while in the work of Shumpeter the entrepreneur is proudly wearing the crown of dynamic innovator, in the studies of Knight the entrepreneur is assign to the role of "residual uncertainty-bearer", Martin, (1979).

Moreover, according to the theory of Israel Kirzner, entrepreneurship consists in the perception of previously unnoticed profit opportunities, where "opportunities" are essentially synonymous with arbitrage possibilities, McCaffrey (2013). As Kirzner explains in his book, *Competition and Entrepreneurship* (1973), undiscovered profit opportunities are actually market errors that need to be corrected, and only after enough competitors appear to eliminate those opportunities, the market will move toward true equilibrium, Entrepreneur (2010). At his stage,

Kirzner's work is completely contrary to the Shumpetarian equilibrium destruction. The entrepreneur in Kirzner's studies is assigned with a role to create by the state of disequilibrium in the economy and his activities ensure tendency towards equilibrium, Khalil (2007). As Entrepreneur (2010) has remarked on behalf of Kirzner's thought: "*It is the restoration not the disruption that is brought about by the entrepreneur*"

A more practical approach has been made by neo-Austrian economist Friedrich von Hayek, introducing the importance and use of practical knowledge in the entrepreneurial theory. Namely, Hayek addresses the significance not of previous knowledge one may have, but actually the practical new knowledge created through the process of entrepreneurship. In his work, he points to entrepreneurship as a "discovery process", Swedberg (2000). Von Hayek's aim of pointing out the implication of practical knowledge represents an important step in the evolution of entrepreneurship's research towards more practical perspectives, Dorin and Alexandru (2014). While Hayek supported the importance of knowledge in the process of entrepreneurship, Ronald Burt introduced the significance of social networks. Burt has devoted almost his entire career on analyzing social capital, therefore in his book from 1992, *Structural Holes*, he clearly points that individuals who have social connections with individuals who are also mutually connected are not likely to have sound social capital, Chollet (2010). In his work, he further explains that these people are spending time and energy maintaining connections that are redundant in terms of providing novel or useful information or resources. He adds that the presence of these redundant ties limits opportunities to broker relationships between others. Individuals who connect otherwise disconnected people are not so constrained and their connections can provide non-redundant information and resources, thus, they have more social capital, Burt (1992). It may be remarked that the evolution of entrepreneurial theory is evidently moving toward practical dimensions.

In his famous entrepreneurial classic, *Innovation and Entrepreneurship*, from 1985, Peter Drucker has given tremendous insight from an innovative opportunity and entrepreneurial management standpoint. He supports the view that entrepreneurship is the driving force of any society, and together with innovation they should be the core of all activities in any organization, economy and any society. As he pointed in his book: "Innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth", Drucker (1985, pp.27). His work is purely devoted to creating change by innovation, which is

supposed to be the foundation of entrepreneurship. He even gives a closer definition that entrepreneurship is “organization creation” when it is connected to anything that is new (new process, new product, technology or idea), Gartner (1985). Drucker revolutionized the entrepreneurial theory to a level where it fits more practically within the modern entrepreneurial economy. Furthermore, another economist with a significantly high contribution to entrepreneurial theory and persistent effort to give the entrepreneur a key role in mainstream economic theory is William Baumol. He has been highly respected for his work on the importance of institutions and incentives for allocation of entrepreneurship. In his theory, entrepreneurship exists in any society; however, while it may be productive in some, it may be unproductive or even destructive in others where often entrepreneurs make profit at the expense of other citizens in the society, Baumol (1993). This is the ground on which Baumol continues to work on, in order to specify the right incentive for productive entrepreneurship. In his studies, he supports Schumpeter and argues that it is the innovation, the human creativity and productive entrepreneurship to combine resources in a profitable ways. As analyzed in the study of Rocha (2012), it is the institutional environment that encourages productive entrepreneurship together with the human experimentation that leads the society to growth.

All of the mentioned eminent authors have provided a significant contribution toward definition of entrepreneurship through the past decades. Although the change in the economy through the years may have changed the level of importance of the theories mentioned, none of the theories have diminished completely, and they all find their place in different stages in economic development and activities. Furthermore, in this paper, we will use these theories as a ground base for delivering the factors that lead the small firms to succeed in developing countries. More specifically, as foundation for the conceptual theoretical framework that presents the entrepreneurship perspectives in developing countries we rely on Kinzner’s entrepreneurial theory who specifically underlines the importance of unnoticed market opportunities; Knights’s view that emphasises that entrepreneurship processes relies on uncertainty and Schumpeterian focus on “agent of change”. Ultimately, the derived entrepreneurship theory for this study follows:

“Entrepreneurship perspectives in developing countries rely mostly on unexploited business opportunities that are waiting for entrepreneurs to take actions with high level of uncertainty and act as agents of change in their society”

1.2 Factors that influence the success of new entrepreneurial venture in developing countries

Shining light on the entrepreneurial history and evolution, one may conclude that entrepreneurship has finally gained a momentum in the modern national economies. Since most often entrepreneurship is connected to new venture start ups and SMEs performance, the importance that is given to these phenomena in the contemporary societies is enormous. As a result, governments, national agencies and different structures of international institutions offer a wide range of supporting entrepreneurial programs, generally comprising of financial grants, micro financing and other forms of start-up financing schemes. The effects of these financial programs seem to be positive in a sense of increased percentage of new ventures emerging on the markets. However, in a long run (and even in a period of 1-3 years), the survival rate of these new ventures is terrifically low. Studies show that more than 50% of the subsidized new ventures fail within first year of performance (Audretsch et al., 1999; Johnson, 2005).

A valuable explanation for this issue is presented through the “liability of newness” hypothesis introduced by Stinchcombe (1965), analysing the fact that the younger the organization, the greater the risk of experiencing failure. Integrating psychological perspective into an economic study, the author explains how the issues of newness affect the degree of success liability. In fact, Stinchcombe (1965) tends to emphasise the cost of lack of experience in organizational and team sense. In this regard, the author indicates that the new organisations posture new roles that need to be learned, most often without the presence of skilled role model that might be followed. This learning and experiencing processes may undoubtedly lead to a period with little or no work efficiency, no innovativeness and inability to move forward. In organizational perspective, the liability of newness is presented through the inexperience in dealing with pressure and conflicts, lack of stable decision making criteria and routine procedures and relatively low generalized loyalty to the firm. Furthermore, the author outlines a clear correlation between the trust in new and existing organizations. In the new firms most often the employees at all levels are practically strangers, so trust among the employees has yet to be developed. Establishing trust and respect among colleagues is crucial for sharing and accepting ideas, working toward set organizational goals and delivering high end performance. The third problem arising from the newness of the organizations is the lack of established client base, a

share of the target market that would know their products, trust their quality and believe in the convenience of the service they pay for. However, it took more than elaborating the statistics and the insights of “liability of newness” hypothesis to explain the motivation for choosing the infant period of SMEs for further examination in the study. Being aware of the fact that national economies are driven forward mainly by the push of small and medium size companies, it surely means increasing number of new business ventures, but at the same time business sustainability and business growth.

A widely spread question in the entrepreneurial research field is how can newborn firms survive the high mortality rates in first years of performance? While these debates have never been satisfactory resolved, we consider relevant to draw attention upon the fact that it is vital to develop an understanding of the complex mix of factors that affect SMEs success beyond the phase of initial financing. Raising the assumption that the initial financing of the new business is secured, we will briefly elaborate the factors that affect new businesses in order to sustain its position at the (competitive) market, giving special emphasis to the importance of entrepreneurial orientation strategic construct, framed by the dimensions of risk taking preferences, incorporation of innovativeness, proactivity, delegated autonomy and competitive aggressiveness on the market.

The literature on theories of entrepreneurship yielded a number of key insights concerning the factors that affect the success or failure of new business. For instance, the importance of “uncertainty” for entrepreneurship has been observed in many different contexts. Starting from the very first definition from Cantillon in 1755, the “uncertainty” momentum in the entrepreneurship flows through the theories of Shumpeter and Knight, acknowledging that it is the uncertainty, the judgment and the intuition that are important for entrepreneurship rather than the formal process of logic. The most prominent Shumpetarian theory emphasises the significance of “innovation” for the entrepreneurial processes, complementing the notion with other forms like “reform” and “revolutionize”. In the theory of Shumpeter, the role played by “innovation” in the business success is of utmost importance. Furthermore, Kirzner in 1973 introduced the importance of “practical knowledge” gained through the process of entrepreneurship as predominant factor for entrepreneurship existence. Later, Ronald Burt initiated the importance of “social capital” and “social network”, followed by the Baumol’s

emphasis on the importance of “institutions” and “institutional environment” as well as the “incentives for allocation of entrepreneurship” and business start up.

Even though no uniform framework of factors that affect new business success is provided by the literature of entrepreneurship theories through the past decades, still the best clues for contemporary entrepreneurship activities come exactly from the roots of its definitions and theorization. These authors have certainly set a fertile ground for the entrepreneurship literature and research. Based on their views, factors for entrepreneurial success have been studied and analysed extensively and grouped in different patterns, most often dividing them into internal, organizational and external factors.

Researchers tend to emphasise the significance of internal business factors as key determinants of business success since these are the factors that entrepreneurs has the ability to manage, modify and control, (Van Auken et al., 2006; Baum and Locke, 2004; Littunen and Virtanen, 2009) Having full understanding of the internal characteristics of the business might even assist in the choice of future outward business activities and decisions like the exact sector to enter or the level of financial leverage. Personal traits of the entrepreneur, previous sector experience, ability to deal with uncertainty, devotion to innovation, ability to screen profit opportunities, practical knowledge, personal social network and incentives to start a business are the most essential internal factors that create or hamper the path to success on the market.

However, another school of thought is that new firms do not emerge and grow because heroic, talented and visionary individuals (entrepreneurs) created and develop them but because they are located in an environment or "ecosystem" made of private and public players, which support and sustain them, making the operations of entrepreneurs easier, Claire C., (2014). Since the entrepreneurs may affect and influence the internal business success factors, it is totally different when the external factors are considered. In fact, the entrepreneurs might not change the environment where they operate, however, they may absolutely choose the environment under which conditions they will operate the business. The role played by the issue of globalisation is of utmost importance for the contemporary business environment.

Having an appropriate and supporting business surrounding has shown to be of a vital importance for the business and entrepreneurship’s sustainability and growth. In light of the above, environmental factors will be correspondingly outlined, expressing the importance of

entrepreneurial culture, institutional support and policies, (growth) finance access, markets, supporting networks and availability of appropriate human capital.

Besides the internal and external factors that influence SMEs success, firm-level factors as well play an important role in fulfilling this objective. In fact, one may point the organizational level factors as leading in the race to business success, since these are the factors that actually make the link of internal and external business conditions, so the proper management of these two forces may be the key variable in the business success objective. Namely, in our observations, we chose to analyse the entrepreneurial orientation strategic posture of the firms, as comprehensive set of five firm-level important dimensions: risk taking, proactiveness, innovativeness, autonomy and competitive aggressiveness. Our decision to focus on entrepreneurial orientation phenomenon rather than on similar organizational-level notions like “corporate entrepreneurship” or “small firm orientation” is based mainly on the fact that entrepreneurial orientation relates to the strategic posture of the firm as a whole, while the former concepts are more related to corporate venturing and owner’s emotional attachment to the business. The relevance of the entrepreneurial orientation concept to be examined as organizational level factor has been widely present in the entrepreneurial literature (Basso et al., 2009, Sadler-Smith et al., 2003, Scott and Rosa, 1996).

However, we propose a view in which entrepreneurial orientation dimensions show their contribution to SMEs success in the specific context of developing countries environment, moderated by the constraints of limited resources and unfavourable entrepreneurial culture and encouraged by conditions of immature market and unexploited profit opportunities.

1.3 The significance of entrepreneurial orientation strategy for SMEs in developing countries

Scholars have produced many studies in the field of entrepreneurial orientation in the past three decades. Extensive research in entrepreneurial orientation literature have been noticed during the past ten years, mainly due to the eminent echo of the trend of globalization, openness of international markets and wider competition as well as emergence and development of new less developed markets and areas. Supporting arguments coming from Miller (2011) would

clarify that the innovation and new entries as dominant trend in entrepreneurship, contribute highly not only to the economic growth, but also to the social well-being and prosperity of nations. Therefore, the entrepreneurial orientation has a broad applicability network, targeting variety of organizations regardless of size, age, industry or business life-cycle stage, Covin and Wales (2012).

Moreover, the entrepreneurial orientation phenomenon has highly increased its presence in international research, recognizing that the significance and constitution of this strategic organizational behaviour may differ across countries and cultures. Analyzing entrepreneurial orientation in different contexts is of explicitly high importance, rising on the assumption that the environment and national culture play significant role in firms' entrepreneurial performance. Researchers in the field of entrepreneurship have been criticized for overemphasizing the need and use of entrepreneurial orientation in advanced economies, while failing to include its significance to SMEs performance in developing countries, Runyan et al. (2011).

However, a general approach for elaborating the contribution of entrepreneurial orientation strategy to firm performance have been pursuit by several researchers, Miller (1983), Lumpkin and Dess (2001). A fundamental implication emerging from EO-performance literature is that in order to be successful, new entries need to have a strong entrepreneurial orientation. More explicitly, different organizations need different stream of forces to promote strong entrepreneurial orientation. Empirical studies indicate that it is not only the organization that determines the direction of the entrepreneurial orientation, but also the corresponding environmental circumstances, (Lumpkin and Dess, 1996; Gartner, 2008; Johns, 2006). In this direction, Lumpkin and Dess point that risk-taking, innovativeness, proactiveness, autonomy and competitive aggressiveness may vary independently depending largely on the organizational and environmental context. The point rising behind this assumption is that the level of entrepreneurial orientation presence in the business affects how situations and environment are perceived, and indirectly shapes the decisions entrepreneurs make.

There are many open questions concerning the type of environment that stimulate stronger entrepreneurial orientation. Three basic environmental characteristics have been considered in the literature when analyzing the entrepreneurial orientation of the firm. First, the level of predictability of the environment, expressed through the means of dynamism or uncertainty. Next is the quality of the business environment, which has been articulated through the

environmental complexity. And finally, the environment may be characterized as hostile in situations when there is high pressure from competitors, lack of exploitable opportunities and unfavourable overall business climate, Miller and Friesen, 1983; Mintzberg, 1983; Covin and Slevin, 1989. In this direction, there have been numerous attempts to define context in terms of environmental uncertainty or dynamism (e.g., Miller, 1983; Becherer and Maurer, 1997). In fact, Miller expressed the opinion that the highly dynamic and uncertain environment would ask for flexible but well-articulated organizational strategy and great analytical effort to push forward the pursuit of entrepreneurial orientation strategy. On the other hand, Lumpkin and Dess (1996) argue that in hostile environments resources would be more constrained that would lead to greater control and interlocking and conservativeness of firm behaviour. Based on previous insights, the entrepreneurial environment in developing countries may be characterized as being high in uncertainty with inability to predict future actions and future macro-economic conditions and constant competitive pressure; and high in environment complexity, presented mainly through the lack of institutional support and presence of unfavourable entrepreneurial culture.

Consequently, a logical respond to the previously stated circumstances would be the answer of the following question: How can entrepreneurial orientation assist in improving SMEs' performance under the difficult conditions in developing countries? In the study of Frese et al. (2002), it has been clearly outlined that entrepreneurial orientation is more important in difficult environment, since it contributes to better decision making, should lead to better information search and assist in proactive acting upon certain opportunities. The author, based on its empirical research in Namibia, claims that business owners who have been highly innovative, autonomous, competitive aggressive and open for risk taking have been more successful in an environment that is perceived as difficult, than those with low level of entrepreneurial orientation. The facts behind this claim may be explained through several different perspectives. In the study of Lumpkin and Dess (1996), innovation has been defined as "a tendency to engage in and support new ideas, novelty, experimentation and creative processes that may result in new products, services or technological processes" (p.142). Different methods for measuring innovation have been presented in many theoretical and empirical studies. Thus, it starts with the willingness of the entrepreneur to discard old beliefs and explore new alternatives, the amount of resources devoted to R&D, number of new products and services, frequencies in changes of services, and the desire for building reputation for trying new methods, among others,

Karagozoglu and Brown (1988), Miller (1987), Zahra and Covin (1993). All the mentioned kinds of innovation are expected to have positive results to firm performance since it increases the potential for reaching new market segments. Nevertheless, it is more that evident that all businesses incorporate certain level of risk. The risk-taking level of the company is not a simple equation to be solved, but in strategic terms, Baird and Thomas (1985) positioned risk by answering the questions if the firms are venturing into unknown (products/markets), if they make large assets commitments or if they borrow heavily to enter and succeed on the market. Risk taking is predominant for succeeding in important deals, therefore it is assumed to have positive relation to business success. Furthermore, autonomy refers to the independent action of an individual or a team in expressing an idea or a vision and carrying it through to completion, Lumpkin and Dess (1996). This form of elimination of any kind of stress and pressure should positively influence the entrepreneurial spirit and, therefore, positively relate to firm performance. Miller (1983) confirmed that the most entrepreneurial firms had the most autonomous leaders. Proactiveness, also characterized by Lumpkin and Dess (1996) as “taking initiative by anticipating and pursuing new opportunities and by participating in emerging markets” has shown to be closely associated with entrepreneurship, and thus important part of entrepreneurial orientation of a firm. As fully forward looking perspective, it may be evaluated by the speed to innovate and first to come across market demand. Proactivity has been seen as a connection among the other dimensions of entrepreneurial orientation, as the dimensions of innovation and risk taking. It is of high importance for SMEs success in developing countries, since having innovative idea without presenting it first on the market might show to be useless. While proactiveness refers to how a firm related to market opportunities in the process of new entry, competitive aggressiveness refers to how firm relates to competitors and how firms respond to trends and demands existing in the marketplace. As important feature for firm success and survival, this component of EO of firms may be especially important for the success of SMEs in developing countries, as they operate in smaller and limited consumption markets.

Nevertheless, it is of high relevance to acknowledge that EO strategy and its five dimensions are flexible in nature and may change, vary and covary depending on context and circumstances. Therefore, it is the ability of the entrepreneur, the business unit or the venture department to build business attitudes, and to channel business activities in direction that would lead to higher overall business performance.

However, another viewpoint stands that fostering entrepreneurial orientation is not always the best choice of organizational behaviour. Thus, for example, there are cases when bold following of entrepreneurial orientation dimensions, especially at corporate or lower levels, may obstruct and slow down the effectiveness at alternative levels. Similarly, study from Wales et al. (2011), revealed that sometimes pursuing conservative entrepreneurial strategy or low entrepreneurial orientation commitment may lead to better performance outcomes given certain circumstances. Closely related to this, the risky entrepreneurial orientation activities, if not managed carefully, may cause serious business losses and low business performance, Wales (2016). The author also connects the applicability of entrepreneurial orientation strategy to availability of firm resources, stating that fostering high EO may result in zero or neutral outcomes in resource limited firms. Conversely, Lumpkin and Dess (1996) argue that when behaving passive, and therefore taking no risk, firms actually run the risk to lose the entrepreneurial edge.

Drawing on previous insights, one may challenge the applicability of entrepreneurial orientation to SMEs in developing countries. Nevertheless, the importance of suitable entrepreneurial direction that would positively contribute to firm performance in developing economies is more than necessary. Facts illustrate that entrepreneurial orientation remains unexamined in developing countries and emerging markets contexts. Since there is a lack of research in this area, applicability of entrepreneurial orientation in the context of developing countries might present new and attractive avenue for empirical research.

1.4 Insights into Macedonian healthcare and connected entrepreneurial prospects

The growing importance of healthcare is eminent on the global stage; however, it is also clearly recognized and anticipated in the healthcare policies in developing countries, L. Attalah et al. (2012); Borger et al. (2006); de la Hoz-Correa and Muñoz-Leiva (2019). The perspective of global observation of health challenges is well described by Plasència (2019) by stating that “The problems of health do not respect borders, therefore, neither the solutions”. In fact, there are global healthcare challenges that affect both, developed and developing countries, respectfully. The issue of aging population is a problem that affects nations globally; however, combating the emergence of chronic diseases should be on the healthcare agenda in every healthcare policy

discussion on a national level, aiming to ensure health in the middle aged population, Caley and Sidhu (2011); Kaeberlein et al. (2015). Climate changes and air pollution are other leading healthcare global trends that ask for actions and steps for prevention, Carthey and Chandra (2007). The need for qualified and specialized healthcare service is more than evident. As mentioned earlier, as these problems combat borders, solutions should not be found in isolation. Still, starting point is always the local and national level, as a solid ground for international cooperation to take place.

A research conducted in 2018 among macedonian citizens aiming to evaluate their attitudes and opinion regarding public healthcare system, showed that greatest percent of participant evaluate public healthcare services much worse than the private. More precisely, participants have explained that they struggle with basic issues including availability of examinations, long waiting lists, unsatisfactory emergency medical assistance support due to lack of ambulance vehicles and doctors; unsatisfactory level of service during the night shifts in the public hospitals; and generally bad infrastructural hospital conditions with low hygiene levels and lack of basic conditions for patients like food, hospital cloths and linings, Atanasova T., (2018). In sum, the inability of public hospitals to provide the service the citizens need and very often the unsatisfactory level of quality of received service have moved the patients toward private practitioners. Moreover, the speed of information flow, as well as increased people's awareness about health and healthy lifestyle, coming correspondingly with the ongoing process of country's transition additionally underlines the demand for private healthcare services. The business focus implemented by the private healthcare institutions position these healthcare service providers much higher than the one in the public sector. Moreover, private practitioners should be aware of the importance of the quality of service provided, as well as the contribution that eventual competitive advantages may make to the positioning on the market and overall success. Moreover, this study aims to explore entrepreneurial orientation impact on private healthcare providers' business practices and success.

1.5 Research question and research methodology

The research question we are trying to address is “how the entrepreneurial orientation strategy (encompassing the innovation, risk taking, proactiveness, autonomy and competitive aggressiveness) influences the success of SMEs in the specific context of developing countries?”

The answer of the stated research question asks for multidimensional analysis, aiming to include the essence of entrepreneurship, the entrepreneurial orientation as part of the entrepreneurial processes and the contribution of entrepreneurial orientation to the successful SMEs performance. The five entrepreneurial orientation dimensions act as a tools through which SMEs show their level of entrepreneurial orientation, by, more precisely, thinking and acting innovative, openness for risk taking , trying to act proactively on the market and to get as greater share of the market as possible through the competitive aggressive behavior.

Moreover, by answering the research question, in fact, we are trying to accomplish the following research objectives:

- To emphasize the importance of entrepreneurship for the transformational processes of developing countries
- To identify central entrepreneurship theories and definitions
- To make analysis of major individual, organizational and environmental factors that influences the success of SMEs
- To analyze extensively the entrepreneurial orientation strategy of a SMEs,
- To adapt entrepreneurial orientation strategy to the conditions of the developing countries constrains, presenting it through a conceptual framework and corresponding propositions that should lead to further theorization
- To test the set propositions through six comprehensive case studies in Republic of Macedonia
- To answer the call for qualitative research in entrepreneurial orientation field
- To deliver contextualized, context-specific results, that may guide managers in structuring strategies and operations that better suit local conditions and avoid adverse consequences.

For the purpose of this study, we chose to apply qualitative research method, as the literature in the field of entrepreneurial orientation strategy has been continuously criticized for providing too few qualitative longitudinal studies, on behalf of the use of already established instruments mailed to wide samples during a survey research strategy (Wales, 2016; Miller, 1983; Miller 2011). In this research we would commit to extensive field work, that means direct interviews with managers and entrepreneurs, answering carefully designed questionnaire in order to create fine-grained contribution to entrepreneurial orientation strategic posture in the specific context of developing country. Six case studies are generated based on the information gathered,

intending to give explanatory answer to the stated research question. The multiple-case research strategy has been selected in order to investigate contemporary SMEs behaviour over which we have little or no control. Quantitative research in a form of survey among employees, and use of secondary data sources, will be part of each of the cases in order to enrich research evidence and provide triangulation of results. Since the quantitative data will be used only within cases, without generalization across cases, one may assume that the study is still fully qualitative in nature.

Namely, the research design is built on mix of three separate methods in order to achieve triangulation of the results and increase the credibility and validity of the same. With the use of triangulation in the research, we hope to overcome the weaknesses of each separate method and minimize intrinsic biases. Direct face-to-face interview with the managers of the selected companies for elaboration presents the main research technique during the process of data gathering. Indeed, the interviews will be supported by carefully semi-structured questionnaires that should leave space for expressing managers' attitudinal and behavioural principles, regarding the five established entrepreneurial orientation dimensions-innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness. Short survey among the employees of selected companies will be provided in order to get insights into their attitudes towards the five EO dimensions-innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness. Since entrepreneurial orientation is observed as a firm-level phenomenon, multidimensional approach is therefore reasonable, and data will be gathered not only from managerial but also from lower levels at the selected SMEs.

In order to enrich the case studies and clarify the validity of this data, additional company reports will be delivered on request and used exclusively for the purpose of the research process. Secondary data of publically available sources will also be used to complete the information needed, mapping out all the entrepreneurial aspect valid for this study.

During the case study design process, we will follow the Yin (2006) case study design logic, which starts with identifying specific conceptual framework of the subject under research. After this initial theory development, we will proceed with cases selection and data collection design and protocol. We will proceed by selecting six SMEs from the private healthcare sector in Republic of Macedonia. As each individual case presents a study by itself, we will conduct individual case study report for each case study respectively and then we will produce a multiple

case results and summary report. For each individual case the report should indicate how and why a particular proposition was demonstrated or not demonstrated. Across cases, the report should indicate the extent of the replication logic and why certain cases were predicted to have certain results where maybe other cases have demonstrated constructing results.

1.6 Outline of the dissertation

This dissertation explores how the entrepreneurial orientation construct contributes to the success of the SMEs in developing countries. The five EO dimensions, innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness have been analyzed for their role in successful business performance in difficult environment settings. The empirical research of this dissertation has been fully focused on the SMEs in the private healthcare sector in Republic of Macedonia, trying to explore and show that SMEs in developing countries need to have a high entrepreneurial orientation in order to be able to satisfy the new, increasing and more sophisticated needs of the developing markets' consumers. The fundamental implication for the purpose of this study starts by expressing the importance of entrepreneurship for developing countries and defining the concept of entrepreneurship through theoretical perspective presented in the literature.

Chapter 2 focuses on the factors that influence the success of SMEs in developing countries. In a series of instances, the chapter explores three different sets of internal, organizational and environmental factors, focusing on the implication of incentives to start a business on venture's post-entry success, sector knowledge contribution to SMEs success, inward innovation ability into the SMEs processes, personal and social network input, the importance of entrepreneur's management and planning ability, the effect of culture on the success rate of start-ups in developing countries, institutional support contribution to SMEs success, markets adoption role in creation of new venture success and the availability and easy access to finance as key input into SMEs success. Further, the underlying processes explaining the five entrepreneurial dimensions are studied. The chapter continuous with specific elaboration of the entrepreneurial orientation strategic posture of the firm, through shading formal light on the dimensions of innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness. Building on these dimensional observations, we present a conceptualization of an entrepreneurial

orientation strategic posture under the constraints of developing country circumstances and propose a conceptual framework of EO contribution to SMEs success, respectively.

Chapter 3 presents the methodology of the study. Here, we focus on the research aims and objectives, research strategy and data collection procedures. Building on the research regarding the entrepreneurial orientation of six SMEs operating at the private healthcare sector, we deliver six comprehensive case studies. The multiple case study summary has been presented at the end of this chapter. Further, Chapter 4 explains the data analysis and interpretation, with special attention to proposition analysis and testing. Following Yin's case study protocol and analyzing procedures, **Chapter 4** presents the process of demonstration of the set propositions, the inter-cases quantitative data analysis as well as interpretation of case studies' results. In addition, in **Chapter 5**, general discussions are provided, conclusions are outlined and practical contributions for SMEs owners and policy makers are made. Finally, we discuss how our commitment to observe the entrepreneurial orientation strategic behaviour and its impact on SMEs success in the context of developing countries opens new avenues for future research.

Chapter 2: Literature Review

2.1 Factors that influence the success of SMEs in developing countries

With a full acknowledgement toward the fact that entrepreneurship has come to be perceived as an engine of national growth and cornerstone of national economies, the attention it receives from contemporary academic elite, on-spot experts and national governments is greatly justified. New venture start ups and SMEs performance are considered to be essential for successful entrepreneurial growth. Namely, governments, national agencies and different structures of international institutions offer a wide range of supporting entrepreneurial programs, generally comprising of financial grants, micro financing and other forms of start-up financing schemes. The effects of these financial programs seem to be positive in a sense of increased percentage of new ventures emerging on the markets. However, in a long run (and even in a period of 1-3 years), the survival rate of these new ventures is terrifically low. Studies show that more than 50% of the subsidized new ventures fail within first year of performance (Audretsch et

al., 1999; Johnson, 2005). Consequently, we consider relevant to draw attention upon the fact that these mixed effects of the tremendously expensive programs is problem that surely deserves attention among corresponding agencies and policy makers. Therefore, it is vital to develop an understanding of the complex mix of factors that affect SMEs success beyond the phase of initial financing. Raising the assumption that initial financing the new business is secured, we will briefly elaborate the factors that affect new businesses in order to sustain its position at the (competitive) market, giving special emphasis to the importance of entrepreneurial orientation strategic construct.

Personal traits of the entrepreneur, previous sector experience, ability to deal with uncertainty, devotion to innovation, ability to screen profit opportunities, practical knowledge, personal social network and incentives to start a business might be pointed as the most essential internal factors that create or hamper the path to success on the market. However, another school of thought is that new firms do not emerge and grow because heroic, talented and visionary individuals (entrepreneurs) created and develop them but because they are located in an environment made of private and public players, which support and sustain them, making the operations of entrepreneurs easier, Claire C., (2014). Having an appropriate and supporting business surrounding has shown to be of a vital importance for the business and entrepreneurship's sustainability and growth. In light of the above, environmental factors will be correspondingly outlined, expressing the importance of entrepreneurial culture, institutional support and policies, (growth) finance access, markets, supporting networks and availability of appropriate human capital. Besides the internal and external factors that influence SMEs success, firm-level factors as well play an important role in fulfilling this objective. Namely, in our observations, we chose the entrepreneurial orientation posture of the firms, as comprehensive set of five firm-level important dimensions: risk taking, proactiveness, innovativeness, autonomy and competitive aggressiveness. The relevance of the entrepreneurial orientation concept to be examined as organizational level factor has been widely present in the entrepreneurial literature (Basso et al., 2009, Sadler-Smith et al., 2003, Scott and Rosa, 1996).

However, we propose a view in which entrepreneurial orientation dimensions show their contribution to SMEs success in the specific context of developing countries environment.

2.1.1 Internal success factors

Researchers tend to emphasise the significance of internal business factors as key determinants of business success since these are the factors that entrepreneurs has the ability to manage, modify and control, (Van Auken et al., 2006; Baum and Locke, 2004; Littunen and Virtanen, 2009). Having full understanding of the internal characteristics of the business might even assist in the choice of future outward business activities and decisions like the exact sector to enter or the level of financial leverage. The longitudinal research study conducted by Baum and Locke (2004), including data from 229 entrepreneurs during a period of 6 years, have confirmed the positive influence of internal factors, indicating that entrepreneurs' traits, skill, and motivation categories are significant direct or indirect predictors of venture growth for a period of 6 years following initial measurement. However, as different studies use different internal factors indicators, internal factors are not always on the top of the key features that contribute to success of small and medium size ventures. In fact, the research conducted by Baum et al. (2001) found the effects of the trait and skill composite factors to have only indirect impact on SMEs growth through motivation and organizational factors.

Many entrepreneurial studies have demonstrated a clear correlation between the internal organization factors and firm performance. For instance, a group of authors have produced a number of studies concerning the effect of the incentives to start a business on business future performance, Eijdenberg and Mausel (2013); Walker and Brown (2004). While these authors emphasized the importance of opportunity driven entrepreneurships for general entrepreneurial success, another group of researchers are giving clear evidence for the necessity of possessing internal knowledge to seize and realize the business opportunities, Chlosta et al. (2012); Barreira (2015); Borasi and Finnigan (2010); the importance of innovation ability to pursue these opportunity in a new and creative way, Shumpeter (1934); Acs and Virgill (2009); Lumpkin and Dess (1996); and the contribution of management and planning abilities in order to bring the realized opportunity to an successful end, Lussier (1995); McKenzie and Woodruff (2013). Moreover, the personal traits of the entrepreneurs as well as their personal and social networks contribute greatly to the access to new information and knowledge, access to more diversified financial options and ease the process of overall business operations, Coleman (1988); Doh and Zolnih (2013); Portes (1998).

2.1.1.1 The implication of incentives to start a business on venture's post-entry success

With an acknowledgement toward the importance of entrepreneurs' personal characteristics and their influence on the post entry performance of small businesses, researchers have produced many imperative studies, Schumpeter (1934); Knight (1921); Reynolds et al. (2001); Chlosta et al. (2012). One of the predominant and essential internal factors that is perceived to affect business success is the initial motivation that inspires the entrepreneur to get involved in entrepreneurial activities. The conceptualization of entrepreneurial motivation for starting a business based on positive (pull) or negative (push) incentives is not novel and dates back from the work of Gilad and Levin in 1986. Since then, there has been a tendency to conduct a massive research on push and pull factors that influence entrepreneur's entrance decision, Watson et al. (1998); Walker and Brown (2004); Amit and Muller (1995). In this respect, based on the incentives, authors describe entrepreneurs as pushed - "necessity-driven" and pulled - "opportunity-driven" entrepreneurs. Whereas the mentioned plethora of authors tends to confirm motivation influence on firm performance and additionally point to negative or positive consequences of the same, another study argues that start up motivation may be poor predictor for company post entry performance, Birley and Westhead (1994). Furthermore, as societal and cultural expectations among countries differ, the external influences on people's career choices differ respectively. Although Buttner and Moore (1997) has pointed that entrepreneurship as a occupational choice is gender blind, there still are certain differences when it comes to motives behind the decision to start to act entrepreneurially in a practical terms. In particular, based on their research, males have been mainly motivated by the need to improve position in society for himself and his family, while women have most often been motivated by the need of achievement and experienced gender discrimination at previous employment companies. The observed motivational factors have certainly been closely related to the national culture, societal expectations and stage of development. Therefore, the greatest question that remains less discussed regarding different countries is: what is the basic incentive to start a business in less developed countries?

The issues behind the positive and negative motivation triggers, as well as the cultural and development power that determines entrepreneur's motivation are to be briefly discussed.

Push motivational factors

The inability to find suitable paid employment, redundancy, blocked promotion, are among the most often cited push factors among entrepreneurs, Watson et al. (1998), Walker and Brown (2004). Closely related are the positions where people feel insecure about their working contract, so they prefer to bear uncertainty by starting their own business, rather than working in a company, assuming the later to lead them to higher earnings. A research conducted by Walker and Brown (2004) in Australia, has shown that people that have felt manipulated, abused and exploited at previous working companies are among the first candidates to start own ventures and more effectively use their working potential. Amit and Muller (1995) present a clear definition of push entrepreneurial circumstances, explaining them as: “an individual’s dissatisfaction with his or her current position, for various reasons unrelated to his or her entrepreneurial characteristics, pushing him or her to start his or her own business”.

Following the arguments from the previous section, the state of unemployment has shown to be the main negative motivator for business start up. In fact, as employment rates in developing countries are relatively low, a very often route for exit of unemployment has shown to be the self-employment, resulting in large number of necessity-driven entrepreneurs present in the developing countries, still with unclear and undefined contribution to economic growth.

The reason behind the negative correlation between the state of one’s unemployment as a main incentive for business start up and business later performance, lies in the fact that during unemployment period people usually tend to lose resources in professional networks and very often deteriorate their initial skills. Therefore, it is assumed that having unemployment as a solely motivation for business start up would negatively influence firm performance.

Pull motivational factors

Pull motivational factors are seen as positive motivations, since they attract individuals to become self-employed, Eijdenberg and Mausel (2013), moreover, ‘pull’ motivation is associated with the individual having a reasonably strong positive internal desire to start a business venture, Watson et al (1998). Researchers tend to underline number of pull motivational factors: self fulfilment, job satisfaction, following a role model, more flexible lifetime, personal freedom and increasing income, among others.

Additionally to the intrinsic drivers mentioned in the definition earlier, opportunities on the market are assumed to be the greatest pull motivational factors for potential entrepreneurs. Namely, information needed to seize and recognize profit opportunities come from sources available almost to anyone; however, recognizing that the information is covering a profit opportunity may require some additional information and knowledge. Inside the entrepreneurial spirit is the alertness for recognition of profit opportunities and the courage to act upon that opportunity. As opposed to Kintze's theory on entrepreneurship that opportunities arise and exist in order to equilibrate the market, the study of Holcombe (2003) suggests that the usage of market opportunities does not equilibrate the market, but rather opens new entrepreneurial opportunities, concluding that entrepreneurship leads to more entrepreneurship. The author addresses two categories of opportunities on the market. The first belongs only to innovative market players (or potential entrepreneurs), which are usually the only one that are in a position to observe the existence of profit opportunity, given widely available information. Other opportunities arise because people see that the market offers an entrepreneurial opportunity, perhaps as simple as buying something cheaply in one location and selling for more elsewhere, or perhaps as complex as buying inputs, combining them in a new manufacturing process, and selling a new product for a profit, Holcombe (2003).

A research that followed the development of 200 new metal-based manufacturing and business services companies in Finland suggested that growing companies have been most often motivated to start the business by the positive pull factors, in respect to realization of some seized opportunity on the market. The negative situational factors, as well as negative internal drivers as inability to find adequate employment and treat of permanent unemployment have been more often cited to be motivators among non-growing firms, Littunen and Virtanen (2009).

Although opportunity driven entrepreneurs are most often related to successful post entry business performance, there might be a solid ground to believe that this might not always to be case. Chrisman et al. (1998) argues that opportunities are necessary but not sufficient condition for venture success. According his line of thinking, the performance depends on more than a good idea. Nevertheless, it is of high relevance to acknowledge that a multidimensional approach is necessary in order to create a framework that would show directions for factors that might lead to successful business performance.

Motivational factors in developing countries

Based on the assumption that developing countries are often connected with poverty and unfavourable environment for entrepreneurial activities, it is expected that people from less developed countries to be forced to entrepreneurship by necessity related motives. However, several studies confirm that factors that motivate entrepreneurs are not fully context dependent and that positive and negative motives are not mutually exclusive and might coexist at business start up position, Aidis et al (2006), Eijdenberg and Masurel (2013), Kiggundu (2002).

Recognizing entrepreneurship as an escape from the state of unemployment is relatively common among entrepreneurs from developing countries. For instance, research has shown that main motives for the entrepreneurs from Ghana and Kenya have been to increase income and to create jobs, relating them to necessity driven entrepreneurship, Chu et al. (2007). However, the “refugee effect” – starting business activity in inability to find paid employment, is not a rule for developing country settings. Moreover, a study conducted in South African countries reveals that the desire for independence, money and the need for achievement, have been the highly evaluated factors that have motivated successful entrepreneurs, Mitchell (2002). Although differing in concepts and classifications, the desire for money is mainly a positive pull motivational factor for entrepreneurs, and being aware of the economic position of developing countries, it is common trigger for business start up in these regions. Consequently, Akanda (1994) and Bewayo (1995), are presenting empirical evidence from Uganda and Nigeria, showing that the desire for money has been the highest rated among the motivational factors in their entrepreneurial setting. A study conducted by Sloka et al. (2014) have revealed a comparative analysis between the motivation factors that inspired the entrepreneurs in Latvia in comparison with the motivation factors cited as important by the entrepreneurs in Canada, USA and Mexico. The research has pointed to several important conclusions that may reflect regional, cultural and development differences. In fact, the study have shown that personal satisfaction was the highest rating factors of performance expectations of starting entrepreneurs in Latvia, whereas Canadian and USA entrepreneurs have rated higher the financial returns (in terms of profit and sales). However, personal satisfaction has been the second highest rated factors of Canadian, USA and Mexican respondents, meaning that the evaluations of the different countries have not radically differ, since both highly evaluated research outcomes are related to positive motivational determinants. Still, entrepreneurial motivational factors differ even among the

positive motivational concepts. Namely, Al-Mahrouq (2010), after conducting a study in Jordan argued that personal satisfaction and achievement, flexible life-style is more valued motivational factor than wealth creation.

The best clues for motivational factors in developing countries, coming from the numerous researchers show that most often entrepreneurs in developing countries have been motivated by high profit rates, market size and access to formal bank financing, which is in agreement with the study on motivational factors by Eijdenberg and Masurel (2013), who empirically rejected the hypothesis that: “For people who start their own business in an developing countries, push factors are more important than pull factors”.

Conclusion

A plethora of empirical evidence mounted indicating that the motivation behind the start of new venture most often affects venture subsequent performance. A fundamental implication emerging from the literature overview was that the pull motivational factors, the positive reaction to recognized profit opportunity is predominantly associated with successful post-entry performance, whereas push factors, as state of unemployment is most often recognized as present in non-growing firms. The details in definitions of push and pull factors may also lead to elusive conclusions. For instance, in some research “unemployment” is push factor that may negatively influence post entry venture performance, whereas in other study “desire for more money” is considered as pull motivational factor that should have positive effects on business success. From our perspective, these terms may easily be misrepresented and this confusion to lead to vague and incomparable research results.

However, even though the business is assumed to be run primarily for achieving material objectives, the previous research showed that money is not the prime source of motivation to start a business, but the quality of life one may improve. This leads us to confirmation of previously stated assumption that entrepreneurship is important for economic, as well as societal well being of nations.

It is noteworthy mentioning that these conclusions should not be accepted in absolute terms, since there is no golden rule or ideal combination of motivational factors that may guarantee successful entrepreneurship. There is certainly room for more investigation in this field, if we accept that positive and negative motivation factors for entrepreneurs are not

substitutes, but may complement, so that specific theoretical models may be developed and empirically tested.

2.1.1.2 Knowledge contribution to SMEs success

In the new context of the revolution of knowledge, the transition from the economy dominated by physical and material resources to knowledge dominated economy; small and medium size enterprises have become the main microeconomic agents. Knowledge importance for the success of SMEs at any stage of their lifecycle is of noteworthy meaning. In practical terms, knowledge role in the company reflects on the ability to quickly respond to customers' demands, create new markets; rapidly develop new products and dominant emerging technologies, Nonaka (1991). Analogical to this fact, one may assume that knowledge is present everywhere throughout the organization. It is found in different locations, in people's minds, in organizational processes, in corporate culture; embedded into different artefacts and procedures and stored into different mediums such as print, disks, and optical media (Bhatt, 2001). However, as Nonaka (1991) specifies, the creation of knowledge should be located at the very centre of company human resource strategy. This leads exactly to the authors of knowledge creation. In fact, the starting point of every knowledge creation is the unique individual, willing to share it on organizational level and transferring it to organizational knowledge valuable to the company as a whole. First and foremost, individuals have to be willing to devote time and energy to identify useful information, use their previous knowledge to transfer the information to knowledge and be willing to share it throughout the company or act upon certain opportunity. Nevertheless, by using previous knowledge in the process of new knowledge creation, it may be argued that knowledge leads to more knowledge, undoubtedly assisting in company ongoing progress and success.

Knowledge value as a factor that affects business success is twofold. First, in a form of previous knowledge possessed by entrepreneur (gained through education, experience and training), knowledge has shown significant contribution to the post entry entrepreneurial performance, Chlosta et al. (2012); Barreira (2015); Cooper et al. (1994). Second, knowledge gained throughout the entrepreneurial process itself, is a form that has been fundamentally elaborated in the entrepreneurial theories and continuously examined in the empirical research studies, Hayek F.A., (1945); Borasi and Finnigan (2010).

Experience

In markets where the uncertainty is said to be the only certainty, the one sure source of competitive advantage is said to be the knowledge company may acquire and produce, (Nonaka, 1991). In this sense, one may argue that experience plays a crucial role in leading a competitive company, having in mind that experienced entrepreneurs feel more comfortable in managing risk and work under uncertain conditions. In fact, this kind of knowledge may present a precondition for decision for starting a business, may further contribute to entrepreneurs' risk taking activities and decisions to grow. One may notice that great percentage of business performance activities ride on entrepreneurs' knowledge, through experience and level of self-efficacy, Borasi and Finnigan (2010).

Furthermore, a large body of data confirms that previous founder's managerial background and experience contribute positively to the performance of newly established venture, Barreira (2004); Cooper et al. (1994); Roure & Maidique (1986). It is expected that these individuals have acquired a wide range of managerial skills and know-how by working in diverse functional areas. Wiklund (1999) specifies that experience mainly assumes having already dealt with start-up problems such as generating sales, developing marketing avenues and tactics, obtaining external financing, and dealing with internal financial and general management issues. Experienced entrepreneurs are assumed to have a high level of confidence, which comes proportionally with the duration of field experience.

However, another plethora of authors argue that there is no positive relation between the previous experience and better decision making at enterprise level, Shepherd et al. (2003). In fact, the authors underline that often experienced entrepreneurs may be trapped in their current modes of thoughts, simply relying on previous heuristic decisions drawing conclusions based of small sample of experience. Moreover, the long years of experience may lead to overconfidence in certain situations and use generalization of situations which might be unacceptable in contemporary turbulent and changing environment.

Nevertheless, the contribution of previous founders' experience to venture success should not be undervalued. As Berreira (2004) states in his work, the most important implication coming from the value of one's experience is that through experience individuals learn how to work, but also how to learn.

Education and training

Riding on the evidence of successful developing countries experiences, one may certainly conclude that the industries of countries which have been successful in academic field positively differed in economic performance, Leydesdorff (2001), Nagy (2008). As stated in the work of Leydesdorff and Etzkowitz (2003), the significance of this difference relies on the close contacts that companies had with universities and government agencies, assuming a combined and varied sources of innovation and knowledge. Transferring this notion to individual level, it is easy to predict that individuals with higher education are expected to yield more successful results in business performance. Thus, drawing on this positive insight, many authors corresponded to the view that founder's level of education has direct positive effect on post entry performance in business activities, Coleman (1988); Kfalifa (2015); McMullan et al. (2001); Lau & Busenitz (2001).

As summarized in the work of human capital theorists, education is an investment that yields to higher wage compensation in return to acquired skills and knowledge, Honig (1998). Moreover, riding on the assumption that highly educated individual would start own business, it would be natural to expect generation of higher profits in return to gained educational knowledge. However, another point is that self-employment in terms of business start up requires more skills and capabilities that does the wage employment. In this sense, Baum et al. (2001) states that entrepreneurial competences should be a set of technical and business capabilities skills, therefore entrepreneurship programs should be comprehensive and teach organizational, opportunity and analytic skills.

However, contrary to this, a number of other studies totally eliminate the education dimension as important for venture success, Lussier (1995); Schefczyk & Gerpott (2000). Furthermore, research has shown that individual with higher education often are engaged in high-wage employment contract, therefore having less incentives to start own business. Nevertheless, in the work of Reynolds et al. (2004) it is clearly elaborated that highly educated individuals are expected to enter in opportunity entrepreneurship, whereas the less educated individuals are more likely to start a business by necessity motives, like unemployment or redundancy.

The need for business training and supportive financing in developing countries

In the contemporary rapidly changing environment, continuous training and advising is necessary. All entrepreneurs (potential, new and experienced) possess some form of weakness that may be fulfilled by an adequate training. A range of training programs assist in generating new ideas of potential entrepreneurs and the more comprehensive programs add some type of financial aid for idea realization. As far as industry dynamics are concerned, they show not very favourable results regarding new business start ups. In fact, Johnson (2005) shows evidence that the survival rate of new businesses is very low. In fact, his study confirms that more than 50% of the new firms exit the market within first five years of performance. This calls for the urgent intervention and supportive activities that would reduce start-up failure.

Therefore, policymakers often see the support of small businesses as a driving force for business survival, success and growth, as well as step toward elimination of the high unemployment, lack of innovative activities, and revolution of low income households.

Whereas potential entrepreneurs would prefer financial assistance (having financial constraints as main limitation of entrepreneurial activities), both potential and present entrepreneurs in developing countries show the need for additional business training that would upgrade their performance at the competitive market. The evidence from Tanzania shows that human capital is the main precondition for small business to be successful. Therefore, the study indicates that education and training provides the basis for intellectual development needed by entrepreneurs. However, since it is always argued that business ownership is not an intellectual activity rather entrepreneurship is an opportunity for the less academically successful to earn high incomes, additional education and training for non academic entrepreneurs is essential, Storey (1994). Another study suggested that firms that have used professional advice from external sources have shown to grow more rapidly than other types of small firms, Arnold and Dunkelberg (1987). However, the same study showed that it is difficult to infer how the provision of these advices caused the growth of the firms.

Business training and financing programs provided and content covered

In line with the increased interest in entrepreneurship in developing countries, the importance of supportive entrepreneurship programs including business training and supportive financing have also raised. In fact, the emerging need for providing business trainings and their evaluation

have appeared after rapid increase in the awareness of the fact that poor management is perceived to be central constrain for production in developing countries, McKenzie and Woodruff (2013).

Although faced with many obstacles and limitation to research (small and heterogeneous sample sizes, short evaluation periods, survey attrition), still many authors succeeded in delivering valuable results on the evaluation of effectiveness of the various business trainings and supporting financial programs on the small businesses and individuals, (McKenzie and Woodruff, 2013; Cho & Honorati, 2014; Mel et al., 2013)

The different types of business support programs have shown to have different success rate to its participants. In this sense, Cho and Honorati (2014), described the following types of interventions: technical and vocational (including basic skills for certain occupations), business and managerial (managerial skills, business practices, marketing and customer relations) and financial skills training (long term business plan and growth strategy, decision making and business financing), offered to youth, women and social assistance beneficiaries, from urban and rural areas. Furthermore, McKenzie and Woodruff (2013) in his analysis worked on evaluation of training effects on more general population, offered classroom based trainings that focus on improving general business skills that are applicable in all businesses.

Effectiveness of business training

The analysis of the study of Cho & Honorati (2014) showed that financing programs are most common followed by business training. Additionally, access to credit have played greater role in business performance, especially in the case of women entrepreneurship due to the sociological fact that women are most often capital disadvantaged. However, most promising results have been reached with the training and counselling programs, especially vocational training has shown best chance to succeed in developing countries, since it promotes entrepreneurship through skill development. Certain issues have occurred while evaluating labour income and profit variations, due to sensitive nature of the data required. According to their findings, younger people highly educated and trainees from urban areas are more likely to yield positive results after intervention.

In the evaluation of different studies, McKenzie and Woodruff (2013) found diverse results when it comes to business survival. Most often the effect of business training on business

survival is not significant, and many of the evaluating firms have closed during study period or 28 months later, Bruhn and Zia (2012), Calderon et al.(2012). At this point, the author concludes the positive effect that trainings teach owners how to close losing business, which is also of high importance. However, in some of the studies, trainings have increased the rate of business start up and increase in self-employment among the groups of youth and women, especially when trainings are combined with grant financing. Although difficult to measure, effect on profit and sales has shown to be positive in most studies, though in short time periods and usually combined with grant.

As detailed in the study of Mel et al.(2014), business training (acquired business practices) alone does not influence profits, sales or capital stocks for current entrepreneurs; however, in combination with cash grant, this influence is highly significant. These authors suggest that continued personalized mentorship and counselling have best influenced profit and sales, increasing them for 18% in female enterprises in Peru. On the other hand, author concluded that training results have a limited lasting results, therefore getting women to start business is quite easier than making these businesses grow.

Results of the business trainings vary. One of the reason for poor program results after intervention may be the labour market failure, since low availability of wage work is the reason why people start businesses at first place, rather than possessing an idea and passion, quality managerial competences and motivation to grow big. As examined in the work of Bruhn et al. (2012), high percent of firms assigned to treatment have actually participated, even if offered for free, which confirms the challenge to promote healthy entrepreneurship in developing countries. The first thing small firms' owners should do is "to decide to grow". There are training courses prepared by psychologists that focus more on the personality and attitudes of the entrepreneur rather than specific business skills.

Designing relevant combination of skills, grants and continuing counselling, based on the target groups' main constraints is important to achieve better program results. Therefore, deep and detailed elaboration and planning is necessary to prepare relevant program content to the right applicants at the right time, in order to make investments in trainings cost-efficient. It is evident from the studies that nascent entrepreneurs need inspiration and role models that they would follow. Sharing experiences from successful SMEs from developing countries as part of the programs may awake their work enthusiasm. Start-ups resulting from vocational trainings

may continue by creating a business network, or even a community that would stand for their specific interests and fight for their exposure out of their country. As continued counselling have showed great results after training sessions, new start-ups should be encouraged (or even kindly obliged, after grant financing) to continue with counselling for a certain period, in order to reduce risk of failure.

Knowledge gained throughout the entrepreneurial process itself

The process of knowledge creation is performed through the interactions among individuals, or among individuals and the environment. Therefore, information exchanged becomes true knowledge when interpreted by individuals and given a context of beliefs, Nonaka and Takeuchi (1995). Individual stands at the starting point of every process of knowledge creation. Moreover, for this process to result in positive and valuable outcomes, an individual employee intuition should be recognized and accepted, and allowed to be shared and tested throughout the organization. As the authors state in their book, new knowledge always begins with an individual's intuition at all level of organization, transferring it to organizational knowledge and make it valuable to the company as a whole.

The second important component of knowledge creation is knowledge sharing. In lack of the proper processes of sharing new knowledge, its value may become obsolete since its usage is inconvenient, it brings no added value to the company and same mistakes may continue to replicate. In the work of Bender and Fish (2000), technology is said to be most important tool for knowledge storage and knowledge sharing. Through the means of internet, advanced technology and the power of globalization, knowledge and relevant to knowledge information may be easily disseminated throughout the world. However, it is also implicit in the knowledge literature that social processes and organizational culture are even more important than technology in knowledge sharing phase of the process. These processes will depend largely on the nature of knowledge. For instance, the explicit knowledge is formal and easy to transfer since it may be stored and communicated easily among individuals and throughout company by the means of product specification, scientific formula or computer program. Conversely, the tacit knowledge, which is extremely personal, is hard to interpret as well as hard to imitate. This form of knowledge is informal and consists partly of technical skills and know-how, but also of mental modes, beliefs and perspectives, Nonaka (1991).

Therefore, knowledge-company first recognize the importance of knowledge management, build organizational climate that stimulate innovation and ideas generation and set protocol of new knowledge dissemination and sharing. The best clues for knowledge creators in the company might come from Kfalifa (2015) stating that the higher quality employees the ventures possess, the higher knowledge stock of the company will be.

In fact, Hayek in an attempt to support the creation and usage of practical knowledge created through the process of entrepreneurship has revealed few important facts. In his words, explanation for this statement follows:

“It is with respect to this that practically every individual has some advantage over all others because he possesses unique information of which beneficial use might be made, but of which use can be made only if the decisions depending on it are left to him or are made with his active cooperation. We need to remember only how much we have to learn in any occupation after we have completed our theoretical training, how big a part of our working life we spend learning particular jobs, and how valuable an asset in all walks of life is knowledge of people, of local conditions, and of special circumstances... Hayek F.A.,(1945, pp.519)”

Namely, he has given little credibility to the assumption that scientific knowledge is the only one that is relevant, explaining further the subjectivity of this kind of knowledge and the possibility all knowledge to be controlled by a body of suitable chosen experts. Second kind of knowledge with little acknowledgment for businesses refers to knowledge conveyed in any kind of statistical form. As opposed to this, regarding practical knowledge important to businesses, Hayek gives all the credits to the knowledge of particular circumstances of time and space.

Knowledge consideration in the scope of developing countries

In the contemporary knowledge economy, where the predominant importance of knowledge has come on stage, small firms and start ups has been brought to margin in their contribution to growth, simply because of their (mainly financial) inability to invest in knowledge. On the other side, research has proved that generating new knowledge may not be performed by simple unit or research and development department, but it is a way of behaviour and mindset including all the people in the organization, Zaim (2006), Nonaka (1991).

Concerning SMEs and especially the one located in developing countries the most important is the tacit knowledge, coming from the organizational members and their experience. The value of this type of knowledge increases since it is hard to be imitated and replicated by competition. Still, the new ventures that lack this nature of knowledge may accumulate it through apprenticeship, mentorship, action learning or networking with experienced experts in the field.

Moreover, in the context of developing countries, most common patterns of acquiring new knowledge are through imitation, benchmarking, replication, purchasing and outsourcing. In general, SMEs in developing countries may benefit from knowledge that is new for them and their country, rather than new to the world. Still, a specific internal knowledge and resources are needed in order to adapt this absorbed knowledge to the emerging markets, before industry standard is in place, Barreira (2004). There might be substation ground to believe that knowledge absorption capacity is tightly connected to pro-activity as entrepreneurial orientation dimension.

As Kfalifa (2015), argues in the study conducted in Tunisia, in a state of inability to technologically innovate, SMEs' use of high technology might be more important than producing it, in terms of economic growth, job creation and welfare improvement. The author shows a perfect role model example of institutional policy support in knowledge improvement of SMEs including technical centres, research centres, techno parks, industrial clusters, and institute for standard and property right protection and other agencies for promotion of research, innovation and enterprise creation.

Conclusion

A considerable body of literature has been built up treating the contribution of entrepreneur's knowledge to the successful venture performance. There are several forms of knowledge from which the company may benefit. First is the previous knowledge possessed by the entrepreneur and eventually gained through formal education, working experience or specified training programs. Frequently, this includes tacit knowledge, which is extremely personal and hard to transfer to co-workers or imitated by competitors. The second form of knowledge is actually the knowledge gained through the entrepreneurial process itself. The individual is always in the center of this process of knowledge creation, since the initiatives and temptation always start from one individual, waiting to be recognized and accepted by the wider organization. The role played by the knowledge sharing process is at utmost important. In order

to be effective, new knowledge should be successfully transferred throughout the organization. It has been proven that the value of the knowledge base increases by every single transfer made. Moreover, SMEs may benefit from adequate business training at every stage of their lifecycle, especially in the infant period following start-up. Mentorship, advising and counselling are also highly rated at their positive contribution to business performance and results.

Since knowledge is an extremely broad point that may be widely elaborated from numerous perspectives, we pointed to the importance of knowledge creation and knowledge absorption capacity, however we leave space for some further detailed elaboration of both.

2.1.1.3 Inward innovation ability into the SMEs processes

The past two decades have proven that innovation capabilities have contributed to the development of many emerging economies. Moreover, the focal point of every successful development experience has been the innovation capacity that accelerates national growth, OECD (2012). Transferring this issue on a micro economic level, it may be assumed that by increasing the national economic innovation level, the range of opportunities offered for the new entrants and the entrepreneurial dynamics increase respectfully. Supporting the view that innovation is the key precondition for entrepreneurship, quick overview of the literature that supports this standpoint will be presented.

Innovation has been the focal point of entrepreneurial definition, dating back at least to Schumpeter's "creative destruction", pointing to innovation in new products or services, new processes and discovery of new markets, Acs and Virgill (2009). Drucker (1985) argues that "innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or service", (p.32). Schumpeter's and Drucker's path-breaking research inspired a subsequent generation of economists to rely on their research and explore new additional roles of innovation. To define innovation as a concept one may include wide range of meanings, starting from simple willingness to try new product line to the passionate commitment to master the latest in new products, processes or services on the market. In the study of Lumpkin and Dess (1996), innovation has been defined as "a tendency to engage in and support new ideas, novelty, experimentation and creative processes that may result in new products, services or technological processes" (p.142). Different methods for measuring innovation have been presented in many theoretical and empirical studies. Thus, it starts with the

willingness of the entrepreneur to discard old beliefs and explore new alternatives, the amount of resources devoted to R&D, number of new products and services, frequencies in changes of services, and the desire for building reputation for trying new methods, among others, Karagozoglu and Brown (1988), Miller (1987), Zahra and Covin (1993).

In addition, it becomes fairly evident that innovation is a multi dimensional phenomenon, connecting the firms' internal key resources (starting from the intellectual human capital, technology and created knowledge) with the environmental information and screened opportunities in order to create value for the firm and wider society. Similar hypothesis have been presented in the work of Cirera and William (2017), thus synchronizing it in a graphical illustration, presented in Figure 1.

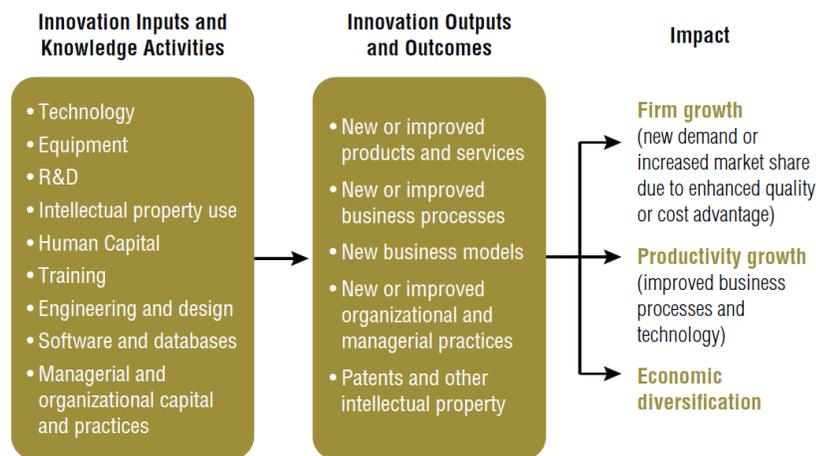


Figure 1. The innovation function. Cirera, X. and Maloney, W.F., *The innovaton paradox*, 2017

In the context of developing country and the evident presence of limited resources for R&D, the act of innovation would also be considered as the ability to transfer new product, processes or services from developed countries. In this term, the absorption capacity and knowledge of the firms is of predominant meaning when it comes to SMEs, especially the ones operating in developing countries.

Absorptive capacity of SMEs and innovation

It has been argued that innovation activities may not be performed in isolation, even if formally structured and placed in the R&D department, Cowan and Paal (2000). Therefore, it is crucial to take into consideration the varied sources of innovation, basically referring to sales,

marketing and manufacturing. In fact, this has been confirmed by the results of the Community Innovation Survey, which show that R&D expenditures account for 10-25% of total firm innovation costs, while the rest is divided among the investments in physical and software capital, training and market screening and introduction. Besides the generic form of innovation, meaning internally creating innovation by investments in knowledge and R&D, very often SMEs in developing countries have accepted the process of innovation to be introduction of new product/service or starting new process or operation that is new and innovative for them and their country, although it may present imitation of some product or process from some developed economy. It is therefore highly relevant to point to the role of internal accumulated knowledge played in the process of acquiring, and at the same time, exploiting useful external information, creating own unique absorptive capacity. As argued, for developing regions, there is the possibility that new ideas and people can be “imported” and fresh governance arrangements can be developed to support these innovations and clusters. Furthermore, Tsai (2001), through an empirical market research has confirmed the hypothesis that an organization’s absorptive capacity is positively related to its innovation.

Prior to elaboration on how the degree of innovativeness of the SMEs affects their success on the market, one may predict that small firms have limited access to the expensive processes of R&D, and very often their ability to innovate is measured through their developed capacity to adapt new technology and ideas developed in other firms, regions or other developed economies. Cohen and Levinthal (2000), offer some implications of firms’ adoption capacity for other innovation activities regarding basic research, adoption of innovation and participating in cooperative R&D ventures. In fact, the authors suggest that firms conduct R&D activities not only for particular results but predominantly for broadening the knowledge base so that to be better prepared to adopt outside advanced technology and create the ability to act as a fast-second on the market and quickly respond to market changes and dynamics. This view on basic R&D activities shifts the previous dominant perspectives that basic research is tightly and exclusively related to specific inventions and advanced processes and technologies, but rather it presents a base for building successful absorptive capacity. Besides this indirect investment in absorptive capacity building, firms often directly support this valuable intangible asset by, for instance, sending personnel to advanced technical training. On the other side, Rosenbusch et al., (2011) point to the assumption that the internal innovation projects have stronger influential

power to firm performance, than the projects involving external parties and innovation partners. This contradiction gives rise to the theoretical tension between the importance of internal or external innovation sources, basic research or absorption activities and different innovation types.

Moreover, although two central means of measuring innovation are number of patents and the amounts invested in R&D, in our further research, we would also appreciate the innovative products and services on the market, as well as innovative processes of production, having in mind the complexity of patent procedures and limited access to finance for SMEs in developing countries.

2.1.1.4 Personal and social network input

The significance of the networks' input into firm performance has been especially recognized in the contemporary knowledge-based economy, since the crucial element of knowledge base construction is the source of new information and transfer of existing information and knowledge, thus enabling individuals to discover new opportunities and take actions upon their exploitation. As stated in the Doh and Zolnik (2011) study, the key elements of the knowledge based economy include actors' knowledge, intellectual property and social network. The notions of social networks and social capital have gained great attention among sociologists and the economists as well, thus transferring its significance from sociological to economic context. As sociologists explain, while the economic capital is visible at the bank accounts, the human capital is the accumulated knowledge in someone's head, the social capital lays in the structure of the relationships one possesses, Bourdieu (1985), Coleman (1988). In the entrepreneurial context, both personal and business networks are of extremely great importance. Therefore, the specific meaning of these ties, the sources, as well as the positive and negative outcomes they deliver will be discussed below.

Definition

Besides the concepts of physical and human capital that are used to explain the capital economy; the new concept of social capital has been "introduced" to give explanation to the entrepreneurship role in the contemporary knowledge based economic. However, another school of thought points that the significance of networks has been present even earlier during the industrial revolution, the time when businesses have recognized the need and benefit of

cooperation and interaction with wider range of people. Definitions of the term vary as its role and measurement in the economic activities changes. The difficulties of defining the concept emerge mainly due to the multidimensional perspective it offers. However, several brave authors have offered certain definitions. For instance, Bourdieu and Wacquant (1992) define social capital as “the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutional relationship of mutual acquaintance and recognition”. Furthermore, Putnam (1995) pointed to social capital as trust, network structures, and norms that promote cooperation among actors within a society for their mutual benefit. In the empirical research conducted by Doh and Zolnik (2011), the base of social capital has been constructed by mutual trust; associational activities or membership and civic norms. The underlying assumption of social capital or social network theory is that through a personal network, the owner-manager of a new venture gathers access to critical resources, which for a variety of reasons the new firm does not possess internally, Ostgaard and Birley (1994).

Since the definitions by themselves do not purely explain the networks’ role in the entrepreneurial processes and outcomes, researchers have continued to classifying measures that would clarify network contribution to entrepreneurial success, Aldrich and Reese (1993), Ostgaard and Birley (1996). Since it is widely known that what cannot be measured, cannot be managed, measuring variables seem necessary. Therefore, a good way of making this precise, is presenting the Witt’s (2004) measures of entrepreneurial networks, who states the observations on three separate levels, including the activities and measures the entrepreneurs undertake to build and sustain a personal network; the structural characteristics of networks; and the benefits the entrepreneurs receives from the network partners over e certain period of time. In order to make these measures suitable for empirical testing of networks success hypothesis, several propositions have been suggested. For instance, the first level of observations (entrepreneur’s engagement in building and sustaining networks) may be examined through the number of hours per week the entrepreneurs spends to create and maintain personal network, as suggested in the work of Aldrich and Reese (1993). Similarly, for the purpose of the same observational level, Ostgaard and Birley (1996), suggested a variable that examines the frequency of communication between the entrepreneur and the existing and potential network partners. The second level of analysis that presents the structure of entrepreneur’s networks, have been most often applied in

empirical studies. In fact, at this point researcher may become aware of the size of the entrepreneur's network, thus the number of people connected to one's business idea and processes, Aldrich, Rosen and Woodward (1987). Second important and most frequent indicator is the Granovetter's model of strong and weak ties. Based on the classic *The strength of weak ties* of Granovetter (1973), who emphasizes the importance of maintaining strong network of weak ties (referring to loose relationship between individuals), mainly with a purpose of obtaining information and new job opportunities that otherwise would be unavailable or costly. For the purpose of access to new information and latest technological advancement, business membership in trade organizations seems to be prudent. On the other side, strong ties (such as primary family and friends) most often assist in business founding and constant access to informal financing. However, possessing a balanced mixture of strong and weak ties seems to have greatest economic and financial influence on entrepreneur's performance. The third level of observation refers to the number and value of services that entrepreneur receives from the network contacts. Structured this way, researchers and practitioners should be able to evaluate and compare the economic costs of maintaining and network and the benefits received from the same arrangement.

Social and business networks and firm performance

There is extensive agreement in the literature that personal and social network have positive effect on business performance, Brüderl and Preisendörfer (1998); Ostgaard and Birley (1994); Ostgaard and Birley (1996); Lechner and Dowling (2003), Doh and Zolnih (2013). A fundamental implication emerging from Doh and Zolnih study was that networks are in a linear relationship with someone's initial propensity to become entrepreneur, indicating that someone with high level of social capital is more likely to become entrepreneur than someone with low level of network diversity. Furthermore, an empirical analysis performed in Germany on 1700 newly founded businesses confirms both, the "network founding" and "network success" hypothesis. Based on this study, it has been strongly argued that network resources, networking activities and network support are heavily used to establish new firms, and furthermore, network support increases the probability of survival and growth of newly founded businesses, Brüderl and Preisendörfer (1998). Businesses may succeed in delivering positive network outcomes in several ways. Putting it in a rational economic frame, as Portes argues in his study, actors can

gain direct access to economic resources (subsidized loans, investment tips, protected markets), they can increase their cultural capital through contacts with experts (i.e. embodied cultural capital); or they can affiliate with institutions that confer valued credentials, Portes (1988).

With an acknowledgement toward the application of social capital in modern sociology, benefits that social networks produce are numerous and multidimensional. In fact, businesses are using networks for different purposes, so that networks' role change in different stages of business lifecycle. For instance, in the work of Lechner and Dowling (2010), it is clearly stated that the importance of social and reputational networks decrease along with the firm development, while the cooperation networks increase over time. Furthermore, as the study states, the knowledge and innovation networks depend purely on management capacity and, at the same time, the development of marketing networks relies on organizational culture and management style.

In fact, network externalities of all types are important because the small size of many enterprises in developing countries often negatively affects transactions costs, scales of economies, and the consistency of production quality. Moreover, the primer advantages on behalf of extended networks in developing countries come from the access to information, resources and new markets. As presented in the study conducted in Sub-Saharan Africa, markets involve individuals who form relationships and networks to economize on transactions costs, Fafchamps (1999). Another analysis from developing countries confirms that especially the strong ties matter as it allows approachability and makes entrepreneurs more resilient in facing shocks and dealing with market uncertainties. Furthermore, social networks allows better access to market resources as regular and trusted suppliers, loyal customers and reliable business partners. What is even more important for the entrepreneurs in developing countries, higher level of social networks allow for better circulation information and of tacit knowledge which directly affects firm's absorptive capacity and innovation.

Furthermore, another study from Macedonia suggests that the under-developed economic position is reflected in the position of the networks that exist between businesses. In fact, the provided survey has shown that connection between businesses usually happen on accidental bases. This study also suggested that when connections are built, networks are usually concerned with exchange of information (65%), or joint purchasing (49%). In general, the social networks of entrepreneurs mainly consist of their relatives, friends, associates or employees. In a

critical situation, the most helpful contacts are employees and friends, Acevska (2002). The creation of domestic business clusters and their connection to international cluster networks would be of dominant meaning for nascent entrepreneurs in developing countries. However, no evidence still exists on real cluster networking and their impact on SMEs performance in developing countries.

Following the arguments from the previous sections, it stands to follow that social networks make a valued contribution to firms' performance. However, researchers are criticized for failing to include the unenthusiastic consequences the social networks may provide. Very easily the social capital may indicate social control, thus, the bonds that facilitates positive outcomes to some enterprises may simultaneously constrain other's constructive performance. Portes (1998) distinguishes several different negative outcomes of social networks. First, the author stresses the situation of exclusion of outsiders based on strong internal network bonds. Namely, while such bonds may bring benefits to network members, at the same time they pose constrain to other to access. In the same direction is the consequence of bounded solidarity and trust, which consequently may prevent additional network members' entrance. Of critical importance in analysing networks' effects is the challenge of restriction of individual freedom. The norms and rules inside the networks may prevent individual entities to behave freely and differently. To make this concrete many authors have made certain transitions from social behaviour of nations to social consequences to enterprises, Boissevain (1974); Simmel ([1902] 1964); Rumbaut (1977).

While in the study of Fafchamps (1999), the author explicitly examines networks positive role in early market development when firms and transactions are small and product quality is not standardized, at the same time the study yields to results that market development is also possible without the existence of the overvalued social networks. A fundamental implication emerging from this study was that a sound level of institutional support and technology may substitute the importance of networks. This statement has been based on the fact that developed institutional processes may help in better access to finance and delivering successful transactions and investment in quality may assist in developing and standardized quality. Accordingly, no discrimination or exclusion of non-members would exist.

Conclusion

Personal and social networks have emerged as an important spatial unit of observation in the knowledge based economy. Taking into consideration that entrepreneurship has come to be perceived as the engine of economic performance, the increasing importance of social networks is becoming reasonable. In fact, as Aldrich et al. (1986) pointed, entrepreneurship is a social role that may not be examined in isolation, or grouped together without a specific context. Moreover, it is the effect of social network to facilitate or inhibit the processes of existing and potential entrepreneurs.

Cultural openness and diversity may contribute to greater number of social networks and greater economic benefits by more opportunities for exchange of important information and tacit knowledge. What was less anticipated in the network literature was the possible negative effects of this forms of ties that may lead to excess control of network members, restriction of personal freedom and different forms of discrimination of non members.

2.1.1.5 The importance of entrepreneur's management and planning ability

The turbulent and highly competitive business environment call for the importance of professional management of the SMEs that would be able to absorb all the benefits from the external opportunities and protect it from all the threats business may face; while being able to recognize own strengths, and eliminate the inner weaknesses. One of the identified problems of this study was the high business failure rates during first years of performance. The question that remains to be discussed is weather the poor decisions that led to business failure are based on lack of business literacy and poor management knowledge? Moreover, the findings in the literature on entrepreneurship and small firm management provide compelling evidence that variations in business and managerial practices result in variations in business success outputs. In fact, natural explanation may be found in the differences in management practices firms apply. In this direction, a strong positive relationship between the managerial practices and firm performance and growth has been confirmed by many studies, Haswell and Holmes (1989); O'Neill and Duker (1986); Scherr, F.C., (1989); Lussier, R.N, (1995); McKenzie and Woodruff (2013). There might be substation grounds to believe that good managerial practices lead to better business performance and higher profit margins, based on rational decisions to increase revenues, cut costs and increase the base of clients served.

An issue that arise at this point is the management diversity and complexity and the difficulties to be measured. However, at his section, factors that directly affect business management will be presented, the importance of business planning as managerial ability and the effects of management trainings on firm performance will be discussed.

Factors that affect business management practices

One may assume that management practices should be analysed at organizational level, since these activities comprehensively affect firm behaviour and performance. However, since small and medium sized companies are directly dependent on owners/manager's business decisions, managerial practices are driven on personal level and directly related to owner's business abilities. As argued in Gaskill et al. (1993) study, possessing adequate skills is critical for the owner to be able to process information and make decisions related to pricing, business planning, advertising and promotion, personnel, product and merchandise. The best clues to explain firms' management practices might come from owner's personal characteristics, aspirations and managing abilities, therefore defining management practices as person-oriented driver of business success. The factors we chose to present and are directly affecting business managerial performance are the quality of human capital in the company, having entrepreneurial parents and the size of the company.

As fundamental implication emerging from management perspective of the business was that it is almost exclusively dependent on owners' personal characteristics, we would shed light on owner education contribution to firm performance. There is wide literature confirming that the role played by the education in management successful practices, therefore creating business successful outcomes, is of utmost importance, McKenzie and Woodruff, (2013); Cooper et al. (1994). The logical explanation behind this assumption lays in the acquired management skills and practices, higher level of techniques and managerial capacities, but also higher abilities to learn and acquire new skills during everyday operations. However, there is another line of thinking arguing that education has no relation to good management practices and therefore business performance, Reynolds and Miller (1989); Lussier (1995). In fact, in Lussier's study, where the business success versus failure prediction model was presented and tested, it has been confirmed that successful firms have practiced greater use of professional advice and have prepared more specific business plans, whereas the owners of the failure firms had more

education and less difficulty staffing, Lussier (1995). Although surprising as a fact, still this controversial results may be explained through several assumption. First, the individuals with higher education are less motivated to start own business since usually they are in a position to find better paid wage employment, than individuals with lower level of education. Furthermore, in relation with the results showing that successful firms had less educated owners, it may be the case that many successful entrepreneurs did not do well at college so some have left school to start own business.

McKenzie and Woodruff's study also argues that individuals whose parents have owned a business have greater chance to become business owners themselves. This is in line with Dunn and Holtz-Eakin (2000) findings, indicating that the effects that parents have on children occupational choice is great and that transition of human capital from parent to child is the most important channel for the intergenerational effect. Since these intergenerational occupation effects are confirmed in other studies, like the one of Lussier (1995), little is known about the negative consequences in parents-children transition effects. For instance, as parents' successful business stories may encourage and motivate children to start own business, the same effect in negative context may be expected if parents have experienced a failure in business activities, therefore negative business experience that would influence children with fear of failure and uncertainty.

The size of the firm is another dimension that is expected to influence business managerial practices and performance. Many entrepreneurial studies have demonstrated a positive linear relation between firm size and managerial practices and performance, McKenzie and Woodruff (2013); meaning that the longer the businesses are operating on the market, the better managerial practices they will apply. Moreover, in the same direction, good managerial practices would allow firms to grow faster, employ more employees, and additionally arrange specialists that would assist in applying better business practices and move the business even further. This is consistent with the work of Stinchcombe (1965) and his famous 'liability of smallness', and revisited and analyzed by many researchers, Cafferata et al. (2009), Bruderl and Schussler (1990); which indicates higher risk of failure of new and younger organizations, compared to established and older one. At this point, we may accept Stinchcombe's school if we assume that the newness of organization is tightly connected to the size of the business. In fact, Stinchcombe (1965) tends to emphasise the cost of lack of experience in organizational and team

sense. In this regard, the author indicates that the new organisations posture new roles that need to be learned, most often without the presence of skilled role model that might be followed. This learning and experiencing processes may undoubtedly lead to a period with little or no work efficiency, no innovativeness and inability to move forward. In organizational perspective, the liability of newness is presented through the inexperience in dealing with pressure and conflicts, lack of stable decision making criteria and routine procedures and relatively low generalized loyalty to the firm.

The importance of planning ability

According to Kotter (2010), efficient and professional management of the 21st century should comprise of two basic dimensions: to be prepared for lifelong learning and to possess strong competitive spirit. Additionally, SMEs management may be explained through:

- high flexibility compared to large corporations
- centralized decision making process
- simple organizational structure
- great influence from the founder
- simple formal planning
- fewer management levels
- direct lines of vertical communication

Planning as a process is a very important factor that may affect the success of the SMEs in different ways according to its adequate practice. As an important function in the management process, it presents the base on which the decisions that determine the future performance are made, Avijas (2008). Namely, planning is defined as a mental activity of the management to determine the objectives, policies and plans for timely prediction of external and internal influences. Based on this process, small businesses reduce uncertainty and the risk of errors and consequently increase the likelihood of success. Small business owners need to set a goal and to develop a strategy by which that goal will be accomplished. The planned response involves taking action in advance based on the analysis of the situation and evaluation of different strategic variants of the particular situation. In this sense, the business plan is a defined course of action within a specified period which follows the work order of the entrepreneur or the selected concept of operations, Shuklev (2004).

As discussed in the study of Gaskill et al. (1993), analyzing the causes of small business failures, without adequate planning activities firm performance may deteriorate in many areas: compete against competitors, target market niches or offer saleable goods. Therefore, entrepreneurship literature recognizes that building an adequate business plan is an essential precondition for the success of SMEs. As a basic tool of the entrepreneur, the plan should determine the pattern of accomplishment of the small business objectives. Having a sound business plan reduces the possibility of business failures, due to the advanced market analysis that foresees potential risk and determines a way for its avoidance. Furthermore, it is evident that enterprises which do not poses a suitable business plan (vision) at the start face the most challenges throughout their lives. Moreover, business plans are necessary because it assists in monitoring the extent to which these plans are successful in practice and provides an opportunity to see the reasons why the plan and output differ.

On the contrary, a detailed empirical study by Lange et al. (2007), analyzing 116 new ventures, raised the question whether there was a difference in performance of the companies who had written business plans and the businesses that were launched without formal business plan documents. The research revealed that there was no difference in performance outputs regardless the business plans of the companies. This is reflected in Bartlett (2002) findings, who surveyed the America's 500 fastest growing companies, and confirmed that only 40% of the best rating private companies possessed formal business plan while launching the company. Consistent with this is the study of Harvard business school alum who started own businesses. In his study, Bhide (2000) concludes that only a minority of entrepreneurs, including even MBAs from a pre-eminent business school, started their ventures with a formal written business plan. Additional to this, it has been widely accepted in the literature that formal business plans are used predominantly for communication with third parties, mainly financiers, rather than as a tool for internal planning and vision following, Hindle (1997); Zacharakis and Meyer (2000); Mahdjoubi (2004).

Business training and financing programs provided and content covered

In line with the increased interest in entrepreneurship in developing countries, the importance of supportive entrepreneurship programs including business training and supportive financing have also raised. In fact, the emerging need for providing business trainings and their evaluation

have appeared after rapid increase in the awareness of the fact that poor management is perceived to be central constrain for production in developing countries, McKenzie and Woodruff (2013).

Although faced with many obstacles and limitation to research (small and heterogeneous sample sizes, short evaluation periods, survey attrition), still many authors succeeded in delivering valuable results on the evaluation of effectiveness of the various business trainings and supporting financial programs on the small businesses and individuals, McKenzie and Woodruff (2013); Cho & Honorati (2014); De Mel et al.(2012).

The different types of business support programs have shown to have different success rate to its participants. In this sense, Cho and Honorati (2014), described the following types of interventions: technical and vocational (including basic skills for certain occupations), business and managerial (managerial skills, business practices, marketing and customer relations) and financial skills training (long term business plan and growth strategy, decision making and business financing). Furthermore, McKenzie and Woodruff (2013) in their analysis worked on evaluation of training effects on more general population, offered classroom based trainings that focus on improving general business skills that are applicable in all businesses.

In the evaluation of different studies, McKenzie and Woodruff (2013) found diverse results when it comes to business survival. Most often the effect of business training on business survival is not significant, and many of the evaluating firms have closed during study period or 28 months later, Bruhn and Zia (2011), Calderon et al. (2013). At this point, the author concludes the positive effect that trainings teach owners how to close losing business, which is also of high importance. However, in some of the studies, trainings have increased the rate of business start up and increase in self-employment among the groups of youth and women, especially when trainings are combined with grant financing. Although difficult to measure, effect on profit and sales has shown to be positive in most studies, though in short time periods and usually combined with grant.

As detailed in the study of De Mel et al.(2012), business training (acquired business practices) alone does not influence profits, sales or capital stocks for current entrepreneurs; however, in combination with cash grant, this influence is highly significant. These authors suggest that continued personalized mentorship and counselling have best influenced profit and

sales, increasing them for 18% in female enterprises in Peru. On the other hand, author concluded that training results have a limited lasting results, therefore getting individual to start business is quite easier than making these businesses grow. Furthermore, as the study of Calderon et al. (2013) confirms management trainings bring benefits only to higher quality entrepreneurs, indicating that the lower quality, non profit entrepreneurs, are willing to quit at the moment they realize they are not capable of running an adequate business practices. Moreover, as argued by the economists, bad management practices may only present a short term problem, since in long run, better managed firms would take over the market.

Results of the business trainings vary. One of the reason for poor program results after intervention may be the labour market failure, since low availability of wage work is the reason why people start businesses at first place, rather than possessing an idea and passion, quality managerial competences and motivation to grow big. As examined in the work of Bruhn et al. (2012), high percent of firms assigned to treatment have actually participated, even if offered for free, which confirms the challenge to promote healthy entrepreneurship in developing countries. The first thing small firms' owners should do is "to decide to grow". There are training courses prepared by psychologists that focus more on the personality and attitudes of the entrepreneur rather than specific business skills.

Designing relevant combination of skills, grants and continuing counselling, based on the target groups' main constraints is important to achieve better program results. Therefore, deep and detailed elaboration and planning is necessary to prepare relevant program content to the right applicants at the right time, in order to make investments in trainings cost-efficient. It is evident from the studies that nascent entrepreneurs need inspiration and role models that they would follow. Sharing managerial experiences from successful SMEs from developing countries as part of the programs may awake their work enthusiasm. Start-ups resulting from vocational trainings may continue by creating a business network, or even a community that would stand for their specific interests and fight for their exposure out of their country. As continued counselling have showed great results after training sessions, new start-ups should be encouraged (or even kindly obliged, after grant financing) to continue with management counselling for a certain period, in order to reduce risk of failure.

Conclusion

The importance of entrepreneur's management and planning abilities for the businesses performance level has been observed in several different contexts. Although researchers has failed to reach full consensus about the extent to which education, entrepreneurial parents and the size of the company may affect entrepreneur's managerial capabilities, still a large body of data confirms that these factors are of utmost importance for entrepreneurial managerial position and its contribution to firm performance. Available literature seems to support the view that business plans are only important when higher level of communication is required with stakeholders. Still, it is noteworthy mentioning that the business plan as modifiable document may help business planning and market positioning and may prevent failure by conducting detailed analysis and scenarios. Moreover, we must acknowledge fully that additional trainings provided continuously during business lifecycle may add extraordinary value to business leading directions.

2.1.3 Environmental success factors

Another stream in the literature supports the view that it is actually the environment or "ecosystem" made of private and public players, which support and sustain entrepreneurship, making the operations of entrepreneurs easier, Claire (2014). Moreover, environmental circumstances may not always be positive. Naturally, in the analysis of environmental influences to firm's success, there are negative impacts to be considered as well. Research has also shown that SMEs possess the flexibility to adjust to environmental conditions and changes much easier than large corporation. Still, besides the fact that they are more responsive to external influences, they are less able to influence certain changes and improvements in the same, Burns (2001). In fact, the entrepreneurs might not have the absolute power to change the environment where they operate, however, they may absolutely choose the environment under which conditions they will operate their business. The role played by the issue of globalisation and open market policies is of utmost importance for the contemporary business environment.

Business environment is a complex and dynamic phenomenon. Having an appropriate and supporting business surrounding has shown to be of a vital importance for the business and entrepreneurship's sustainability and growth. A large body of literature have examined this

relationship. Some authors outlined a clear correlation between the national culture and the advancement of entrepreneurial processes, Hofstede et al. (2002); Trompenaars and Hampden-Turner (1997); Runyan et al. (2012). Through elaboration of different cultural elements and indicators, studies show that the culture has an important moderating effect on entrepreneurial processes and performance relationship. Furthermore, the institutional support through the impact of taxes, policy and regulations has also been distinguished as highly important for proper and successful business functioning, Baumol (1990); Welter and Smallbone (2011). Not surprisingly, many scholars have supported the fact that the role played by the access to finance is of utmost importance for SMEs success, Naude (2010); Grande et al. (2011); while other give greatest credits to the immediate markets, through elaboration of market infrastructure, learning opportunities, interaction of buyers and suppliers and market availability of skilled labour, raw materials and opportunities for placement of final goods, Dutta et al. (2016); Kohli and Jaworski (1990).

2.1.3.1 The effect of culture on the success rate of start-ups in developing countries

A considerable body of literature has been built up treating culture as a strong determinant of entrepreneurial behaviour, therefore recognizing its strong contribution to entrepreneurial and economic growth, Runyan et al. (2012); Hofstede et al. (2002). Considering the specifics and uniqueness that each culture holds, it seems logical to assume that cultural influence on entrepreneurial processes would differ among countries and cultures. In light of the entrepreneurship in developing countries, culture is a critical element that can either foster collaboration and innovation or prevent effective knowledge sharing. Still, there are studies that argue that entrepreneurial orientation is most extensively examined in the cultural context of US and developed world, whereas there is lacking evidence from testing entrepreneurial orientation validation in developing regions, Wales et al. (2011). Therefore, it is of high relevance to acknowledge that the impact of different cultures on the entrepreneurship and entrepreneurial orientation processes is of predominant importance and deserves higher academic attention.

The framework of cultural dimension

The role played by culture in the evolution of entrepreneurial processes is of utmost importance. Scholars support the view and argue that economic development might not be

studied without the specific considerations of culture, Act and Virgill (2009). Therefore, closer look at culture definition as well composition is hence necessary. Researchers often tend to emphasize the psychological aspect of culture. Drawing back to the school of thought incorporated in the work of Geertz (1973), “culture is composed by psychological structures by means of which individuals or groups of individuals guide their behaviour”, (pp.315). Therefore, relying on this notion, culture may be recognized as a behavioural pattern composed of values and norms by which group of people adapt and live their lives. In the later work of Trompenaars (1993), the definition of culture has gained a bit more systematic approach, describing culture as “shared system of meanings which function as a process leading to automatic solutions of frequently repeating problems”. In order to assess the culture in a certain environment, Babson Entrepreneurship Ecosystem Project proposes several considerations regarding the characteristics of the certain culture, like its tolerability towards honest mistakes, honourable failure, risk taking and contrarian thinking. Also it considers the appearance and respectability of entrepreneurship as a worthy occupation as an important factor of the culture, which is of special importance for the occupational choice in developing countries, Gjorevska (2014).

While the literature has fully recognized the importance of cultural differences across countries and culture’s contribution to variations in entrepreneurial behaviour and success, some authors have undertaken a step further toward testing the measurement instruments utility in cross-cultural settings. Moreover, the study of Knight (1997) indicated that it is a great inaccuracy to consider that entrepreneurial scales developed at one country would be applicable for accessing entrepreneurial behaviour in other country and culture with the same level of efficiency. Another critics hold that there is lack of evidence that show replication of studies and research results in each individual country, while there are numerous studies accessing the relationship globally, Rauch et al. (2009). This study also raise the question that although previous literature gives clear evidence that culture affects entrepreneurial orientation and behaviour, no studies show how the culture affects the entrepreneurial processes. However, the research conducted by Kreiser et al. (2002) in six different countries, examined whether entrepreneurial orientation scales hold across countries, cultures and different environmental settings. Kreiser’s study resulted in strong support for the cross-cultural validity of Covin and Slevin (1989) scale, which, in fact, has been applied to numerous international studies accessing

entrepreneurial orientation construct. However, the specific dimensions of national cultures will be presented in more details in the next Section.

Understanding national cultures based on the cultural dimensions of Hofstede and Trompenaars

Research on national cultures has been in the focus of the studies of Hofstede (1980, 1983, 1993, 1996); and Trompenaar (1993), whose work have been extensively studied in a broader scope than the core social sciences framework. In fact, Hofstede has recognized a model of six cultural dimensions that distinguishes one national culture from another. His model includes: power distance index, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance index, long- term versus short-term orientation and indulgence versus restraint. In this regard, the power distance index indicates the inequality that is accepted between the people with power and without power. Furthermore, individualism versus collectivism refers to the strength of the ties that people have to others within their community. For instance, in a collectivist society, however, people are supposed to be loyal to the group to which they belong, and, in exchange, the group will defend their interests. Moreover, the masculinity versus femininity exposes the roles of man and woman in the society, describing the strong egos and the importance of money and achievement. Perhaps the most important dimension from entrepreneurial point of view is the uncertainty avoidance index that indicates if the societies are more conservative, rigid and structured or generally open to changes and innovation. The next dimension that distinguishes among the long-term or short term orientation may also be well incorporated in strategic management practices of countries. At the end, the measurement of indulgence versus restraint behavior shows if the people in the society are optimistic and prefer freedom or provide more controlled and rigid behavior, Kreiser (1994).

Three years later, Trompenaars and Hampden-Turner (1997), revealed a model of seven cultural dimensions, after spending ten years of research of preferences and values of people in numerous cultures around the world. They argued that people in different countries act and behave differently in specific and even predictable ways. Therefore, a summary of Trompenaars and Hampden-Turner model, together with the deeper explanation of Hofstede's six dimensional model, are presented in Figure 2 and Figure 3, respectfully.

Figure 2: Hofstede's national culture dimensions

Hofstede's six-dimensional model	
Dimension	Characteristics
Power Distance Index	A high PDI score indicates that a society accepts an unequal, hierarchical distribution of power, and that people understand "their place" in the system. A low PDI score means that power is shared and is widely dispersed, and that society members do not accept situations where power is distributed unequally.
Individualism Versus Collectivism	A high IDV score indicates weak interpersonal connection among those who are not part of a core "family." Here, people take less responsibility for others' actions and outcomes.
Masculinity Versus Femininity	In masculine societies, the roles of men and women overlap less, and men are expected to behave assertively. Demonstrating your success, and being strong and fast, are seen as positive characteristics.
Uncertainty Avoidance Index	In societies that score highly for Uncertainty Avoidance, people attempt to make life as predictable and controllable as possible. If they find that they can't control their own lives, they may be tempted to stop trying
Long- Versus Short-Term Orientation	Countries with a long-term orientation tend to be pragmatic, modest, and more thrifty. In short-term oriented countries, people tend to place more emphasis on principles, consistency and truth, and are typically religious and nationalistic.
Indulgence Versus Restraint	Countries with a high IVR score allow or encourage relatively free gratification of people's own drives and emotions, such as enjoying life and having fun. In a society with a low IVR score, there is more emphasis on suppressing gratification and more regulation of people's conduct and behaviour, and there are stricter social norms.

Source: www.greethofstede.com

Figure 3: Trompenaars and Hampden-Turner's national culture dimensions

Trompenaars and Hampden-Turner's seven-dimensional model	
Dimension	Characteristics
Universalism <i>Versus</i> particularism	People place a high importance on laws, rules, values, and obligations. They try to deal fairly with people based on these rules, but rules come before relationships. <i>Versus</i> People believe that each circumstance, and each relationship, dictates the rules that they live by. Their response to a situation may change, based on what's happening in the moment, and who's involved.
	People believe in personal freedom and achievement. They believe that you make your own decisions, and that

Individualism <i>Versus</i> communitarianism	you must take care of yourself. <i>Versus</i> People believe that the group is more important than the individual. The group provides help and safety, in exchange for loyalty. The group always comes before the individual.
Specific <i>Versus</i> diffuse	People keep work and personal lives separate. As a result, they believe that relationships don't have much of an impact on work objectives <i>Versus</i> People see an overlap between their work and personal life. They believe that good relationships are vital to meeting business objectives
Neutral <i>Versus</i> emotional	People make a great effort to control their emotions. Reason influences their actions far more than their feelings. <i>Versus</i> People want to find ways to express their emotions, even spontaneously, at work.
Achievement <i>Versus</i> ascription	People believe that you are what you do, and they base your worth accordingly. These cultures value performance, no matter who you are. <i>Versus</i> People believe that you should be valued for who you are. Power, title, and position matter in these cultures, and these roles define behavior.
Sequential time <i>Versus</i> synchronous time	People like events to happen in order. They place a high value on punctuality, planning (and sticking to your plans), and staying on schedule. <i>Versus</i> People see the past, present, and future as interwoven periods. They often work on several projects at once, and view plans and commitments as flexible.
Internal direction <i>versus</i> outer direction	People believe that they can control nature or their environment to achieve goals. <i>Versus</i> People believe that nature, or their environment controls them; they must work with their environment to achieve goals.

Source: www.mindtools.com/pages/article/seven-dimensions

Culture and entrepreneurial evolution paradigm

It is often implicit in the literature that national cultures evolve and change over time, just as transition processes change and advance in economic and entrepreneurial terms. Whereas the assumption holds that cultural changes are far more complex and may have a relatively slow evolving pace; studies on this issue reveal that political and economic shocks may foster faster cultural changes, Chakraborty et al. (2016). Although cultural trends and their impact on entrepreneurship is a field that is less examined in the literature mainly due to the need of

longitudinal and replication of studies, few such insights will be considered at this point. Mainly, Hofstede (1983) has detected certain shifts in cultural trends over time. In his research, the greatest universal shifts have been noticed in the increase in the dimension of individualism, consequently followed by an increase in wealth of developed countries. Regarding the dimension of power distance, an increase in preference for more consultative and democratic management has been noticed in almost all countries of analysis. Furthermore, the Hofstede's findings on individualism trends have been replicated in the study of Chakraborty et al. (2016), who emphasize that the insurance that people feel as a part of a group, in fact, lowers their innovation and growth potential, however, specific political and economic changes may cause long-term deviation from these norms, cultural change and economic development.

An exclusive example of dramatic cultural change is noticed in China, while transforming from a system of central planning toward an open market economy with increased management responsibility and accountability. Although the study conducted by Zapalska and Edwards (2001) has pointed to certain obstacles that Chinese entrepreneurs face, the fact that China has been placed among the world trade leaders, shows that there is still a pleasant entrepreneurial environment that has substantially increased their economic output. Regarding the insights of the traditional Chinese culture, the most prominent characteristics refer to respect for age, hierarchy and authority; and the importance placed on reputation achieved through hard work and successful enterprise, Zapalska and Edwards (2001). However, the changes in social and economic processes have not left the cultural context behind. In fact, the new environment of increased competition and rapid market changes has forced individuals to accept the dynamic environment, make changes and take innovative initiatives. As implicit in their study, the new generation of Chinese young entrepreneurs have recognized the importance of being opportunistic, strategic and professional and have worked on communication skills and own self-actualization. The transition economies have experienced nearly the same cultural path, from an overly bureaucratic culture to a more open, prosperous and entrepreneurial favorable culture. In particular, the greatest problems faced by these countries have been related to corruption, lack of available capital, underdeveloped business and legal infrastructure and lack of business experience and expertise, Lee and Peterson (2000). Consequently, these unfavorable business circumstances, together with the hierarchical relationships and authoritarian leadership styles, have led to a creation of a culture that discourages change, individual initiative and independent

thinking. However, the transition processes of the region have led to transition in cultural values of the new generations of these nations. Namely, studies show that these new generations of young entrepreneurs are more concerned with change, success and competition which are in parallel with the conditions for entrepreneurial evolution.

Conclusion

There is substantial ground to believe that national culture has an important moderating effect of entrepreneurial processes and performance relationship. Therefore, there has been a tendency in the research toward better understanding of how certain cultural dimensions impact entrepreneurial processes and how that affect economic outputs of countries. A favourable entrepreneurial culture would allow entrepreneurs to act independently and to seek opportunities without societal constraints, would be tolerable toward mistakes and would encourage high uncertainty acceptance, Lee and Peterson (2000). The situation of national cultures in developing countries is far distinct from this portrait. Fortunately, national cultures are not static and may alter in accordance to stronger political, economic and social forces. Number of researchers has confirmed this phenomenon. On the other side, since Hofstede in 1980 was elaborating the trends of multiple national cultures and expressed certain changes, in his conclusions from a multilevel research provided in 1993, he reveals the results that “national cultures change very slowly, if at all”, Hofstede (1993, pp. 92). Concerning entrepreneurial approach, one may conclude that measuring the changes of national cultures is extremely complex and long process, therefore, recognizing and accepting core national norms and values would be crucial for adaptation of management practices at the time of new venture performance.

2.1.3.2 Institutional support contribution to SMEs success

The significance of institutional support for SMEs is dating back from 19th century. In fact, due to their smallness, SMEs feel disadvantaged on the market compared to large organizations, regarding limited available recourses, inferior management practices and lack of access to knowledge. Considering the importance of small enterprises in the social and economic development of any country and considering the fact that the establishment, management, and growth of the business is quite delicate and risky process that requires a lot of knowledge and labour, governments in developed countries tend to develop support system that creates

favourable conditions that enable SMEs to feel competitive among large organizations. Facts show that the performance and development of small enterprises is closely connected to the relevant institutions and support they offer in the field of information, training and continuing development, consulting and advisory services. Support to small enterprises is usually provided in a form of policy creation, strategies development and assisting programs. The main goal of the institutional support is to enable smooth operation and growth of small businesses.

Institutional environment framework

Many entrepreneurship studies have imposed commitment to elaboration of the institutional environment, given the overwhelming evidence that it has significant impact on entrepreneurial processes, Scott (1987); Baumol (1990); Welter and Smallbone (2011). Institutional environment has been observed through multiple perspectives. In particular, the concept has been defined as "characterized by the elaboration of rules and requirements to which individual organizations must conform in order to receive legitimacy and support", Scott (1987, pp. 498). Institutional environment has been studied through an economic, political, as well as cultural perspective. In this regard, North (1991) explains that institutions form the "rule of the games in society", which may either encourage entrepreneurial initiatives and development, or set strict limitations for business prosperity. In his terms, the rules include formal institutions that refer to constitutional, legal and organizational frameworks, as well as informal institutions composed of codes of conduct, values and norms in the society. Examples of these two distinct institutional environments are varied. In fact, formal institutions are primarily related to taxes, policy uncertainty and regulations. More precisely, while referring to formal institutions, the most influential for business development are the laws for business registration, custom and trade regulations, government transparency, commercial laws and regulations, as well as licensing and accounting standards, Aidis and Sauka (2005). The authors also suggest that these institutional influences change during the business development stages, starting from the laws of registration and licensing at the beginning of the venturing, to the importance of security payments and the strict accounting standards. While these institutional influences are set by law and easily recognizable by all the business participants; the informal institutional impacts may be less visible and apparent. Therefore, government attitudes toward entrepreneurship, organized crime and corruption as well as payment behaviour of clients and received state support may have a

more personal and subjective relation to certain businesses and no effect at all to other, Aidis (2005); Aidis and Sauka (2005).

Business sector has shown different responses to different institutional policies. Mainly their actions have referred to adaptation to certain rules and regulations or avoidance of laws and creation of gray economy. Welter and Smallbone (2011) have identified six types of managerial responses to their closest operating environment. These responses have been ranging from “prospecting”, referring to focus on innovation to adapt to a changing market; “evasion”, understanding business attempts to avoid overregulation in terms to survive; to approaching a “diversification and portfolio entrepreneurship”, resulting from fear to expand core business, due to the fear of attracting the attention from organized crime and mafia. This position certainly shows that although the general accepted view holds the government as exclusively responsible for setting and implementing institutional policies, Welter and Smallbone (2011); in fact, the entrepreneurs through their different responses and lobbying abilities shape the institutional and entrepreneurial environment, Naude et al. (2011); Oliver (1991).

Institutional environment in developing countries

The findings from the literature on institutional environment provide compelling evidence that support institutional frameworks’ importance for the transitional processes of developing economies. Rising on this assumption, both, formal and informal types of institutional forces have attained the attention of numerous researchers, Naude (2011); Barlett and Bukvic (2001); Vivarelli (2012); Dvoulety et al. (2018). In fact, entrepreneurs in developing countries are often seen to be operating in deeply-adverse environment, with unsatisfactory formal and informal institutional framework, Naude (2011). Research in this area has shown that even the positive formal institutional rules have been ineffective in practice. Moreover, the best clues for the imperfection of institutional environment might come from the fact that even if a positive entrepreneurial initiatives arise from the business sector in the society, if the government fail to provide a rule of law in the country, than the effects of the inspiring entrepreneurial initiatives might diminish, Dvoulety (2018). In a similar vein, in a research conducted in thirty-seven developed and developing countries, regulations (in terms of regulation in the product markets, regulation in the labor markets and the legal system) have shown to be a greatest constrain for young entrepreneurs willing to pursue opportunity entrepreneurship in developing

countries, Ardagna and Lusardi, (2008). This study has found critical evidence that regulation and overregulation have a significant negative influence on individuals' decision to enter into entrepreneurial activities; therefore, destroying entrepreneurship even before it occurs.

Apparently, a vast amount of literature examines the institutional conditions exclusively distinctive for developing countries. Building on this consistency of result, we may notice that the institutional framework within which SMEs operate is consistent of unsuitable tax system, uneven legal regulations and complicated laws, Bartlett and Bukvič, (2001). The adverse business environment has been further described by overregulation, high cost of doing business, weak enforcement of property rights and poor capital markets. This regulatory framework regularly restricts the growth and prosperity of productive entrepreneurship. The overregulation in these countries often encourage SMEs to look for a ways to avoid strict regulation and payment of high tax rates, therefore increasing the level of gray economy, rent seeking and unproductive entrepreneurship, Baumol (1990). The operations under the gray economy and corruption circumstances lead toward unfair competition to legal entities, and consequently, to permanent decrease of the entrepreneurial and economic growth in the developing countries. In their comparative study on barriers to SMEs development in Macedonia, Bosnia and Slovenia, Bartlett and Bukvič (2001), revealed the results that the entrepreneurs in these developing countries are most affected by the issue of high taxation and contributions on wages (i.e. high non-wage labor costs). Besides the "high tax" problems, these developing countries are further concern with lack of state support and high cost of capital. Bribery and corruption are additional problem that burdens SMEs growth. In particular, the Bartlett and Bukvič study showed that 1% increase in bribery and corruption results in 3 % decrease in economic growth. The briefly described institutional framework in developing countries needs serious considerations for reforms in laws and regulations, capital and labor market, contract enforcement and state support. Since all transition countries experience dramatic changes in socio-economic and political terms, the institutional environment should follow this process and co-evolve with the macroeconomic changes. Governments in developing countries should not only encourage and support business initiatives and the processes of starting a business, but should also dedicate to startups support and minimization of business failures. What government should do is ensure protection of the property rights, establish a well functioning legal system, set competitive tax rates and maintain microeconomic and political stability, Naudé et al. (2011).

Conclusion

In sum, as evident from the literature, entrepreneurship has been highly influenced by the institutional environment reflecting its nature, quality and development pace. This is especially evident in developing countries, which still lack a certain institutional framework for smooth operations. The unpleasant institutional environment within which SMEs in developing countries function, composed of legal overregulation, high cost of doing business and unsuitable tax system, is a position that certainly need change. Whereas the control for initiative and diligence of institutional change has been for long believed to be in the hands of the government and high government officials, multiple studies from different countries show that the power may arise from the entrepreneurial sector itself, Naude et al. (2011); Welter and Smallbone (2011). These studies argue that entrepreneurs may trigger and influence institutional change, in the same way the institutions influence and alter their behavior. Regarding developing countries, changes in institutional environment are necessary to occur, since no institutional framework may be resistant to the ongoing political, economic and social changes derived from the process of transition. The improved institutional environment in developing countries should assist in developing a vibrant entrepreneurial climate for SMEs, by reduction of entry and exit market barriers, introduction of competitive tax regulation and sound contract enforcement and improved capital markets.

2.1.3.3 The availability and easy access to finance as key input into SMEs success

Many entrepreneurial studies have demonstrated that developing countries offer wider range of unexploited business opportunities. Besides this fact, entrepreneurial initiatives in these countries result in significantly lower performance than firms operating in developed markets. The underlying assumption behind this position relies on the fact that financial constrains limit the growth and prosperity of promising entrepreneurial undertakings. Another study shows that SMEs in developing countries lack both, financial and managerial abilities to operate large and more sophisticated businesses, Lingelbach et al. (2005). Going through the different stages of transitional processes, firms face different challenges when their competitive, legal and political environment changes. Resource insufficiency makes SMEs especially vulnerable in the period of

turbulence, negatively affecting their adaptation capability, Grande et al. (2011). As addressed in the work of Todorovic and McNaughton (2007), entrepreneurs in developing countries challenged by their own limited resources, face additional difficulties to access financing from external environment. An important considerations when assessing SMEs access to finance in developing countries as resource lean environments are the types of finances offered and the alternatives for financial and institutional reforms that would improve SMEs financial sources.

1. Significance of access to finance for entrepreneurial ventures

Available literature gives overwhelming evidence that access to finance presents a most significant entrepreneurial factor that limit the rate of entry of new businesses, as well as affecting business sustainability, survival and growth. Studies show that this position is especially evident in developing countries and emerging economies, like Jordan (Maher, 2010); Ghana (Kusi et al. 2015); Slovenia, Macedonia and Bosnia (Bartlett and Bukvic, 2001); Romania (Brown et al. 2004); as well as sub African countries (Goedhuys and Sleuwaegen, 2010) among others.

In fact, access to finance, may limit entrepreneurial development in multiple directions. First, without adequate financing options, talented individuals with recognized market opportunity may not be able to initiate market entry and become entrepreneurs, Naude (2010). This is especially evident in developing countries where personal savings are considerably limited. Second, even after the market entry phase and early infant period, firms have inevitable need for additional financing in order to perform regular operations, but also to develop and facilitate growth within the business, Grande et al. (2011). This would raise the assumption that access to finance is incredibly important for day-to-day activities as well as for long-term investments. The third consideration points to the importance of access to finance for financing innovative activities. Limited financing hinders SMEs abilities to innovate, which may prevent them to grow or even to take advantage of certain technological opportunities in high growth industries. The final remark indicates that financial constrains of companies limit their risk-taking propensity and therefore limit their chances to achieve extraordinary market accomplishments. Evidence from the literature show that access to finance affects risk level by limiting the adverse level of risk and prevent firms to take initiatives with high level of uncertainty. Consequently, firms with available resources and easy access to external finance

would take more risky initiatives; would be more prone to innovation and would have more proactive approach to market, Grande et al. (2011).

On the other side, another stream in the literature addresses that although finance is necessary for business initiatives and operations, it is not sufficient by itself, Olafsen and Cook (2016); Grande et al (2011). The underlying assumption behind this point is that entrepreneurship goes beyond the financial limits of inspired individuals or prosperous firms. Moreover, management of resources and therefore, the management knowledge and competence to efficiently use available resource is the cornerstone to firm development. As indicated in the study of Newbert (2007), firms may not earn extra profit by having better resources, but through their unique competence to make use of these resources.

Nevertheless, it is of high relevance to acknowledge the main financial constrains faced by SMEs in developing countries. The most significant barriers include: high cost of credit, high bank charges, high collateral requirements, lack of outside equity and venture capital and potential bias against small firms, Bertlett and Bukvic (2001); Kusi et al. (2015). Moreover, these financing barriers present greater binding constrain for small and young firms, rather than for large enterprises, due to their limited track records; inability to secure collateral and difficulties in high interest rates repayments, Olafsen and Cook (2016); Kusi et al. (2015); Beck (2007). SMEs in developing countries may overcome the present financial obstacles to growth by establishing own saving and investment plans, exploring new and innovative modes of financing and lobbying for changes in the institutional and financial infrastructure.

2. Financing options for SMEs in developing countries

Besides the financial revolution in the developed countries over the past fifty years, little financial innovation is evident in the firms financing in developing markets, Lingelbach et al. (2005). The underdeveloped financial markets lead firms initially to rely on self-financing and borrowing from friends and family. As replicated in the work of Portes (1998), social networks play an important role in the informal access to external financing. Moreover, national culture and the degree to which it establishes norms and standards of mutual trust may also contribute to the processes of borrowing and informal sources of financing. In this respect, cooperation and partnerships among individuals and among companies may be noted as a strong vehicle for

entrepreneurial expansion in developing countries, Bartlett and Bukvic (2001). While research on personal savings have shown that this amounts are relatively constrained under the conditions of developing countries, another study argues that private savings are higher in countries that have experienced economic instability, using them as an insurance mechanism, which may in later phase of transition result in opportunity for new venture creation or development, Loayza et al. (2000).

However, besides the informal financing sources, SMEs in developing countries most frequently choose to use the bank lending services, leaving behind the venture capital and equity financing options, Lingelbach et al. (2005). Besides the banks, the formal financing system in developing countries may offer services from microfinance institutions and international development agencies. Although banks present the second choice for firms financing in developing markets, small and medium businesses often complain of inadequate interest rates, high collateral requirements and bias banks' approach toward small businesses. As a result, as indicated in the findings from the research of Beck (2007), only 12% of small firms use bank financing, compared to 30 % of large companies who rely on this external financing source. Research has also shown that the high bank requirements are holding back the prospective fast growing firms, the eventual gazelles with high entrepreneurial and potential, Olafsen and Cook (2016). The high bank collateral requirements prevent these firms from entering into the bank lending processes. Difficulties in financing HGF may rely on the fact that these firms are highly innovation based, and the uncertain outcomes of the investment, as well as the nature of the innovation (which may often be intangible asset), holds banks and investors back on the safe side, Vargas (2015).

A fundamental implication emerging from the transition processes of the developing countries is that they follow the samples from the already developed markets. However, by far, developing countries perform poorly in adapting innovative financing practices from advanced economies. In particular, venture capital and equity financing have limited role in financial construction of SMEs in developing countries, Lingelbach et al. (2015); Bartlett and Bukvic (2001). As presented in the study of Lingelbach et al. (2015), the American model of venture capital has shown little applicability in developing countries, although it has been among the first choices of fund managers. The lack of knowledge and information by the entrepreneurs, as well as lack of experience in successful venture capital investment, therefore lack of expertise by the

venture capitalist, make this type of financing unattractive choice in developing economies. Additionally, an example of venture capital financing of SMEs in Ghana illustrates that the greatest challenges venture capitalists faced were related to lack of industry policies and regulation, lack of exit options due to inactive IPO environment, lack of industry information record and poor management and record keeping of SMEs, Agyeman (2010). In a similar vein, the angel investments have been relatively neglected financial choice of potential entrepreneurs in developing countries. Following the example of developed economies, a study conducted in US revealed the results that firms funded by angel investors have higher chances to survive and grow and higher employment rates than the firms funded from other sources of financing. Moreover, these firms have confirmed that the finances they received from the angel investment networks are even insignificant compared to the information, support and networking provided in the early stage of business lifecycle, Kerr et al. (2011). As indicated earlier, it is noteworthy mentioning that cultural differences directly affect these forms of SMEs financing. The research provided by Bartlett and Bukvic (2001), in Slovenia, Macedonia and Bosnia, replicated the results of Hamilton and Fox (1998), that entrepreneurs are reluctant to chose equity financing because it reduces their control of the firm.

Innovative financing options have been noticed in economies like China (Tsai, 2002); India (Jhaveri and Choksi, 2014); South Africa (Fatoki, 2014), but is certainly an unexplored field that needs additional research, information dispersion and education, as well as successful role models sharing in developing markets circumstances.

3. The relevance of Government interventions and reforms in developing countries

A fundamental implication emerging from the brief overview of the financial constrains of the SMEs in developing countries, certainly leads to a conclusion that developing countries urgently need a structural reform in financial institutional environment, referring to reforms in banking system, as well as in the securities market and other non-bank financial institutions. This unfavourable position might not be expected to prosper overnight, since it is a result of multiple influences during long time horizon. Namely, as Frederking (2004) explain in her study on culture and economic activity, the influence of economic, cultural, historical and social factors on governmental policies results in inefficient use of government resources and unsatisfactory regulatory environment. Therefore, it comes as no surprise that capital markets in developing countries are characterized by low depth (measured as ratio of bank deposits/GDP); lower level

of competition between financial intermediaries; high information asymmetries; strict loan requirements; credit constraints and lack of financial capital for investment, Vivarelli (2012). This state of institutional and infrastructural underdevelopment of the financial system would easily provide misallocation of already limited resources. In order to improve these position, countries should improve confidence in the capital markets, by improving reliability and competence of their institutional, financial and legal system, Bartlett and Bukvic (2001). As research in the financial systems in developing countries proves, firms in countries with higher institutional development and better developed legal and financial system report considerably lower financing obstacles, than firms in environments with less developed institutions, Beck (2007); Beck et al. (2004).

Relying on these assumptions, developing countries should work hard toward sustaining a competitive and enabling entrepreneurial environment. As elaborated in the study of Olafsen and Cook (2016), reforms in developing countries should provide easier access to finance and lower interest rates; eliminate negative effects of low bank competition, reduce high collateral requirements and assist firm performance in areas like innovation, sales and employment. Consequently, government should make a clear distinction between policies that affect all ventures and policies that create and support high growth and innovative firms that would surely lead to greater value creation. As argued in the study of Isenberg (2010), financing priority should be given to ambitious, growth-oriented entrepreneurs who address large potential markets. His attitude supports the view that ‘whereas 500 micro financed sole proprietorships and one rapidly globalizing 500- person operation create the same number of jobs, many experts argue that the wealth creation, power to inspire start-ups, labour force enrichment and reputational value are much greater with the latter. As a cornerstone for prosperous entrepreneurial activities, governments should set policies that would support innovation, and establish quality in infrastructure required for doing business.

Conclusion

There were compelling theoretical reasons supported by empirical evidence showing that finance is a very important determinant for the organizations within ecosystems, intended to provide resources to entrepreneurs. It has been placed on the spectrum as one of the most important factors of the SMEs success with a direct influence to the entrepreneurial activities and

operations. Without adequate financing and supports to business liquidity, no entity can perform and grow on the market, EU Commission (2013). Better access to finance should be an governments' priority especially in developing economy, since financing new market entrants, as well as high growth potential companies, actually present the fuel that keeps the entrepreneurial ecosystem and national economies driving forward, Gjorevska (2014)

2.1.3.4 Markets adoption role in creation of new venture success

Markets, suited in the direct entrepreneurial environment, have often been given many credits for entrepreneurial success or failure. Most often, the reason of entrepreneurial failure has been the difficulty of new market-entrants to identify their place within the value chain, often leading to poor market adoption. Reasons for this poor market assessment may include the following: designing contextually misaligned products, inability to collect truthful customer feedback, consumers' inability to pay for products, and striving to offer products that address a problem to which the consumers are unaware of, Pan (2014). Most SME's are penetrating the market by pursuing two market strategies: pull strategy or push strategy. As indicated in Pan's report (2014), pull strategy originate by a clearly articulated market demand for a certain product that is not present on the market, therefore, the product is created to meet that specific need. Conversely, push products are often pursued when trying to meet perceived upcoming needs. In both cases, new market entrants do not have a built-in market. Even though the pull approach arises to meet an articulated demand of the market, this does not mean they do not face difficulties in gaining market adaptation. Lots of these difficulties exist because of the fundamental misapprehension of the market, and the difficulties in collecting timely and reliable consumer data.

Importance of markets for entrepreneurial dynamics

From entrepreneurial point of view, markets present important drivers for economic growth and development processes. The underlying idea behind this assumption lies on the facts in the literature that the level to which entrepreneurs engage in technological innovation and specialization depends to the volume and functioning of the immediate market, Naudé and Goedhuys (2011). The main markets' characteristics that affect SMEs functioning are related to the sector in which the business operates, the market size, the degree of competition, as well as the extent of network alliances. Moreover, as further indicated in the study of Bartlett and

Bukvic (2001), a special attention should be given to the criteria and precision in determining the right target market characteristics and size. Additionally, SMEs should take into consideration not only the degree of competition, but also the strategic behaviour and alertness of key competitors. On the other side, regarding markets characteristics and their effect on firms' performance, another strand in the literature focuses on the role of agglomeration which shows that innovation and growth are more intense in areas where competition is higher and entrepreneurial activities are more concentrated, due to the better established infrastructure, greater opportunities for learning and knowledge absorption and greater extent of inputs and outputs market capacity, Olafsen and Cook (2016).

Markets also serve a very special role in entrepreneurial development of a country and international businesses by the function to match entrepreneurial opportunities and entrepreneurial abilities. Given that successful entrepreneurship is a complex phenomenon, it is evident in the literature that successful businesses are most often related to opportunity-driven type of entrepreneurship, rather than a necessity motivated. Therefore, it is of special importance to recognize market role in enabling, or failure to enable, the relationship among a high talented individuals and entrepreneurial opportunities. Moreover, Gries and Naude (2010), in their attempt to clarify the role of entrepreneurship in structural economic transformation as studied in development economics, analyze this position through the labour economics (especially labor-matching model), emphasizing that entrepreneurial ability as part of human capital component is largely depended on national culture and county's educational position. The market failures regarding this match are later argued in the work of Bianchi (2010), who considers the failure in labor market and financial markets as especially relevant. In his study, he gives special emphasis on the cost of inadequate financial markets and inequalities in wealth for the allocation of entrepreneurial ability. Building on the occupational choice theory, the author suggest that economic development will be most evidently promoted if the market succeed in motivating the most talented individuals to allocate their abilities toward a productive processes in the society. Main obstacles that prevent this to be performed are connected to lack of information, corruption, governmental incentives and inefficiency in financial markets. Substantial research efforts are therefore needed to more closely precise market role in the contribution of human capital and entrepreneurial abilities in exploration and exploitation of entrepreneurial opportunities, especially in developing countries' settings.

Furthermore, the immense importance of markets to firms functioning and strategic behaviour may be also presented through the special attention devoted to building a market orientation as separate strategic orientation in the field of management, Kohli and Jaworski (1990); Baker and Sinkula (2009); Dutta et al. (2016). In most of these studies, the market orientation is elaborated in parallel to entrepreneurial orientation, but as a totally separate business strategic orientation. As a distinctive strategic approach, market orientation primarily focuses on customers, the factors that influence customers and the factors that affect the ability of the firm to influence and satisfy customers. As explained in the work of Baker and Sinkula (2009), this type of market approach emphasizes the importance of customer satisfaction and customer perceptions; competition, the economy, socio-cultural trends; and availability of technology and market regulations. These findings are also replicated in the study of Dutta et al. (2016), who add that “Market orientation is concerned with providing superior value to the firm’s current customers through exploitation of extant knowledge and capabilities”, pp.314. Returning to the earlier work of Kohli and Jaworski (1990), the market orientation is explained through a three-dimensional model including intelligence generation, intelligence dissemination, and responsiveness. By intelligence generation the authors acknowledge the collection and systematic processing of market information about the firm’s current and prospective customers. Later, by intelligence dissemination this information are sorted and filtered across departments and functional areas; in order to end with responsive approach to market where market needs would be satisfied and market orientation mission accomplished. As evident from the literature and relating to previous issue of market role in entrepreneurial talent and opportunities match, one may conclude that stronger market orientation may certainly assist the course of SMEs toward the right entrepreneurial opportunities.

Markets position in developing countries

Unfortunately, markets fail to fulfil all of these roles in the developing countries, resulting in poor development processes and low entrepreneurial success. As elaborated in the study of Naudé and Goedhuys (2011), markets in developing countries are often small, fragmented and far from perfect. The reasons behind this poor market position are usually connected to lack of proper infrastructure, low per capita income, and misguided policies and institutional constrains. Additional burden for the SMEs operating in the developing countries is

the possibility of political instability, transparency, peace and other institutional imperfections needed for proper functioning of the market. A fundamental implications emerging from these institutional constrains are most often related to inappropriate regulation, presence of government monopolies and poor property rights protection and contract enforcement. Finally, the authors conclude that in such small and uncertain markets entrepreneurs have no incentives to innovate. Furthermore, these issues are also confirmed in the study conducted by Olafsen and Cook (2016), who acknowledges that the biggest market failure in developing countries is the lack of support for high-growth and innovation-oriented firms due to the difficulties to finance innovation processes. Their further elaboration of the markets in developing countries point to additional market failures that present binding constrains for SMEs growth. The study includes issues like restriction of free flow of knowledge and new ideas, difficulties in formation and sustainability of social networks and the limited flow of risk capital toward innovative activities.

Empirical research on markets functioning conducted in different developing countries show nearly same results, with slight differences in the scope of important market characteristics. Therefore, the study conducted in Ghana, pointed that the greatest SMEs constraint is the initial access to markets as a result to unstable market value chains and overreliance on saturated localized markets. The research results have also shown great concern with the low purchasing power of buyers and extremely poor transport infrastructure. Another reported immense issue is the acknowledging of the fact that most of the SMEs in the country have no knowledge of markets beyond their local area of functioning, Kusi et al. (2015). This issue leads to the conclusion that the poor infrastructure and inability to create and maintain social networks makes it impossible for the information and certain knowledge to properly spread. Furthermore, a comparative study conducted in three countries Macedonia, Slovenia and Bosnia has reported nearly identical results analyzed through different researchers' perspectives. In fact, Bartlett and Bukvic (2001) reported that the greatest problem of the surveyed SMEs have been the lack of demand for the products and services offered (related to the relatively small markets' size) and the late payment of customers (resulting from low per capita income). Additional complains from the entrepreneurs have point to relatively high labor and administrative costs and the difficulties in access to raw materials and inability to export. In sum, one may conclude that the SMEs of the studied three countries face the same problems with imperfection in the product value chain as elaborated in the case of Ghana and reported in the available literature.

Reforms contribution to market improvements

The position of the markets in developing countries clearly show that it is more than crucial to take a certain actions and initiate government intervention in order to improve market conditions, therefore, improve overall entrepreneurial climate. The need for market reform is implicitly important during the transition processes of the countries, especially through the transformational process from centrally-planned system to a market oriented economy.

Markets have always been an essential part of transitional processes reforms. Namely, the European Bank of Reconstruction and Developing presents transition progress through nine indicators, grouped into four categories, incorporating markets and trade, enterprises, financial institutions and infrastructure, EBRD (2003). Furthermore, the reform indicators presenting the pillars of “market and trade” policy are generally concentrated on price liberalization, trade and foreign exchange system and competition policy. Aidis and Sauka (2005), in their study of the barriers that SMEs development face during the different stages of transition processes, indicate that market and trade policy shows the extent and effectiveness of competition policy in the process of eliminating market dominance and supporting competitive practices. The final goal of the reform processes is development of market-oriented governance and providing a well functioning markets and market economy. More detailed expectations of the market reforms are argued in the study of Olafsen and Cook (2016), by stating that market reforms should provide better infrastructure, increased learning opportunities, learning through labor turnover, improved interaction with suppliers, and larger markets for skilled labor as well as for raw materials and final goods. These highly favorable and valued reforms’ outcomes explain the rationale for approving public intervention in the private market settings.

Conclusion

In sum, knowing the markets in which operations occur is crucial for development and sustaining of SMEs. Further business development would mean extending this knowledge beyond the local environment. Precise determination of target market and information about the right market size, as well as the presence and strategic activities of competition and the availability of network alliances are of predominant meaning for business start up and adaptation. Literature give clear evidence that economic development will be most evidently promoted if the market succeed in motivating the most talented individuals to allocate their

abilities toward a productive processes in the society. Developing countries often encounter the same issue since market failure prevents the entrepreneurial talent to match the right entrepreneurial opportunities. The explained poor market position in developing countries are usually related to lack of proper infrastructure, low per capita income, and misguided policies and institutional constrains. Market reforms are therefore necessary. As indicated in the transition countries reports, market reforms should provide better infrastructure, increased learning opportunities, learning through labour turnover, improved interaction with suppliers, and larger markets for skilled labour as well as for raw materials and final goods.

2.2 Specific insights into entrepreneurial orientation strategy as organizational-level success factor

There might be solid grounds to believe that different sets of internal and external factors create the final results of the entrepreneurial initiatives. However, besides the internal and external factors that influence SMEs success, firm-level factors as well play an important role in fulfilling this objective. In fact, one may point the organizational level factors to be of utmost importance for business success, since these are the factors that actually make the link of internal and external business conditions, so the proper management of these two forces may be the key variable in the business success objective. Namely, in our observations, we chose to analyse the entrepreneurial orientation strategic posture of the firms, as comprehensive set of five firm-level important dimensions: risk taking, proactiveness, innovativeness, autonomy and competitive aggressiveness. Our decision to focus on entrepreneurial orientation phenomenon rather than on similar organizational-level notions like “corporate entrepreneurship” or “small firm orientation” is based mainly on the fact that entrepreneurial orientation relates to the strategic posture of the firm as a whole, while the former concepts are more related to corporate venturing and owner’s emotional attachment to the business. The relevance of the entrepreneurial orientation concept to be examined as organizational level factor has been widely present in the entrepreneurial literature (Basso et al., 2009, Sadler-Smith et al., 2003, Scott and Rosa, 1996).

However, we propose a view in which entrepreneurial orientation dimensions show their contribution to SMEs success in the specific context of developing countries environment, moderated by the constraints of limited resources and unfavourable entrepreneurial culture and

encouraged by conditions of immature market and unexploited profit opportunities. Extensive literature has provided detailed elaboration of entrepreneurial orientation definition and framework conceptualization, as well as the link it has with the business performance results, Miller (1983); Lumpkin and Dess (1996); Rauch et al. (2009); Wales et al. (2011). Moreover, additional emphasis are given to the measurement momentum of entrepreneurial orientation of businesses, Covin and Slevin (1989); Lumpkin and Dess (1996); Zahra (1993); Baker & Sinkula (2009); therefore exploring further the impact of entrepreneurial orientation level of business to final performance results.

2.2.1 The importance of entrepreneurial orientation strategy on SMEs success in the context of developing countries

We may fully acknowledge that the increasing importance of entrepreneurial orientation strategy moves in parallel with the increasing awareness of the importance of entrepreneurship as a global phenomenon. Supporting arguments coming from Miller (2011) would clarify that the innovation and new entries as dominant trend in entrepreneurship, contribute highly not only to the economic growth, but also to the social well-being and prosperity of nations. Therefore, the entrepreneurial orientation has a broad applicability network, targeting variety of organizations regardless of size, age, industry or business life-cycle stage, Covin and Wales (2012).

Researchers have provided many studies elaborating the contribution of entrepreneurial orientation strategy to firm performance, Miller (1983), Lumpkin and Dess (2001). A fundamental implication emerging from entrepreneurial orientation-performance literature is that in order to be successful, new entries need to have a strong entrepreneurial orientation. Nevertheless, different organizations need different stream of forces to promote strong entrepreneurial orientation. Empirical studies indicate that it is not only the organization that determines the direction of entrepreneurial orientation, but also the corresponding environmental circumstance, (Lumpkin and Dess, 1996; Gartner, 2008; Johns, 2006). In this direction, Lumpkin and Dess point that risk-taking, innovativeness, proactiveness, autonomy and competitive aggressiveness may vary independently depending largely on the organizational and environmental context. There are many open questions concerning the type of environment that stimulate stronger entrepreneurial orientation. Consequently, there have been numerous attempts to define context in terms of environmental uncertainty or dynamism (e.g., Miller, 1983;

Becherer and Maurer, 1997). In fact, Miller expressed the opinion that the highly dynamic and uncertain environment would ask for flexible but well-articulated organizational strategy and great analytical effort to push forward the pursuit of entrepreneurial orientation strategy. On the other hand, Lumpkin and Dess (1996) argue that in hostile environments resources would be more constrained that would lead to greater control and interlocking and conservativeness of firm behaviour. Nevertheless, it is of high relevance to acknowledge that entrepreneurial orientation strategy and its five dimensions are flexible in nature and may change, vary and covary depending on context and circumstances. Therefore, it is the ability of the entrepreneur, the business unit or the venture department to build business attitudes, and to channel business activities, in direction that would lead to higher overall business performance.

However, another viewpoint stands that fostering entrepreneurial orientation is not always the best choice of organizational behaviour. Thus, for example, there are cases when bold following of entrepreneurial orientation dimensions, especially at corporate or lower levels, may obstruct and slow down the effectiveness at alternative levels. Similarly, studies from Wales (2016), Wales et al. (2011), revealed that sometimes pursuing conservative entrepreneurial strategy or low entrepreneurial orientation commitment may lead to better performance outcomes given certain circumstances. Closely related to this, the risky entrepreneurial orientation activities, if not managed carefully, may cause serious business losses and low business performance, Wales (2016). The author also connects the applicability of EO strategy to availability of firm resources, stating that fostering high entrepreneurial orientation may result in zero or neutral outcomes in resource limited firms. Conversely, Lumpkin and Dess (1996) argue that when behaving passive, and therefore taking no risk, firms actually run the risk to lose the entrepreneurial edge.

Drawing on previous insights, one may challenge the applicability of entrepreneurial orientation to SMEs in developing countries. Facts illustrate that entrepreneurial orientation remains unexamined in developing countries and emerging markets contexts. Since there is a lack of research in this area, applicability of entrepreneurial orientation in the context of developing countries might present new and attractive opportunity for empirical research.

2.2.2 Entrepreneurial orientation strategy definition and conceptualization

Introduction

Scholars have produced many studies in the field of entrepreneurial orientation in the past three decades. Extensive research in entrepreneurial orientation literature have been noticed during the past ten years, mainly due to the eminent echo of the trend of globalization, openness of international markets, wider competition as well as emergence of new less developed markets and areas. Specifically, entrepreneurial orientation literature incorporates field of entrepreneurship, management and other business-related disciplines. In fact, entrepreneurship literature has been often criticized for missing a development of cumulative body of knowledge which is mainly based on the assumption that there is lack of agreement on key entrepreneurial issues among authors. However, an extensive research has explored the entrepreneurial orientation construct, with development of widely applicable measurement scales and analysing relations with other variables. Thus, entrepreneurial orientation construct present a topic in entrepreneurial research for which a cumulative body of knowledge is developing. Although the general studies on entrepreneurial orientation concept are numerous, still, the literature incorporating the concept of entrepreneurial orientation in the sphere of developing country is relatively scarce. Nevertheless, the importance of entrepreneurial orientation for the economic development processes is constantly gaining credits, Lumpkin and Dess (1996); Kusumawardhani et al. (2009); Covin and Lumpkin (2011); Miller (2011).

Attempts to closely define entrepreneurial orientation face multiple challenges. First, there is lack of consensus among scholars about the dimensions or components of entrepreneurial orientation construct. Therefore, authors have made different, but, in essence, very similar constructions of the EO concept. In the work of Miller (1983), entrepreneurial orientation has been established as a firm-level phenomenon, emphasizing the existence and importance of the firm-level entrepreneurship. In its conceptualization of EO, three sub dimensions have been evident – innovativeness, risk-taking and proactiveness. Adding to this construct, Lumpkin and Dess (1996) are drawing the definition to the roots of the entrepreneurship as a new entry activity and initiate a bright new and important momentum in the entrepreneurial orientation literature by introducing two additional dimensions to the entrepreneurial orientation canvas – autonomy and competitive aggressiveness. Plethora of authors has later contributed to the entrepreneurial orientation literature fuelled by these two

basic entrepreneurial orientation conceptualizations. Second, there is no universal agreement in the literature about the relation and variation of the entrepreneurial orientation dimensions. Therefore, while Miller (1983) states that the three précised entrepreneurial orientation dimensions *must* positively covary in order for entrepreneurial orientation to exist; Lumpkin and Dess (1996) share the view that the five specified entrepreneurial orientation dimensions may *independently* and *collectively* define the concept of entrepreneurial orientation. However, even if the uni-dimensional conceptualization of Miller, absence of covariation among innovativeness, risk-taking and proactiveness would mean an absence of entrepreneurial orientation, both conceptual views have gained significant attention among authors and both phenomenon have been additionally elaborated and tested, Kreiser et al. (2002); Rauch et al. (2009); Covin and Wales (2010); Wales et al. (2011).

The literature on entrepreneurial orientation yielded a number of insights concerning firm performance. A tentative conclusion one may derive from entrepreneurial orientation-performance literature is that results are often controversial and fragmented. There are authors who addressed a negative relationship between the two phenomenon (Smart and Conant, 1994); and other established no relation at all (Slater and Narver, 2000; Lee et al. 2001). However, a considerable body of literature supported by empirical evidence verify that entrepreneurial orientation has positive effect on firm performance, Covin and Slevin (1991); Wiklund and Shepherd (2005); Moreno and Casillas (2008).

Measuring entrepreneurial orientation influence on firm performance has been commonly spread and practiced by researchers and businesses respectively. In fact, entrepreneurial orientation presents the most widely used measure of entrepreneurial behaviour. While the measurement of the construct has received numerous modifications and amendments through the years, still the grounds are traced to the Miller (1983) concept definition, later refined by Covin and Slevin (1989) into an entrepreneurial orientation measurement scale, and extended by Lumpkin and Dess (1996). Additional modifications are later noticed by Baker and Sinkula (2009) and other authors.

A chronological timetable has been generated by Landstrom and Lohrke (2010), presenting entrepreneurial organizational work of a period of more than forty years. In this timeline the authors emphasize the conceptual roots of the phenomenon (starting from 1960 to 1983), continuing with the entrepreneurial orientation framework development period (from

1986-1996), and finalizing with the entrepreneurial orientation empirical work (concluding with the research until 2003). The chronological timeline, including all the key entrepreneurial orientation thinkers is presented in Appendix I.

It stands to follow that entrepreneurial orientation make a valued contribution to entrepreneurship and economic development and is therefore also important for the economies in developing countries. Since these countries face specific conditions and receive diverse environmental influences, we draw our study to these specific edges. In this study we emphasise the contextual influence on entrepreneurial orientation and elaborate on the relevance of the national culture, resource availability, immature market conditions and unexploited opportunities in specific healthcare context in developing countries.

Entrepreneurial orientation definition and conceptualization

Entrepreneurial orientation research has been criticized for being primarily empirical in nature, (Rauch et al, 2009). Therefore, of critical importance in entrepreneurial orientation research is the challenge of setting a sound theoretical grounding of the concept. While this has remained an issue for additional academic efforts, still, a fertile ground for entrepreneurial orientation research has been built during 1980s when a generation of scholars set the foundation for a concept's further extension and analysis, Mintzberg (1973), Khandawala (1976), Miller (1983). However, the attempt to clearly and more precisely define and redefine the term entrepreneurial orientation and to develop a proper conceptual framework, has continued during the next three decades with the work of Covin and Slevin (1986,1989,1991); Zahra (1993); Lumpkin and Dess (1996); Knight (1997); Wiklund (1999) and other researchers. Nevertheless, as it seems impossible to give credits to all the authors devoted to this field of analysis, in the proceeding of this section we attempt to present the most influential researchers in this area that have provided meaningful and productive empirical studies.

The impact of Aston group to entrepreneurial orientation research (foreword of entrepreneurial orientation research analysis)

In their book “*Historical foundations of entrepreneurship research*”, Landstrom and Lohrke (2010), has traced the intellectual roots of entrepreneurial orientation to the Aston group

of organization scholars who worked on examining systematically the structure and functioning of organizations and intended to relate them to other variables as behaviour, performance and context, later introducing the importance of size, technology, history and ownership. During the 1960s, these scholars intended to develop a standardized measure for organizational structure, as well as to test and generate typologies of organizations. Although these researchers have not reached the originality of the concept of entrepreneurial orientation, still, their importance in this field derives from setting the genesis of contemporary empirical research on organizations, by shifting the processes from descriptive social science methodologies to a more natural focus, referring to definition, operationalization and empirical testing of variables.

The foundations of Henry Mintzberg and Pradip N. Khandwalla

This generation of authors have continued the study of organizations and have focused their research on organizational typologies as well as establishing modes of measurements for organizations and their environments. In fact, Mintzberg (1973) while generating typologies consisting of three modes of strategy making, introduced the following definition on entrepreneurial mode of firms: “In the entrepreneurial mode, strategy-making is dominated by the active search for new opportunities” as well as “dramatic leaps forward in the face of uncertainty” (p. 45). Thus, in Mintzberg’s theorizing about the concept of entrepreneurial orientation, the main focus have been traced to decision making power of the entrepreneur and an active search for new opportunities, in expectation of high growth while facing high uncertainty. This view of entrepreneurial type of firms have been widely supported and applied in a great number of later entrepreneurial orientation studies, gaining the merits of “classical” work in entrepreneurial orientation research history. In the same direction, Mintzberg’s colleague Khandwalla, has continued the entrepreneurial work on the concept of entrepreneurial management styles, focusing on the power of entrepreneurs in the key management decision making processes. Among his elaborated seven management styles, Khandwalla (1976) characterized the entrepreneurial style as: “The entrepreneurial style is characterized by bold, risky, aggressive decision-making” (pp. 25). It is natural that these eminent authors are perceived as founders of the entrepreneurial orientation concept, since nearly all later definitions are based on their pillars of risk taking, uncertainty, screening of new opportunities and autonomy in decision making.

Danny Miller entrepreneurial orientation concept development

Even though in his famous publication “The correlates of entrepreneurship in three types of firms” Miller uses the bases set by Mintzberg (1973) and Khandwalla (1976), however, the author positioned several critiques on previous concept’s work. In his theoretical assessment of the entrepreneurial orientation research the main remarks have been directed to the lack of empirical validity of Mintzberg’s proposed typology of firms; lack of elaboration of direct relationship between the strategy making mode and proposed structures; the incompetence of Mintzberg’s structural attributes to be accurately measured in Miller’s type of questionnaire study; as well as omitting the leader’s personality as critical factor for successful entrepreneurship, Miller (1983). The author continues entrepreneurial orientation work beyond these identified issues. With acknowledgement of the work of Mintzberg (1973) and Khandwalla (1976) for setting the roots of entrepreneurial orientation definition, still the most widely spread definition comes ten years later by Miller (1983), who defines entrepreneurial orientation as the following:

“An entrepreneurial firm is one that engages in product market innovation, undertakes somewhat risky ventures and is first to come up with ‘proactive’ innovations, beating competitors to the punch” (pp.771)

By emphasising this definition Miller has generated several important contributions to the concept’s theoretical and empirical development. Miller’s first great contribution refers to the shift in the focus of entrepreneurship analysis from individual to a firm-level phenomenon, emphasising that the organizational innovation, risk taking and the pursuit of new opportunities often goes beyond the abilities of one individual and should be performed by the all actors in the organization by setting a decentralized structure, Miller (1983). Second, the author clearly set the three key entrepreneurial dimensions of a firm that characterized the entrepreneurship, referring to innovation as “a tendency to engage in and support new ideas, novelty, experimentation and creative processes that may result in new products, services or technological processes”, Lumpkin and Dess (p.142)., accompanied by risk taking, defined as ” the degree in which managers are willing to make large and risky resource commitment”, Miller and Freisen (1978) and the proactive market approach, defined as “taking initiative by anticipating and pursuing new opportunities and by participating in emerging markets”, Lumpkin and Dess (1996).

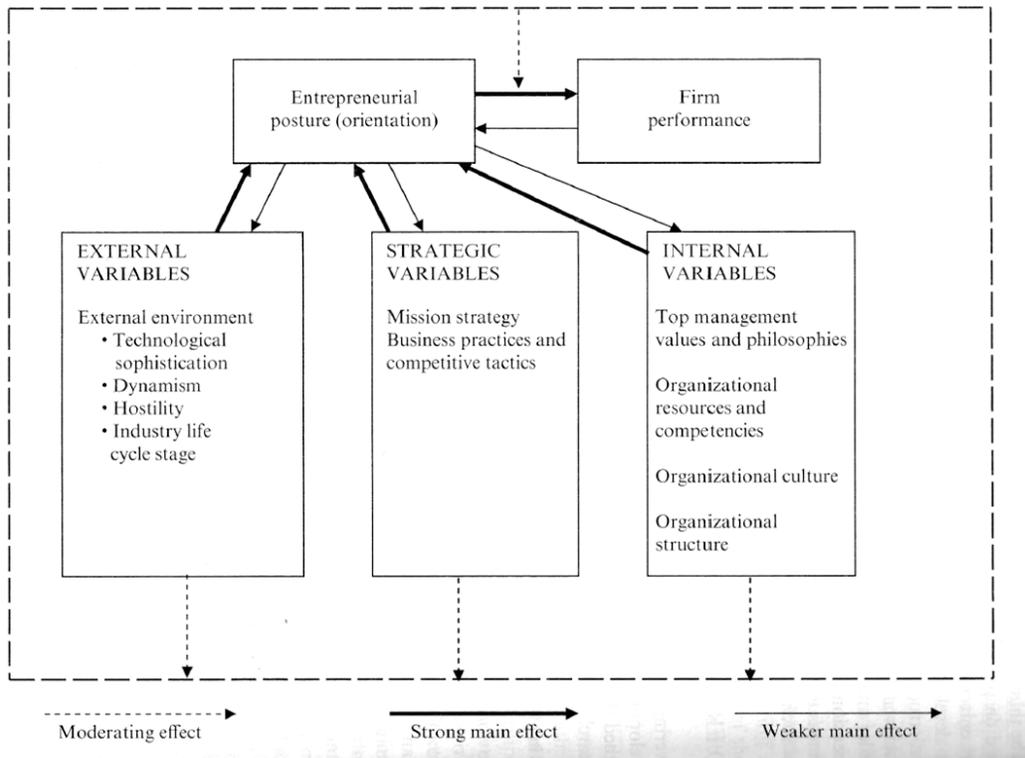
The third acknowledged contribution from Miller is the introduction of measurement scale to assess the relationship between the firm's performance, structure and environmental context. Adding on this construct together with Peter Friesen, the authors separately elaborated the issues of innovation and risk taking as firm level phenomenon, Miller and Friesen (1978; 1982). Together with the proactiveness as essential part of entrepreneurial orientation dimensionality, Miller set a unified set of three concept dimensions to measure a firm-level entrepreneurship. More precisely, in the uni-dimensional conceptualization of Miller, absence of covariation among innovativeness, risk-taking and proactiveness would mean an absence of entrepreneurial orientation in the firm's activities.

Covin and Slevin's role in entrepreneurial framework composition

It is generally implicit in the literature that the theoretical conceptualization of entrepreneurial orientation construct to a great extent ends with the work of Miller (1983), and the subsequent period starts with the more intense contribution to entrepreneurial orientation measurement scales and empirical research. Thus, Covin and Slevin (1989) have used their expertise to advance and validate the measurement scale for firm level entrepreneurship (primarily established by Miller in 1983), and earned the title of most eminent scholars in the entrepreneurial orientation measurement field. Their nine item measurement scale will be further analyzed and presented in the next Section of this chapter when elaborating on measuring entrepreneurial orientation. What is evident in their work is that they have focused mainly on elaborating the relationship between entrepreneurial orientation and performance, in contrast to Miller (1983) who worked primarily on the entrepreneurial orientation and its antecedents. Therefore, in 1991, the authors proposed a comprehensive conceptual model, incorporating the antecedents, consequences as well as moderators of entrepreneurial orientation-performance relationship. The high extent of comprehensiveness of this model derives on the great number of variables included, more precisely, the presence of internal variables (top management values/philosophies, organizational values/competences and organizational culture); external variables (environmental technological sophistication, dynamism and hospitality and industry life cycle) and strategic variables (firm's strategy, business practices and competitive tactics). The conceptual framework is presented in Figure 4. While some scholars may argue on the complexity of the model; a great plethora of authors have used it as a base for further

development and testing of the set variables' relationship, leaving behind the simple direct effect of entrepreneurial orientation performance relationship.

Figure 4: Covin and Slevin's conceptual model of EO, 1991



Source: Landstrom, H. and Lohrke, F. eds., 2010. *Historical foundations of entrepreneurial research*.

Lumpkin and Dess' input into entrepreneurial orientation elaboration

Lumpkin and Dess (1996) seem to finish the era of entrepreneurial orientation theoretical base and framework development and have left space for further empirical research in the field. In fact, the authors have contributed to both, entrepreneurial orientation theory development, as well as entrepreneurial orientation measuring foundation. While their role into the measurement scales development will be more deliberately presented in the next Section covering the measurement of entrepreneurial orientation performance relationship, at this point we will present the main inputs into the theoretical base of the construct.

They have made several important contributions to the theoretical basis of the entrepreneurial orientation field. For the first time, they introduced the original term “entrepreneurial orientation”. For this clarification they presented a clear distinction between entrepreneurship and entrepreneurial orientation, difference comparable with content and process

analysis set by Bourgeois, (1980). Namely, they defined entrepreneurship as “going into business”, “new entry” and as an answer to the question “what business shell we enter”, or “what entrepreneurship consists of”, Lumpkin and Dess (1996). Linking this theorization to the strategic management perspective, they continued by setting the grounds of entrepreneurial orientation by giving answer to the question “how new entry is undertaken”, referring to the processes as experimenting with promising new technologies, being willing to seize new product-market opportunities, and having a predisposition to undertake risky ventures.

Adding to this construct, Lumpkin and Dess (1996) define the entrepreneurial orientation concept as a set of “processes, practices and decision making activities that lead to a new entry”, characterized by “a propensity to act autonomously, a willingness to innovate and take risks and a tendency to be aggressive toward competitors and proactive relative to marketplace opportunities” (p. 136). While drawing the definition to the roots of the entrepreneurship as a new entry activity, these authors initiate a bright new and important momentum in the entrepreneurial orientation literature by introducing two additional dimensions to the entrepreneurial orientation canvas – autonomy and competitive aggressiveness, where “autonomy refers to the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion”, and “competitive aggressiveness refers to a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace.”, pp.148.

Moreover, in Lumpkin and Dess’ multidimensional view, all of the five EO dimensions- innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness may exist in introduction of successful new venture, however, new entry may also be successful if only some of these factors are present, depending on contingent internal or external factors, such as organizational or environmental context of a firm, Lumpkin and Dess (1996). A critical review might remark that the authors point to the uniqueness of each entrepreneurial firm, assuming an unique combination of the five entrepreneurial orientation dimensions, recognizing that there is no a sample or pattern to be followed.

Other contributions to the defining process of entrepreneurial orientation

The defining period of the concept of entrepreneurial orientation has not finished with the work of above mentioned eminent authors. Other authors have also given their contribution to

the definition phase of the concept development, even though they have never been acknowledged so widely for their work.

For instance, in the study of Rauch et al. (2009), while elaborating on the definition and importance of strategy making of a firm, the authors defined entrepreneurial orientation as “*policies and practices that provide a basis for entrepreneurial decisions and actions*” adding that “*EO may be viewed as the entrepreneurial strategy-making processes that key decision makers use to enact their firm’s organizational purpose, sustain its vision, and create competitive*”, Rauch et al. (2009, pp.6). Another role of the entrepreneurial orientation has been added by another groups of authors, who positioned entrepreneurial orientation as a mechanism to adapt to changes in turbulent environment, pointing to entrepreneurial orientation as “*entrepreneurial activities and attitudes that represent an important factor enabling firms to create, reconsider and apply their resources in more efficient ways*”, Grande et al. (2011, pp.89). This positioning of entrepreneurial orientation certainly awakes confusion since in the general and widely recognized role of entrepreneurial orientation; in the heart of the phenomenon is the proactiveness on the market and taking risky actions in companion with innovation and novelties. This would mean *creation* of changes of the market, rather than *adaptation* to already set conditions. Moreover, in the study of Alvarez and Busenitz (2001), entrepreneurial orientation is presented as a set of related processes that include a variety of activities related to identification of new opportunities and subsequent investment in the resource base in firms. Moreover, other researchers have connected the entrepreneurial orientation construct with the theoretically established phenomenon. This line of thinking is reflected in the Wiklund and Shepherd (2003) study that connect entrepreneurial orientation with the resource based view of the firm, as well as in the work of Cohen and Levinthan (1990) who relate the entrepreneurial orientation concept to the absorptive capacity theory. Although the connection between these established theories and the entrepreneurial orientation of the firm is hard to be totally neglected, still the main challenge remains to provide the entrepreneurial orientation construct with an individual solid theoretical grounding.

Concluding remarks on entrepreneurial definition discussion

Attempts to closely define entrepreneurial orientation face multiple challenges. First, there is lack of consensus among scholars about the dimensions or components of

entrepreneurial orientation construct. Therefore, authors have made different, but, in essence, very similar constructions of the entrepreneurial orientation concept. In the work of Miller (1983), entrepreneurial orientation has been established as a firm-level phenomenon, emphasizing the existence and importance of the firm-level entrepreneurship. In its conceptualization of entrepreneurial orientation, three sub dimensions have been evident – innovativeness, risk-taking and proactiveness. Plethora of authors have later contributed to the entrepreneurial orientation literature fuelled by these two basic entrepreneurial orientation conceptualizations, including Miller’s innovativeness, risk-taking and proactiveness, or Lumpkin and Dess’ innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness constructions. Second, there is no universal agreement in the literature about the relation and variation of the entrepreneurial orientation dimensions. Therefore, while Miller (1983) states that the three précised EO dimensions *must* positively covary in order for entrepreneurial orientation to exist; Lumpkin and Dess (1996) share the view that the five specified entrepreneurial orientation dimensions may *independently* and *collectively* define the concept of entrepreneurial orientation. The third challenge that has emerged as an important spatial unit of observation is the moderators’ effect in defining and measuring entrepreneurial orientation of ventures. The empirical research work in the late 1990s continued by taking into the consideration different sorts of moderators in entrepreneurial orientation-performance relationship, focusing primarily on environmental dynamism and hostility, cultural influence, access to finance and the importance of knowledge, Lumpkin and Dess (2001); Wiklund and Shepherd (2003); Gupta et al. (2004); Grande et al. (2011).

2.2.3 Insights into entrepreneurial orientation dimensions

Entrepreneurial orientation has often been explained through the entrepreneurial processes and more precisely through the answer of the question “how the business is undertaken?” A considerable body of the literature has evidenced that entrepreneurial process are complex and may not always result with the expected outputs. Still, authors have made numerous conceptualizations of the entrepreneurial orientation as strategic construct, starting by the basic three items concept of Miller (1983) including innovation, risk taking and proactiveness; to the extended five-items Lumpkin and Dess’ construct incorporating the dimensions of innovation,

risk taking and proactiveness, as well as the dimensions of autonomy and competitive aggressiveness. Besides these classical and most widely spread concepts, other researchers have presented different views on the entrepreneurial orientation conceptualization. For instance, Cooper and Dunkelberg (1986) have omitted proactiveness from their analysis, by stating that entrepreneurship requires initiative, creativity and personal risk taking. Moreover, risk taking has been also eliminated from some entrepreneurial studies by giving full emphasis on innovation and proactiveness in the entrepreneurial processes, Russell and Sauber (1995), Knight (1997). Furthermore, the assumption positioned in the study of Lumpkin and Dess (1996) argues that some dimensions (like risk taking and autonomy) might be important for all entrepreneurial ventures, whereas the importance of the other dimensions, referring to innovativeness, proactiveness and competitive aggressiveness may depend on the context. However, one may notice from the extensive entrepreneurial orientation literature that authors have played interchangeably with the three “basic” dimensions of innovativeness, risk taking and autonomy, whereas the dimensions of proactiveness and competitive aggressiveness have received far less attention from scholars.

Critics hold that it is complex to determine how these five dimensions interact with each other and how they relate to performance, Lumpkin and Dess (2001). In this regards, we present a brief overview of the extensively examined five entrepreneurial orientation dimensions: risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness, incorporating aspects of items’ definition, relation to entrepreneur’s personality, position in the organization and contribution to firm performance.

2.2.3.1 Autonomy

Many entrepreneurial studies have demonstrated that exercising sound autonomy behaviour is a key precondition for creation and success of new venture development Kanter et al. (1990); Rauch et al. (2009). However, studies that investigate the direct relationship between autonomy and business performance are lesser in number. Reasons for this state may be found in the absence of autonomy as a prime entrepreneurial dimension in the work of Miller (1983) and Covin and Slevin (1989); as well the lack of adequate measurement scale to trace the exact autonomy contribution to firm performance. Considering the assumption that autonomy may be elaborated as a multidimensional phenomenon, at this point, we would consider autonomy as a

two-directional act, relating to the decisional power and independency of the entrepreneurs (SMEs' founders), as well as the importance of organizational-wide autonomy present at all levels of the business hierarchy.

As it is implicit in the literature on entrepreneurship, the merit of entrepreneurial initiative, action and performance is generally connected to the capabilities of the founder-entrepreneur. Relating it to autonomy, this point is replicated in the study of Lumpkin and Dess (1996), who stated that "Entrepreneurship has flourished because independently minded people elected to leave secure positions in order to promote novel ideas or venture into new markets...pp.140". The assumption behind this idea draws on the work of Mintzberg (1973) who described the entrepreneurial strategy making mode as risky actions taken by strong leaders. Particular insights may also be generated by Miller (1983) while establishing the conceptual roots of the entrepreneurial orientation construct, pointing to the findings that the most entrepreneurial firms had the most autonomous leaders. Of critical importance in Miller's work is the challenge of the autonomous leader to be presented as business' central authority and knowledge leader aware of emerging technologies and markets. To be able to act as leaders, entrepreneurs need to act autonomously. In fact, autonomy has been one of the prime motivators for individuals to start own businesses, Buttner and Moore (1997). However, how entrepreneurs experience autonomy and does it comes with certain costs is another side of the coin that needs to be additionally addressed. A recent study conducted by Galderen (2016) examined the exercise of autonomy on individual entrepreneurial level and the internal and external factors that had direct influence on autonomous behaviour. In fact, while most of the respondents in the study connected autonomy as freedom in decision making (including setting own working hours and methods, designing organization and culture, making strategic decisions and deciding on new products and services), many of them emphasised that having high level of autonomy also means having high level of responsibilities. This goes in line with the finding that entrepreneurs may never be fully free (autonomous) in their actions since they never act in isolation and are surrounded by different kinds of constraints like responsibility for customers and employees, acts of competition, government laws and regulations, Galderen (2016).

While in the previous definitions on entrepreneur's autonomy, exercising autonomy is naturally related to positive business performance outcomes, like "promote novel ideas" or "venture into new markets", researchers have neglected the aspect that high level of individual

autonomy may limit business growth. This has already been discussed in the study by Wiklund et al. (2003), who argued that very often in the choice between autonomy and control and business growth, the choice of interpretation of high level of autonomous behaviour may negatively influence business future performance and growth.

This negative experience with exercising autonomy might be simply overcome by delegating autonomy and making autonomous behaviour an organizational wide practice. On the organizational level, autonomy is more precisely defined as “the independent action of an individual or a team in expressing an idea or a vision and carrying it through to completion”, Lumpkin and Dess (1996). This form of elimination of any kind of stress and pressure should positively influence the entrepreneurial spirit and, therefore, positively relate to firm performance. After years of additional research, the authors confirm the thesis that strong entrepreneurial culture foster autonomous behaviour, recognizing that it stimulates positive entrepreneurial outcomes, Lumpkin et al. (2009). With acknowledgement of autonomy as an important organizational level attribute, and essential dimension of entrepreneurial orientation, entrepreneurial businesses must grant autonomy to all the levels in the organization and employees should be encouraged and motivated to exercise it, Mumford et al. (2002). This is especially important since the literature shows that frequently ideas for new ventures arise from lower levels in the organization. This is consistent with the study of Hart (1992), who recognized the importance of “bottom-up” approach to encourage autonomy, meaning that entrepreneurial activities to be passed on to higher levels of management. This approach has been further analyzed by many authors referring that this kind of organizational settlement requires special managerial arrangements, Dess and Lumpkin (2005), Lumpkin et al. (2009). On the other hand, the “top-down” approach to fostering autonomy is also of great importance and is generally presented through managerial support for entrepreneurial programs and practice of entrepreneurial attitudes and behaviour from the top management of the organization in the process of pursuing new business opportunities, Burgelman (1983). Considering autonomy as a firm-level action, firms may take several steps in order to improve their autonomy status by flattening hierarchies, delegating authorities to operational units in the company and encouraging all organizational players to exercise autonomy in regular tasks and activities. Moreover, autonomy differs regarding firm size, management style and ownership form, Lumpkin and Dess (1996).

In sum, available literature seems to support the view that autonomy is of foremost importance for the performance of entrepreneurial activities, therefore, of crucial importance for the entrepreneurial orientation of a firm. We may fully support Lumpkin and Dess decision to introduce autonomy as one of the key dimensions of entrepreneurial orientation construct. This standpoint may be supported by several practical implications. First, autonomy is the main motivation and precondition for start of new venture, introduction of new products or services or proactive approach to markets. Furthermore, autonomy is the base for initiating new ideas and pursuing innovation. At the end, without autonomy, no individual or group, at any level at the organizational hierarchy, would have the courage and motive to take risky actions in order to create economic value. These considerations seem sufficient to defend autonomy as essential dimension of entrepreneurial orientation and to impose commitment to autonomous attitudes and behaviours through all the levels in the entrepreneurial orientated firm.

2.2.3.2 Innovativeness

The domain of innovation has been highly emphasized in the Shumpeter's theories of entrepreneurship. To define innovation as a concept one may include wide range of meanings, starting from simple willingness to try new product line to the passionate commitment to master the latest in new products, processes or services on the market. In the study of Lumpkin and Dess (1996), innovation has been defined as "a tendency to engage in and support new ideas, novelty, experimentation and creative processes that may result in new products, services or technological processes" (p.142). There is a large body of literature giving evidence for positive contribution of the innovation to the success and survival of the SMEs, Damanpour and Evan (1984); Damanpour, (1991). While this positive link among the innovation and performance is relatively widely accepted in the entrepreneurship literature and practice, there are numerous studies that show mix results on this relationship, some positive, some negative, or no relation at all, Chandler and Hanks, (1994); Li and Atuagene-Gima, (2001). The negative aspects of innovation-performance relationship are often related to the high level of uncertainty and risk incorporated in the innovation process. Moreover, investing large amounts in innovation or R&D processes does not guarantee innovation outcomes and nor a positive firm performance results. However, these contradictions give rise to the implicit literature question whether innovation should be in the heart of the definition and foundations of the entrepreneurship? Different perspectives of this phenomenon will be addressed in the lines below.

The evidence that the innovation contributes positively to firm performance dates back to Schumpeter's entrepreneurship foundation, by recognizing that a continuous innovative activity is the key for lasting entrepreneurial success, mainly by establishment of temporary market monopoly, Schumpeter (1934). Moreover, by Porter's perspectives, innovative firm activities enable firms to set high market barriers; thus preventing competition, strengthen market position and ensuring above average returns. In addition to this, with the innovative activities outputs (innovative products, service or processes), companies create new market demand which naturally lead to higher profits, Porter (1980). Furthermore, the positive impact on SMEs is screened through a number of indirect and non-monetary dimensions. In that direction, innovative firms enjoy higher employee satisfaction leading to lower employee turnover and higher employee productivity. In addition, innovation practices allow companies to differentiate from competitors, to enjoy customer loyalty, set entry barriers and receive price premiums for innovative products and services, Rosenbusch et al. (2011). In a study conducted by Banbury and Mitchel (1995), few hypotheses supporting this view were accepted. In fact, the authors proved that the more times an incumbent are among the first to introduce important incremental product innovations, the greater its market share will be. The authors further add that the greater market share is also secured if the firm is prepared to early adopt innovation from other firms. And finally, innovation seems to ease the greatest entrepreneur's concern and that is the likelihood that a business will experience failure declines as the number of new products that it introduces increases.

No universal agreement has been reached regarding the types of innovation that lead to better performance results. Many researchers have accepted Damanpour's innovation types including technological, administrative and ancillary innovations, Damanpour (1987). Still, as set in some of the innovation definitions, innovation processes require system-wide dedication to exploit certain innovation opportunity supported by everyday hard work. Another useful and widely accepted distinction of innovation is between technological innovation that refers mainly to product and process development, engineering and research; and product market innovation, referring to product design, market research and advertising and promotion, Cooper (1971); Miller and Friesen (1978). Further research has indicated that even these two broader categories of product and service innovation and technological innovation frequently overlap. As indicated in the work of Lin and Chen (2007), all the innovation types are relatively interdependent, as

technological innovation without adequate level of innovation at all company levels reduces the positive outputs. Although the radical technological innovation has been perceived as the crucial engine for long term growth, recent research results argue that the key of successful performance lays in an incremental day-to-day innovation and that these types of non-technological innovations are unjustly underemphasized and undervalued, Terziovski (2000). The study of Lin and Chen (2007) on the SMEs innovation practices in Taiwan as well confirmed the hypothesis that successful innovation does not require radical change.

The privilege to innovate has been generally transferred to large corporations, due to their wider investment possibilities, available resources and intellectual capacities, Damanpour, (1996); Nord and Tucker (1987). The supportive argument include the assumption that most often the larger the company - the longer exists on the market, therefore possessing more innovative experience and greater accumulated knowledge. Another school of thought argues that the SMEs have fight for a higher reputation among innovative companies due to their ability to respond quickly to market changes and flexible organizational structure, Acs and Audretsch (1990); Dodgson (1993). Furthermore, as Rosenbusch et al. (2011) analysis suggest firm age negatively moderates the innovation-performance relationship, meaning that innovation has higher positive impact on new firms, rather than the established and mature companies. This would absolutely bring us to remark that in the innovation processes flexibility is valued higher than the specialization on assets.

In sum, one may conclude that the overall innovation impact on firm performance is positive, since the positive implications and outcomes of innovation definitely outweigh the expenditures in innovation investment on aggregate level. Moreover, innovation has come to be perceived as central cornerstone of entrepreneurial behaviour, with many researchers indicating that without innovation there is no business level entrepreneurship regardless of the presence of other dimensions, Covin and Miles (1999); Gurbuz and Aykol (2009). However, another stream of literature argues that innovation is useless unless it is combined with other dimensions. Therefore, Anderson et al. (2015) proposed a new construct labelled “entrepreneurial behaviour” consisting of innovation and proactiveness. The argument behind tightening these two phenomena together holds that entrepreneurial firms do not simply create innovations, but they create with intention to employ innovations to established markets, create new markets and preempt competitors, Schumpeter (1942). As proactiveness seems necessary to fully realize

innovative processes, autonomy in operation is predominant for innovation process to start and no innovation is performed without certain level of risk (funds investments, intellectual capital contribution or risk of failure). At the end, every innovative process has the end means of gaining competitive advantage, therefore to gain competence to act competitive aggressively on the market.

2.2.3.3 Risk taking

The notion of risk-taking or uncertainty, as often nominated in the literature, has been present in entrepreneurship and entrepreneurial orientation definitions since their early establishment. The dimension of uncertainty has been dominant impression in the theories of Cantillon (1755), Schumpeter (1934) and Knight (1921). Naturally, it is more that evident that all businesses incorporate certain level of risk. The difference is that while in the past risk has been explicitly examined as construct strongly connected to individuals, in the entrepreneurial orientation as a firm-level strategic posture, risk may also relate to the firm as a whole, acknowledging that the initiative may come from the manager, but also from the venturing department or lower levels at the larger companies. Research on risk taking as a unique phenomenon and as part of the entrepreneurial orientation framework, elaborated from the individuals' and firm level perspective, have grown considerably during the past decades.

Namely, in the earliest definition of entrepreneurship Cantillon (1755) pointed that anyone who invests (in the sense of acquiring and employing resources) with the purpose of selling goods in the future at an uncertain price is an entrepreneur. Dimension of uncertainty and risk has been also present in the work of Knight (1921) where uncertainty has been connected to possessing partial knowledge (incomplete information) of the unique events in the external reality that are part of the entrepreneurship. While the dimension of risk taking is generally perceived as internal business factor connected mainly to the owner/manager of the firm, an assumption stands that risk taking actions are impossible to be provided in isolation of the environment, therefore the importance of the environmental dynamism, as well as the external business focus in order to reach prompt external information, are of predominant meaning. In the proceeding of this section we would shed formal light on individual risk propensity, firm risk level and the main reasons for risk avoidance.

As autonomy may be recognized as one of the main incentives to start own business, the inability to bear a certain level of risk may present a main deterrent for individuals to enter into

entrepreneurial activities. This clearly show how important is the personal risk propensity for the initiative and further performance of entrepreneurial ventures. However, besides the high level of risk related to entrepreneurship, still thousands of individual have decided to start own businesses. The study conducted by Simon et al. (2000) revealed findings that individuals enter into risky entrepreneurial activities no due to a high personal risk propensity, but because the new entrepreneurs do not perceive properly the risk inherent in their decision. Their results showed that most entrepreneurs do not perceive their activities as risky, which points to their different risk perception points. The authors suggest three types of cognitive biases that prevent potential entrepreneurs from rationally evaluating the riskiness of their actions. The first bias toward individual risk perception is one's overconfidence referring to the failure to know the real limits of own knowledge. The second bias indicates the illusion of control, meaning that individuals often believe they can control even the uncontrollable events, resulting in inability to predict entrepreneurial results. And the third bias influencing one's perception toward risk is the belief in the law of small numbers, present when individuals draw conclusions on small sample of information. This certainly is in accordance with the findings of Glaser et al. (2016) who argue that personal initiative and risky behaviour need careful management. Adding to this line of thinking, Wang (2008) pointed that careful study of potential risks and finding proper ways of risk mitigation is a process that should be learned. This process should be deeply inherent in entrepreneurial capabilities, since many market opportunities ask for quick response and it is to entrepreneurs' ability to make the right judgement on the risk level of certain activity. The study of Chan (2006) adds further clarity on entrepreneurs' initiative standpoint, by stating that individuals may vary in their capacity to manage risks. Moreover, taking into consideration environmental influences and forces, it is not surprising the same manager to act as a risk seeker in one situation, and to be risk averse under different circumstances, MacCrimmon and Wehrung (1990).

Authors of entrepreneurship literature have also showed interest in better understanding of risk-taking as a firm-level phenomenon. Firm-level risk taking has received a defining note in the early work of Miller and Friesen, who stated that risk at a firm level refers to "the degree to which managers are willing to make large and risky resource commitments – i.e. those which have a reasonable chance of costly failures", Miller and Friesen (1978, p.923). It is more than evident that risk is almost exclusively connected to firms that act entrepreneurial. These firms

need to build a fully entrepreneurial organizational culture in order to stimulate initiative of risky actions that might bring high performance and returns. In fact, a study by Engelen et al. (2015), while investigating organizational culture influence on entrepreneurial orientation dimensions in 298 small and medium size enterprises, revealed the findings that culture has a strong influence on the three investigated dimensions, innovativeness, proactiveness and risk taking. Furthermore, the study showed that hierarchal culture has especially negative relationship with firm-level risk taking. One may assume that this is also connected to the concept of autonomy throughout the company, as main predisposition to feel free and eligible to take initiative, develop innovative ideas and undertake risky actions in order to accomplish them. Thus, entrepreneurial firms need to be risk tolerant, meaning that managers should encourage new ways of thinking, be tolerable toward mistakes and reward new ideas that lead to business expansion, Miller and Freisen (1983). On the other side, since risky initiatives may result in negative outcomes as well, firms need to be careful when accessing risky behavior and actions. This process of risk management aimed to reduce and mitigate risk, might be accessed through involvement of research and planning before actual acting on the market, Bhide (2000). This might assume a more conservative risk approach that firms explain through several considerations. First, the reputational concern and the desire to control the business may make firms overly cautious when considering risky actions. Furthermore, preoccupation with preserving resource base and achieving long term survival may in fact result in failure to achieve business development goals, Lumpkin et al. (2010). To add further clarity to these considerations, one should take into account the risk of acting conservative in a dynamic and constantly changing environment. As implied in the work of March (1991), firms with a distinct focus on risk taking have resulted in too many underdeveloped new ideas, defocused direction and scattered internal resource base. The risk-taking level of the company is not a simple equation to be solved, but in strategic terms, Baird and Thomas (1985) positioned risk by answering the questions if the firms are venturing into unknown (products/markets), if they make large assets commitments or if they borrow heavily to enter and succeed on the market.

Presented literature gives clear evidence that risk is of essential meaning for every entrepreneurial undertaking, referring to both, individual and firm levels. Organizational culture plays an important role for pursuing entrepreneurial behaviour, often through taking risky initiatives. Still, managers and venture departments in larger organizations should focus on

careful management of risky behaviour of the firm, since it may bring concern as well as high returns. Therefore, cautious elaboration of the risk is necessary and risk incorporation in the entrepreneurial orientation of the firm with the other dimensions is of predominant meaning, since it may affect the firms' innovative activities, firms' proactive response to market changes, as well as the level of aggressiveness in the actions against competition.

2.2.3.4. Pro-activeness

Proactiveness has been part of the earliest Miller's (1983) definition and conceptualization of the entrepreneurial orientation phenomenon, building the construct together with innovativeness and risk taking. Even though, many further studies have build on this three-unit configuration, still proactiveness have been far less frequently investigated than the other entrepreneurial orientation dimensions, especially innovation and risk taking, Lumpkin and Dess (2001), Kreiser et al. (2002). Nevertheless, the findings from the literature on entrepreneurship provide compelling evidence that proactiveness is closely associated with entrepreneurship, and thus important part of entrepreneurial orientation of a firm.

Defined as a fully forward looking perspective, it may be evaluated by the speed to innovate and first to come across market demand. Proactiveness has been characterized by Lumpkin and Dess as "taking initiative by anticipating and pursuing new opportunities and by participating in emerging markets", (1996, pp.146). The authors have later recognized the environmental importance for proactive activities and added emphasis to clarify that proactiveness involves tracking and monitoring changes in the business environment, consumer tastes and technologies, Lumpkin and Dess, 2001. This standpoint has been evident in the definition of Miller and Friesen (1978) who shared the view that proactiveness' function is actually to change the environment by introduction of new products and technologies. Besides the simple stating proactiveness functions in different definitions, some authors have actually give more emphasis on the activities and consequences of proactive behaviour. In that manner, Kropp et al. (2008) explained that most often proactiveness is associated with identification and evaluation of new opportunities, constantly screening market trends and new venture team creation. In a similar vein, Dess and Lumpkin (2005) argued that proactiveness of organizations involves monitoring trends; identify future needs of customers, and making effort to predict changes in demand that can lead to new market opportunities. Proactive behaviour in

entrepreneurial firms have been also simply conceptualized as organizational pursuit of business opportunities evaluated to be favourable for firms performance, Stevenson and Jarillo (1990).

In fact, successful performance of the before mentioned activities, should give the firm a first mover advantage on the market. A most comprehensive research on first mover advantage has been provided by Lieberman and Montgomery (1988), who deeply analyzed the mechanisms by which firms gain advantages as well as disadvantages by being the first market entrants. As indicated in their study, first mover advantages arise from several sources: technological leadership, preemption of assets and buyer switching costs. The actual benefits firms enjoy by pioneering on the markets are mostly related to unusual high profit generations, establishing and retaining brand recognition and absence of competitive threats and price reduction, Dess and Lumpkin (2005). However, proactive orientation of firms comes with considerable costs, since first mover strategy bears own risks and does not always lead to positive outcomes, Van der Merwe and Lotz (2013), Lieberman and Montgomery (1988), Lumpkin and Dess (1996). Namely, research has shown that the disadvantages that first movers face are actually the advantages of second-to-market entrants. The main assumption behind this notion is that later market entrants may take advantage based of pioneer's investment in R&D, buyer education and marketing, as well as market infrastructure settlement. As indicated in the previous research, imitation cost are lower than innovation costs, so the firms with a high manufacturing capacities may benefit from imitation of already proved and accepted products on the market. Other disadvantage of the proactive strategy of the first market movers are the costs related to this actions. In fact, in order to become a first mover on the market, firm should constantly look at new opportunities which may involve costs that rarely pay off in a long run. Therefore, it is important to understand the significance of careful environment and market analysis before acting on certain opportunity, Van der Merwe and Lotz (2013).

Besides the twofold elaboration of proactive approach to markets through the glances of first mover advantages and disadvantages, still, available literature seems to support a clear positive correlation between proactiveness and performance, Miller (1983); Miller and Freisen (1983); Lumpkin and Dess (2001). Specifically, proactiveness together with the innovativeness and risk taking proclivity have been said to be the main precondition to firm success, Miller (1983). Moreover, in the work of Lumpkin and Dess (2001) a broader perspective of proactiveness – performance measure is presented. In fact, the authors had a closer look at the

moderators applicable to this relationship, incorporating environmental dynamism and hostility, as well as industry life cycle. More precisely, the findings of the study showed that proactiveness brings higher benefits to firms operating in dynamic environments (characterized with rapid change and uncertainty), but also to firms participating in hostile environmental settings (with intense competition and scarce resources). The results of the study also indicated that industry life cycle matters for proactiveness contribution to firm's performance. Therefore, proactiveness is most meaningful to performance at the growth stage industries, the one characterize by Porter (1980) as industries with growing demand, no intense competition threats and available market opportunities for multiple entrants. Overall, proactiveness has proven to relate positively to firm performance in multiple occasions.

In essence, proactiveness has been often given same meaning with other entrepreneurial dimensions (like competitive aggressiveness), or combined simultaneously with other phenomenon (like innovativeness). In fact, proactiveness and competitive aggressiveness have often been mixed in meaning in the literature, Covin and Covin (1990), by mixing proactiveness with an "aggressive competition orientation". This is explicitly evident in the applied measurement methods, when the proactiveness measurement scale set by Covin and Slevin (1989) has been identical with the measurement scale used to assess the competitive aggressiveness by Covin and Covin (1990). Besides this ambiguous meaning interchange, another stream in the literature have provided a compiling theoretical evidence to prove that, in fact, proactiveness and competitive aggressiveness are two distinct concepts. In this response, Lumpkin and Dess (1996) clearly states that proactiveness refers to how firm relates to market opportunities by influencing trends and creating demand, whereas competitive aggressiveness refers to how firm relates to competitors and how it reacts to trends already existing on the market. In sum, proactiveness may be firm's response to market opportunities, whereas competitive aggressiveness presents the firm's response to threats, Lumpkin and Dess (2001). To add clarity to this consideration, firm's proactiveness may put competitors having to respond to realized initiative on the market, therefore one firm's successful proactiveness may be motivation and trigger for other firms to take competitive aggressive actions, Dess and Lumpkin (2005).

Furthermore, proactiveness has been tightly related to innovation activities at entrepreneurial firms operations. In the work of Anderson et al. (2015), proactiveness has been

collapsed with innovation into one single construct labelled entrepreneurial behaviour. The underlying explanation behind this assumption relies on Shumpeter's classic work that explains that the entrepreneurial firms do not simply create, but they create with intent to employ these creations in order to establish leading market position, develop new markets and overcome competitors, Shumpeter (1942). Further explanation of this co-varying relationship would suggest that innovation is important for entrepreneurship, but, however, it is not sufficient or even insignificant without proactiveness in the same context, Rosenbusch et al. (2011). Contrary to this positioning, one may argue that proactiveness may act independently from innovativeness, since firms may enter *new* markets with already tried products.

The importance of proactiveness for successful entrepreneurial processes has been observed in the literature in different contexts. While the advantages of the first mover at the market have been examined, the compromise it takes in terms of investment in innovation and the advantages of the second to market is a debate for further elaboration. Evidence show that environment conditions and industry life cycle matters for proactiveness' contribution to firm's performance. Consequently, careful scanning of the environment and forecasting of future trends may reduce the negative consequences that proactiveness may provoke. However, responding to different market opportunities and threats may ask for unique entrepreneurial approach. In this regard, taking the developing country as a moderator encompassing certain constrains, it may be stated that proactiveness may mean low innovation but imitation of existing products or services to totally new markets.

2.2.3.5. Competitive aggressiveness

Although less examined than the rest of the entrepreneurial orientation dimensions, competitive aggressiveness have deserved the attention of number of eminent authors, Lumpkin ad Dess (1996, 2001, 2009); Venkatraman (1989). Moreover, competitive aggressiveness' importance have been noticed in the definition of Miller (1983), by pointing to the importance of the activities that would "beat the competitors to the punch", besides the fact that competitive aggressiveness was not included in Miller's entrepreneurial orientation structuring. Some authors argue that competitive aggressiveness as response to market threats is more applicable to new market entrants, specifically young firms that are in position to establish legitimacy and power on the market and protect themselves from the vulnerability in the infancy period following start up, Lumpkin and Dess (1996); Porter (1985). Another school of thought stands for the view that

competitive aggressiveness is more appealing to large and established businesses which may allow taking the risk of failure and may afford investment in aggressive marketing or large initial capacities investment, MacMillan and Day (1987). Nevertheless, at this point we would shed a formal light on competitive aggressiveness definition, forces that affect it and competitive aggressiveness' contribution to firm performance.

While proactiveness refers to how a firm related to market opportunities in the process of new entry, competitive aggressiveness refers to how firm relates to competitors and how firms respond to trends and demands existing in the marketplace, Lumpkin and Dess (1996). The substation of these two phenomenon, as well as their establishment as completely separate dimensions has been discussed in the previous section, while here we focus on the essence of firms' competitive actions. Competitive aggressiveness has also been characterized by responsiveness that may mean head-to-head confrontation with rivals in response to rivals' threats. Many authors support the view that competitive aggressiveness also present the entrepreneurs' willingness to adopt unconventional competitive tactics, rather than relying on tradition market competitive methods, Van der Merwe and Lotz (2013); Lumpkin and Dess (1996). In this manner, in their later study on competitive aggressiveness, Lumpkin and Dess (2001) has characterized this entrepreneurial orientation dimension as the intensity of businesses' efforts to act upon outperforming rivals, by stating that the competitive aggressiveness is "characterized by a strong offensive posture directed at overcoming competitors and may also be quite reactive as when a firm defends its market position or aggressively enters a market that a rival has identified", (pp.433). Definition clearly state that competitive aggressiveness is an important element of entrepreneurial orientation of ventures, during both, the phase of entering the market and securing market share, as well as at the phase of defending an already established market position.

A broader perspective of competitive aggressiveness implication may be presented through the activities included in its operations. Therefore, Lee and Sukoco (2007) explain firm's head-to-head confrontation with rivals thought the action of business to enter a market that other business has identified, or the state of responsiveness through aggressively lowering prices as response to competitor's actions. Adaptation of unconventional tactics in order to challenge industry leaders and analyzing and targeting rival's weaknesses are also part of business' aggressive competitive strategy, Lumpkin and Dess (2001). As important entrepreneurial

orientation component, competitive aggressiveness may be also present through many other forms including activities like cutting prices and sacrificing profits to achieve set goals, spending aggressively on marketing or initial huge capacity investment compared to rivals, Venkatraman (1989); MacMillan and Day (1987). Available literature in this field of entrepreneurship indicates that the number of the available competitive actions is enormous. However, it might not be essentially the number of actions taken, but rather the time, combination and order of such actions that may affect the final consequences.

In general, it becomes fairly evident that no significant research that elaborates competitive aggressiveness contribution to firm performance is provided by the literature. Whereas some studies confirm a positive relation between the two notions, MacMillan and Day (1987); Ferrier (2001), other show ambiguity that evokes further confusion and initiates further research challenges, Cassilias and Moreno (2010); Lumpkin and Dess (2001). Relying on the assumption that assessing this relationship is quite a complex phenomenon and is rarely examined in isolation of internal and external influences, we consider relevant to draw attention upon the forces that affect and stimulate the acts of competitive aggressiveness and its consequences to performance. Evidence from the literature suggest that this relationship is not immune to environmental dynamism, Lumpkin and Dess (2001); competitive attractiveness of the industry and founder's strategic decisions, MacMillan and Day (1987); nor the top management heterogeneity, past firm's performance or resources available, Ferrier (2001). In fact, the study of Lumpkin and Dess that shed light on the environment and the industry life cycle as main moderators of competitive aggressiveness and performance relationship revealed several interesting conclusions. Therefore, in general, competitive aggressiveness have been negatively related to firm's sales growth and only weakly related to profitability and return on sales. Regarding environmental dynamism and hostility, the study found that firm's competitively aggressive posture would enhance the performance of firms in hostile environment where competition is intense and resource are limited. The same study while analyzing the competitive actions under the moderating effect of industry life cycle stage revealed that competitive aggressiveness would have positive impact on performance in mature industries where opportunities become limited and competition highly intense. However, MacMillan and Day (1987) have found a strong positive relationship between the founder's strategic decision and firm's performance. In fact, they have elaborated founder's initial market share objectives

and proposed them to be in line with the venture scale of entry. More precisely, they explain that the managers that set high share objectives are more willing to take aggressive marketing and investment actions that would lead to success and increased market share. Consequently, the position of high performance would pay off the initial higher aggressive investment. The findings of their study revealed that aggressive firms achieve higher market shares and higher returns. Furthermore, a study conducted by Ferrier (2001) based on a sample of thousands competitive actions by rival firms in sixteen different industries, during a seven year period, have concluded that there are several internal forces (top management heterogeneity, past performance and resources) and external influences (barriers to entry, industry growth and industry concentration) that actually drive the competitive aggressiveness of the firm. The authors argue that management heterogeneity, in term of ability to scan significant information and opportunities from the environment, and firm's resources, in terms of available resources to aggressively invest, have, in fact, a positive effect on performance through stimulation of competitive aggressive actions. On the other hand, they found that sound past performance reduces the motivation for aggressive competitive attacks. Moreover, the same study revealed the results that the industry structure is the key driver of intensity among competitors and may stimulate or reduce firm's motivation to aggressively compete.

Whereas the previous section points to forces that stimulate competitive aggressiveness that leads to positive expected outcomes, there are many open questions regarding the possible negative consequences as result of too aggressive actions toward rivals. Moreover, a study conducted in Canada by Certo et al. (2009) warns that too aggressive actions may lead to negative performance outcomes, for instance in case when new entrants (smaller firms) attacks larger competitors that are more capable in dealing with price wars or other forms of competitive attack. In the same vein, firms that characterise themselves as competitive aggressive in the operating industry may lose competitors credibility and trust and may be eliminated from the possibilities of collaborative partnerships, networking and joining other forms of collaborative efforts which may also lead to boosting firms performance.

Available literature gives evidence that competitive aggressiveness as a component of entrepreneurial orientation have received increased interest in recent years. Many authors attempt to prove the relations it has to performance, and moreover, the forces that influence competitive aggressive actions among rivals. Mainly, competitive actions have been mostly influenced by the

competitive attractiveness of the industry, among other forces. Even though this dimension of entrepreneurial orientation may lead to increase in performance and business returns, entrepreneurs should be wary of overwhelming reaction that may destroy future industry collaborations. As important feature for firm success and survival, this component of entrepreneurial orientation of firms may be especially important for SMEs in developing countries, as they operate in smaller and limited consumption markets (excluding the internationalization as a separate strategic process). However, for the purpose of this study we will start by integrating the Lumpkin and Dess' five-component framework of entrepreneurial orientation. During the research we will try to customize this list to the applicability in the specific context of developing country circumstances.

Conclusion

Besides the fact that some of the entrepreneurial orientation dimensions have received greater academic and research attention than others, available literature proves the eminence and importance of all five elaborated concepts adopted from the Lumpkin and Dess (1996) conceptualization. Thus, the review of the literature on risk taking, innovation, proactiveness, autonomy and competitive aggressiveness have clearly showed that an entrepreneurial firm should be characterized by all five dimensions, even though the priority of each dimension may depend on business life cycle, environmental dynamism, industry complexity and industry growth stage. Relying on the evidence from the literature in the previous sections, one may notice that all the entrepreneurial orientation dimensions have been elaborated from a multidimensional perspective, thus incorporating founder's traits, business organizational structure and environmental influences. In fact, conclusions from the literature are in accordance with Monsen and Boss (2009) findings that employees usually reported lower levels of risk taking, innovativeness and proactiveness than the top managers in healthcare sector. How is this related to the autonomy and competitive aggressiveness momentum and how is it reflected in the healthcare sector in Republic of Macedonia remains to be additionally examined in this study. A natural conclusion coming from this position is that differences of entrepreneurial orientation appliance across the horizontal lines of the organization exist, and it is mainly due to the member's job design and delegated autonomy. Nevertheless, as environmental influence is inevitable part of every operating business, the respond to available opportunities and threats on the marketplace needs unique entrepreneurial approach.

2.3 Entrepreneurial orientation and performance

2.3.1 Entrepreneurial orientation and performance previous research

It is of high relevance to acknowledge that considering the publication data as an indicator, studies elaborating the entrepreneurial orientation – performance relationship are continuously increasing in number. Moreover, as Rauch et al. (2009) indicate in their study, it is not only important if entrepreneurial orientation positively or negatively affects firm performance, taking into consideration the simple acceptance or rejection of null hypothesis in these studies, but also to assume and confirm the magnitude of these effects on business operations. A supportive instrument for this operation is the fact that almost all studies concentrated on entrepreneurial orientation – performance relationship are using the same measuring scales, which makes them suitable and adequate for assessment and comparison.

Researchers have provided many studies elaborating the contribution of EO strategy to firm performance, Miller (1983), Lumpkin and Dess (2001), Rauch et al. (2009), Moreno and Casillias (2008); Grande et al. (2011). A fundamental implication emerging from EO-performance literature is that in order to be successful, new entries need to have a strong entrepreneurial orientation. Whereas some authors came across the results that individual entrepreneurial orientation dimensions are of equal importance for business performance, Rauch et al. (2009); other authors supported the multidimensionality of the construct and revealed that each entrepreneurial orientation dimension contribute to firm performance individually, Lumpkin and Dess (1996); Moreno and Cassilias (2008). In fact, these authors explain that entrepreneurial orientation-performance relationship is positive, still complex, pointing to innovation as dimension with greatest entrepreneurial innovation influence on overall firm growth. This might lead to conclusion that not all of the entrepreneurial orientation dimensions are present and equally important for every business; meaning that which dimension is dominant in a firm may depend on factors within the business itself or within the business's environment (Lumpkin and Dess 1996). Thus, drawing on these insights, Grande et al. (2011) proposed the view that two firms with similar EO-score may have different combinations of innovativeness, risk-taking and pro-activeness.

However, another stream in the literature stands that fostering entrepreneurial orientation is not always the best choice of organizational behaviour, and some authors actually could not find

any positive relationship between entrepreneurial orientation-performance constructs, or even reported a negative relation in individual research cases, Hart (1992); Covin et al. (1994); Smart and Conant (1994); George et al. (2001). The most often set assumption behind these studies is the risk predisposition and the possibility of negative risk consequences on business performance, since risk might bring losses as it may bring gains. As Grande et al. (2011) explain in their study: “*Access to financial capital when facing turbulent markets, for instance, might thus affect risk level by limiting the adverse effects of risk and indirectly influence the relationship between EO and performance*”, pp.97.

Thus, for example, there are cases when bold following of EO dimensions, especially at corporate or lower levels, may obstruct and slow down the effectiveness at alternative levels. Similarly, studies from Wales (1996), Wales et al. (2011), revealed that sometimes pursuing conservative entrepreneurial strategy or low EO commitment may lead to better performance outcomes given certain circumstances. Closely related to this, the risky EO activities, if not managed carefully, may cause serious business losses and low business performance, Wales (2016). The author also connects the applicability of EO strategy to availability of firm resources, stating that fostering high EO may result in zero or neutral outcomes in resource limited firms. Conversely, Lumpkin and Dess (1996) argue that when behaving passive, and therefore taking no risk, firms actually run the risk to lose the entrepreneurial edge.

Moreover, Wiklund and Shepherd (2005) in their study of entrepreneurial orientation contribution to small business growth also confirmed the positive relationship between the two constructs, however, with a faster growth rate of businesses operating in a dynamic environments. These facts lead us to the assumption that environmental context and other related internal factors may play a crucial role in determining the entrepreneurial orientation – performance relationship and therefore deserve closer attention. Considering the fact that this relationship is rarely examined in isolation, the authors found entrepreneurial orientation-performance relationship directly moderated by firm strategy, financial resources and environmental issues. As a more complex issue that certainly deserve closer attention, moderating factors to entrepreneurial orientation – performance relation will be separately elaborated in the next section.

2.3.2 Entrepreneurial orientation – performance construct

In the process of elaboration of entrepreneurial orientation – performance relationship, we found it important to closely define the entrepreneurial orientation and performance construct separately and profoundly. The findings from the literature provide compelling evidence that Miller (1983) and Lumpkin and Dess (1996) are recognized as founders of entrepreneurial orientation construct, while the definition of performance has been observed in many different contexts and explained through different indicators of performance.

2.3.2.1 Entrepreneurial orientation construct

Thus, in the work of Miller (1983), three sub dimensions of entrepreneurial orientation have been evident – innovativeness, risk-taking and proactiveness. Adding to this construct, Lumpkin and Dess (1996) initiate a bright new and important momentum in the EO literature by introducing two additional dimensions to the EO canvas – autonomy and competitive aggressiveness. Plethora of authors have later contributed to the entrepreneurial orientation literature fuelled by these two basic entrepreneurial orientation conceptualizations, including Miller’s innovativeness, risk-taking and proactiveness, or Lumpkin and Dess’ innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness constructions.

Moreover, Miller’s conceptualization supports a uni-dimensional direction of the construct, whereas Lumpkin and Dess stand for a multidimensional nature of entrepreneurial orientation dimension. More precisely, in the uni-dimensional conceptualization of Miller, absence of covariation among innovativeness, risk-taking and proactiveness would mean an absence of entrepreneurial orientation. This aggregate measure of entrepreneurial orientation construct would work under the assumption that all these dimensions, innovativeness, risk taking and proactiveness equally contribute to firm performance in all the different situations and under different circumstances. However, in Lumpkin and Dess’ multidimensional view, all of the five EO dimensions- innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness may exist in introduction of successful new venture, however, new entry may also be successful if only some of these factors are present, depending on contingent internal or external factors, such as organizational or environmental context of a firm, Lumpkin and Dess (1996). Although large body of previous literature and empirical research studies relied on the uni-dimensional approach in measuring entrepreneurial orientation – performance relationship, Miller (1983); Covin and Slevin (1989); Miles et al. (1993); Naman and Slevin (1993); Knight

(1997) and Wiklund (1999), still there are many open questions concerning its validity in the contemporary and dynamic environment. Although Kreiser et al. (2002) in their empirical studies are confident supporters of individual dimensional contribution to business performance, the authors still explain that the uni-dimensional approach in testing entrepreneurial orientation relationship may be effectively employed in organizational research, but still, its applicability should be determined only after careful consideration.

2.3.2.2. Performance conceptualization

A tentative conclusion one might derive from the entrepreneurial literature is that successful entrepreneurship is a complex phenomenon. Reasons for this statement are multiple, but will be presented through two important dimensions. First, the factors that lead to business performance are complex and difficult to precisely identify and measure. Moreover, setting a valid construct for business performance phenomenon is demanding and challenging task, considering the diversity of performance indicators, entrepreneur's perception toward success and objectivity of the sources of data used. A broader perspective of firm performance is hence necessary.

A great plethora of traditional researchers and practitioners tended to emphasise the importance of financial business results when measuring business performance. However, the recent empirical studies introduce a more complex and multidisciplinary approach toward business performance measurement, including economic, sociological and psychological insights. It stands to follow that financial indicators of business performance are rarely enough. In fact, when concentrating on financial indicators, researchers are usually considering increase in profit, sales growth and return on investment, Smith (1976); Gray (1998); Forsaith and Hall (2000). This consideration seem completely reasonable since applying high entrepreneurial orientation allow businesses to target premium market segments, charge high prices and over-perform competitors, which should provide them with higher profits and allow them to expand faster, Zahra and Covin (1993). The assumption behind this reasoning is that the mentioned processes are easily measureable in financial terms. The problem that arises at this point is that the objective measures of financial indicators may not be easily accessible and might be perceived as being less reliable, since firm owners might be reluctant to give data they perceive as being sensitive, Barbieri and Mshenga (2008). Tax laws and regulations, as well as final

financial statements tax adjustment may additionally distort the real financial situation, and might cause misunderstandings in cross-national entrepreneurial orientation-performance research.

On the other side, entrepreneurs often start new ventures lead by non financial motivations as well, therefore making non-financial performance measures valuable for elaboration. The most often non-financial measures of performance determined by the founder include autonomy, self-realization, job satisfaction and flexible lifestyle, Buttner and Moore (1997); Green and Cohen (1995). Besides the fact that the role played by the financial performance indicators is of utmost importance for business survival and sustainability still there are many empirical studies that show that non financial measures are valued by the business owner even higher than the financial streams, Walker and Brown (2004). Although it is said that career option is gender blind, adding to performance measures insights, there are different non-financial measures that are important for both genders. In this direction, males primarily value the higher position they get in the society for them and their family, whereas, on the other hand, females primarily value the possibility for advancement and position of self-realization and achievement, as a result of boredom and inability for promotion at previous job, Buttner and Moore (1997). The question that we address here is the following: Is it possible financial and non financial goals not to be interconnected? Is it true that every non-financial goal has financial consequences? One may assume that reaching higher position in the society through entrepreneurial venturing would assume a successful and growing business in financial terms as well, meaning that personal satisfaction and status in society may increase as result of higher financial performance. Similarly, the feeling of self-fulfilment, motivation for hard work and self-realization is most likely to result in higher profits over longer period of time.

In sum, financial performance indicators as increase in profits, return on investment or revenue growth are certainly clear indicators for the company's performance position. Still, founders often highly value the non-financial performance indicators as the need for achievement and autonomy which often are valuable support for successful business processes and assist in sustaining the financial performance high for a longer period of time. Nevertheless, it s of high relevance to acknowledge that in order to be successful, entrepreneurs need to be lead by both, financial as well as non-financial business goals that would give an comprehensive results at the performance construct. Therefore, "accomplishment of established goals" might be considered as

reasonably comprehensive performance indicator, as it includes both financial and non-financial elements, regarding entrepreneur's priorities and aspirations.

2.3.2.3 Entrepreneurial orientation – performance moderators

Following the arguments from the previous section, one may assume and confirm that entrepreneurial orientation-performance relationship has been intensely analyzed, however, rarely as a simple one-direction relationship. Therefore, we consider relevant to draw attention upon the presence of contingency theory insights which state that introduction of moderators into such bivariate relationship should permit a more precise and specific understanding of contingency relationships, Rosenberg (1968). There is extensive agreement in the literature that entrepreneurial orientation-performance relationship is moderated by different internal and environmental variables, Lumpkin and Dess (1996); Wiklund and Shepherd (2003); Zahra and Garvis (2000).

Nevertheless, different organizations need different stream of forces to promote strong entrepreneurial orientation. While literature is rich with studies elaborating access to finance as entrepreneurial orientation -performance moderator, Wiklund and Shepherd (2005); Grande et al. (2011), knowledge contribution to the relationship, Wiklund and Shepherd (2003), culture, Gupta et al. (2004); and strategy importance, Moreno and Cassilias (2008), still, the greatest attention in determining moderating effects of entrepreneurial orientation –performance relationship has been devoted to the environmental dynamism and hostility, Lumpkin and Dess (2001); Grande et al. (2011); Gartner (2008); Johns (2006). In this direction, Lumpkin and Dess point that risk-taking, innovativeness, proactiveness, autonomy and competitive aggressiveness may vary independently depending largely on the organizational and environmental context. There are many open questions concerning the type of environment that stimulate stronger EO. Consequently, there have been numerous attempts to define context in terms of environmental uncertainty or dynamism (e.g., Miller, 1983; Becherer & Maurer, 1997). In fact, Miller expressed the opinion that the highly dynamic and uncertain environment would ask for flexible but well-articulated organizational strategy and great analytical effort to push forward the pursuit of EO strategy. On the other hand, Lumpkin and Dess (1996) argue that in hostile environments resources would be more constrained that would lead to greater control and interlocking and conservativeness of firm behaviour. Nevertheless, it is of high relevance to acknowledge that EO

strategy and its five dimensions are flexible in nature and may change, vary and covary depending on context and circumstances. Therefore, it is the ability of the entrepreneur, the business unit or the venture department to build business attitudes, and to channel business activities, in direction that would lead to higher overall business performance.

Culture is the second largest issue analysed as a moderator in the entrepreneurial orientation – performance relationship. Rauch et al. (2009) in their study revealed that the entrepreneurial orientation is initially conceptualized as culturally universal phenomenon. This notion has been supported in other studies mainly due to a lack of evidence how it effects the entrepreneurial orientation – performance relationship and the lack of supportive studies from individual country that may prove the insignificance of cultural effects. However, the supporters of the other side of this relationship phenomenon generated a massive literature focusing on different cultures and elaborating their influence on entrepreneurial orientation. In this sense, Runyan et al. (2011) summarises the entrepreneurial orientation presence in different cultures, by summering the studies of international nature, pointing to studies in Netherlands by Kemelgor (2002); in several European countries by Kreiser et al. (2002), in Sweden by Wiklund and Shepherd (2003, 2005); in Belgium, by Sepienza et al. (2005) and in Singapore, by Keh et al.(2006). The importance of cultural differences when analysing the entrepreneurial orientation and its contribution to firm performance may be additionally explained through the cultural acceptance of some of the key terms in entrepreneurial orientation. For instance, the term “aggressive” may be perceived differently in different cultures. Therefore, occupied by the collective culture, Chinese might feel uncomfortable selecting this response, since aggressive behavior is not matching the expectations of behavior in a collectivistic society; whereas the term may be openly accepted by many European countries, Runyan et al. (2010). Moreover, as confirmed in the study of Gupta et al. (2004), culture affects the frequency and quality of entrepreneurship, while it is the greatest contributor to forming entrepreneurial values, attitudes and aspirations.

Implications emerging from the study of Wiklund and Shepherd (2005), point to the fact that scholars should pay greater attention to both joint and interdependent effects of entrepreneurial orientation – performance relationship, rather than reliance only on the main two-way effects. For instance, while analyzing the configurational relationship that entrepreneurial orientation has with financial resources and environmental dynamism, they reached surprising results. In fact, while the literature suggests that entrepreneurial orientation have strongest effects in dynamic

environment with abundance of resources, Covin and Slevin (1989); Zahra (1991), the authors confirmed the configurational hypothesis that entrepreneurial orientation shows greatest results in stable environments with limited access to capital. We might summarize that literature has neglected these aspects of relation causality, therefore identifying new avenues for future research.

2.4 Measuring entrepreneurial orientation

A plethora of empirical evidence mentioned in the previous section indicated that entrepreneurial orientation is positively related to firm performance. Therefore, it is not surprising that authors, as well as practitioners, found it relevant to investigate and define the best model that would measure that relationship. Building upon the entrepreneurial orientation theoretical insights from the literature, one may assume that the roots of the models for measuring entrepreneurial orientation origin from the start of the conceptualization of the phenomenon. Entrepreneurial orientation concept delivered by Miller (1983), lately applied in the measurement scale by Covin and Slevin (1989) has deserved the appreciated leading position in entrepreneurial orientation literature and has been further used by numerous researchers.

Namely, the choice of entrepreneurial orientation measurement should be based on the understanding of the entrepreneurial orientation theoretical nature of the construct. In fact, several considerations should be made before making a decision on the most suitable measurement model. According to Covin and Wales (2011), the first consideration when measuring entrepreneurial orientation is the definition of the number of dimensions entrepreneurial orientation has, since this number would further influence the measurement choice. The second emphasised valid concern is whether particular conceptualization of entrepreneurial orientation needs to use specific modelling techniques, or is stable to be performed independently.

Miller and Covin and Slevin measurement scale

In light of the above mentioned consideration, we trace the roots to the earliest phenomenon conceptualization, starting with the entrepreneurial orientation definition by Miller (1983), stating that “an entrepreneurial firm is one that engages in product–market innovation, undertakes somewhat risky ventures and is first to come up with “proactive” innovations, beating

competitors to the punch' (1983, pp. 771).” Analogical to this definition, three dimensions have been extracted as pillars of entrepreneurial orientation construct, including innovation, risk taking and proactiveness. This first composition of entrepreneurial orientation has widely been recognized as cornerstone of entrepreneurial orientation literature and has been further applied and empirically tested in numerous academic studies, Wiklund and Shepherd (2003, 2005); Zahra and Covin, (1995).

Building on Miller's entrepreneurial orientation development, Covin and Slevin (1989) introduced the empirical research insights of the entrepreneurial orientation phenomenon. They have integrated the three specified entrepreneurial orientation dimensions (risk taking, innovation and proactiveness) into nine-item, self-response scale, opening a first précised entrepreneurial orientation measurement perspective. As they noted in their study, this scale has been used to measure firm's strategic posture, in fact, measuring if the firm has extensive product and technology innovation, if it is aggressively oriented to competitors and has a strong risk taking propensity by managers. In light of the above, it is clear that the scale is manifested to measure the entrepreneurial orientation of the firm, based on the Miller's uni-dimensional composition of the phenomenon consisting of innovation, risk taking and proactiveness, (Appendix II). They composed the scale as following. The first three items of the scale reflect the business openness to technological and product innovation, the second three items identify the firm's proactive intentions, while the last three item evaluate the business risk taking tendency. Part of these items has been original work of the authors, whereas others have been adopted from the existing scales created by Miller and Friesen (1982) and Khandwalla (1976/77). Although Covin and Slevin have stayed loyal followers to the three-dimensionality of Miller entrepreneurial orientation composition, still, in a part of their study they remark that it might be not satisfactory to measure firm performance based only on the organizational structure and strategic posture, but business practices and competitive tactics might also be necessary. Although announcing the importance of competition and competitive aggressiveness, still, it was not until the work of Lumpkin and Dess (1996) to introduce additional entrepreneurial orientation dimensions. To sum up, adding to Miller's construct and consistent with his conceptualization, Covin and Slevin (1989) have elaborated a uni-dimensional approach to entrepreneurial orientation construct consisting of risk taking, innovation and proactivity, therefore assuming that firm is entrepreneurial only if it is highly innovative, responsive to risks

and acts proactively on the market. Nevertheless, the uni-dimensional approach of Miller/Covin and Slevin scale has been widely accepted in the later empirical research studies. In fact, in the empirical study by Wales et al. (2010), while analysing a sample of 158 studies on entrepreneurial orientation, 80% of the examined studies have relied on the Miller uni-dimensional approach. Nevertheless, Covin and Slevin, based on the work of Miller, have created the most popular measurement scale in the entrepreneurship history that has served as a foundation for many researchers to come.

Lumpkin and Dess entrepreneurial orientation measurement approach

Lumpkin and Dess (1996) are seemed responsible for the continued work in the field of entrepreneurial orientation conceptualization, adding on the grounds set by Kwandwalla (1972), Miller (1983) and Covin and Slevin (1989). Specifically, Lumpkin and Dess have analyzed and expended Covin and Slevin's model regarding entrepreneurial orientation conceptualization, measurement and point of analyzes. In fact, the authors are assumed to have made a radical shift in the concept definition and modelling, Basso et al. (2006). These fundamental concept changes refer basically to two important considerations. The first modification refers to the number of entrepreneurial orientation dimensions. Nevertheless, instead of the prior model composed of three basic dimensions, namely innovativeness, risk taking and proactivity, Lumpkin and Dess introduced two additional components to this construct by adding autonomy and competitive aggressiveness to the entrepreneurial orientation framework. The reasons behind this fundamental decision have been more extensively elaborated in Section II, while analyzing the genesis of the components and the chronology of construct conceptualization. The second and even more essential consideration refers to the authors' perception of the entrepreneurial orientation construct, shifting it from a uni-dimensional view to a multidimensional perspective. In this respect, the authors state that the five entrepreneurial orientation dimensions innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness may vary independently, depending on the environmental and organizational context, Lumpkin and Dess (1996), regardless the Covin and Slevin uni-dimension view that stands that entrepreneurial orientation dimensions must covary in order the firm to be entrepreneurial.

A fundamental implication emerging from these differences in entrepreneurial orientation dimensionality and correlation is in fact the measurement approach to the new entrepreneurial

orientation perspective set by the authors. Namely, as one may expect that this new entrepreneurial orientation concept would bring a totally new measurement momentum, this aspect has been almost fully neglected. In fact, while measuring the risk taking propensity, innovativeness and proactivity, the authors mainly builds upon the entrepreneurial orientation theoretical insights of Covin and Slevin scale, adding minor extensions to correspond to the newly constructed phenomenon. Namely, in their study on proactivity and competitive aggressiveness, Lumpkin and Dess (2001) have presented a two items measurement scale for evaluating the competitive level of the new ventures. One of these items have been derived from the Covin and Slevin (1989) scale and referred to the question to the entrepreneurs if they preferred to “undo-the-competitors” or “live-and-let live”. The second item for competitive aggressiveness measurement purposes has been newly introduced for the purpose of their study. While analysing the measures for the other entrepreneurial orientation dimensions innovativeness, risk taking and proactiveness, Lumpkin and Dess have followed the arguments arising from the literature of Khandwalla (1977), Miller (1983), Covin and Slevin (1986, 1989a), and Covin and Covin (1990). The novelties in the measurement scale referring to the competitive aggressiveness component as a new entrepreneurial orientation dimensions are presented in Appendix III.

The authors have pursued a more serious approach when elaborating the autonomy measurement perspective. In fact, given that the organizational autonomy has been a well established concept in the management literature, Lumpkin and Dess (2009) have made a deep overview of the autonomy measurement scales, however, with little success in reaching an adequate measurement items that would access autonomy from an entrepreneurial orientation perspective. In order to succeed in reaching this objective, they have performed a content validity analysis by conducting two exploratory studies using a set of items adapted from the autonomy literature in conjunction with the most commonly used entrepreneurial orientation measures as well as some relatively new entrepreneurial orientation items. Finally, this attempt resulted in set of eight proposed autonomy items, out of which four have been evaluated as content valid and prepared for entrepreneurial orientation perspective measurement scale of the autonomy component, Lumpkin and Dess (2009). The whole conception of autonomy items has been presented in Appendix IV.

Variations, modifications and critiques of basic entrepreneurial orientation framework of Miller/Covin and Slevin (1989) and Lumpkin and Dess (1996, 2001,2009)

The entrepreneurial orientation measurement models established by Covin and Slevin (1989) and Lumpkin and Dess (1996) have been subject to further empirical testing and theoretical entrepreneurial orientation modifications. These variations of the classical entrepreneurial orientation measurement view referred mainly to the number of entrepreneurial orientation components, Zahra (1993); number of measurement scale items applied in research, Baker & Sinkula (2009); Kreiser et al. (2002); and testing the scale for cross-cultural validity, Knight (1997), Kreiser et al. (2002).

Covin and Slevin model of entrepreneurial orientation has been set under the loop of critiques by Zahra (1993). Nevertheless, the author acknowledges the gains that Covin and Slevin's model has introduced into the entrepreneurial orientation research; however, he found it adequate to propose a revision and extension of the model in question. Namely, Zahra critiques and recommendations referred to the following: to specify the nature of entrepreneurship (in terms of intensity, formality and types of behaviour); to include additional dimensions to the basic Miller/Covin and Slevin construct of innovativeness, risk taking and proactiveness; to point to different level of analyzes (corporate, business strategic unit and functional levels); to make a distinction between the domestic and international ventures; and to eliminate the technological sophistication variable, as confronting with the examined environmental dynamism influence. However, as Landstrom and Lohrke (2010) pointed in their book, Zahra (1993) critiques have received a minor academic attention, compared to the original Covin and Slevin model, even though, on the other side, Zahra critiques have been further elaborated, tested and incorporated in later works of researchers, including Lumpkin and Dess (1996).

Moreover, Baker and Sinkula (2009), while analyzing the correlation of market orientation and entrepreneurial orientation concepts, have made certain addition on the initial Covin and Slevin (1989) measurement scale. In fact, the authors have concentrated on innovation realization success elaboration rather than innovation financial performance contribution when accessing new product or service development, customer service programs, and practices to increase administrative efficiency, Baker and Sinkula (2009). In this direction they have modified the innovation success scale to consist of four items on a 10-point scale evaluated from low to high, Baker and Sinkula (1999). Additionally to this, firm profitability has been set to be

the measure of financial outcomes. It consisted of three items on a 10-point scale anchored by “significant decrease—significant increase”, referring to change in sales revenue, change in profit, and change in profit margins.

Several authors have tested the international, cross-cultural validity and reliability of the classical entrepreneurial orientation measurement scales, Knight (1997); Kreiser et al. (2002), Runyan et al. (2011). For instance, Knight (1997) has tested the ENTERSCALE (consisted of Covin and Slevin scale and additional measurement items) measurement validity in international context, more specifically in English and French speaking settings. His study confirmed scale validity for cross-cultural research, providing practitioners with scale that may be used to measure entrepreneurial orientation behaviour among main operations and foreign subsidiaries, as well as contributing to the academic research of scholars eager to improve entrepreneurial orientation measurement validity in the increasingly global business environment, Knight (1997). The author has gained the credits for being the first scholar to introduce the entrepreneurial orientation construct and framework in a cross-cultural setting. The cross-cultural validity of Covin and Slevin’s scale has been confirmed in the work of Kreiser et al. (2002) as well. In their study that utilized data from 1067 firms in six different countries, the authors address the questions of entrepreneurial orientation dimensionality, as well as entrepreneurial orientation sub-dimensions correlation. The obtained results from the six countries lend strong support to modeling the entrepreneurial orientation measure as consisting of three unique sub-dimensions: innovation, proactiveness, and risk taking, however, the study discarded the Covin and Slevin’s conclusion that these three dimensions need to have a co-varying relation. Although the authors did not support the aggregate approach in entrepreneurial orientation measurement procedures, they still suggested that researchers must be very clear regarding their primary research objectives when deciding whether to employ aggregated or individual measures of entrepreneurial orientation. A more recent research conducted by Ruyan et al. (2012), have analyzed the entrepreneurial orientation measurement validity across US and Chinese SMEs. Their study provided evidence that the scale intervals of the entrepreneurial orientation framework are comparable across the two selected regions. In fact, when testing the entrepreneurial orientation measure for dimensionality and scale items configuration, the authors found that a three-factor solution as well as an 8-item scale provided the best fitting measurement model.

In summary, while some authors argue that Miller/Covin and Slevin and Lumpkin and Dess are two are totally different constructs, Covin et al. (2006), we believe that Lumpkin and Dess has successfully upgraded the previous Covin and Slevin model, by giving it a totally different view of the concept (perceiving entrepreneurial orientation as a multidimensional rather than uni-dimensional construct) and creating a broader and more comprehensive picture by adding the two additional dimensions of autonomy and competitive aggressiveness. By expanding of the established entrepreneurial orientation scale by Miller/Covin and Slevin for the measurement items referring to the two additional components of the construct, the authors contributed to the cumulative knowledge of the entrepreneurial orientation phenomenon and created an additional added value to the empirical entrepreneurial orientation research. Additionally, although more than nineteen different labels have been recorded in the literature referring to the term entrepreneurial orientation, Cogliser et al. (2008), researchers have far more easily gained a consensus on entrepreneurial orientation measurement scale, relying mostly on Covin and Slevin (1989) and Lumpkin and Dess (1996) work. This certainly explains why the entrepreneurial orientation measurement framework have shown little quantifiable progress since 2000, and confirms the literature assumption that the basically developed scales have a recognized value and there has been no necessity to search for alternative entrepreneurial orientation measurement alternatives, Covin and Wales (2012).

2.5 The importance of entrepreneurial orientation strategy for the SMEs success in the context of developing countries

We may fully acknowledge that the increasing importance of entrepreneurial orientation strategy moves in parallel with the increasing awareness of the importance of entrepreneurship as a global phenomenon. In the contemporary rapid changing environment with shortened product life cycle and fast business model obsolescence, there is a constant uncertainty about the future business stream and profit gains. Therefore, enterprises are obliged to regularly seek for new opportunities, take initiatives and try to ensure positive future business performance, Rauch et al. (2009). Supporting arguments coming from Miller (2011) would clarify that the innovation and new entries as dominant trend in entrepreneurship, contribute highly not only to the economic growth, but also to the social well-being and prosperity of nations. Therefore, the EO has a broad

applicability network, targeting variety of organizations regardless of size, age, industry or business life-cycle stage, Covin and Wales (2012).

Researchers have provided many studies elaborating the contribution of entrepreneurial orientation strategy to firm performance, Miller (1983), Lumpkin and Dess (2001). A fundamental implication emerging from entrepreneurial orientation-performance literature is that in order to be successful, new entries need to have a strong entrepreneurial orientation. Nevertheless, different organizations need different stream of forces to promote strong entrepreneurial orientation. Empirical studies indicate that it is not only the organization that determines the direction of entrepreneurial orientation, but also the corresponding environmental circumstance, Lumpkin and Dess (1996); Gartner (2008); Johns (2006). In this direction, Lumpkin and Dess point that risk-taking, innovativeness, proactiveness, autonomy and competitive aggressiveness may vary independently depending largely on the organizational and environmental context. There are many open questions concerning the type of environment that stimulate stronger entrepreneurial orientation. Consequently, there have been numerous attempts to define context in terms of environmental uncertainty or dynamism, e.g., Miller (1983); Becherer and Maurer (1997). In fact, Miller expressed the opinion that the highly dynamic and uncertain environment would ask for flexible but well-articulated organizational strategy and great analytical effort to push forward the pursuit of entrepreneurial orientation strategy. On the other hand, Lumpkin and Dess (1996) argue that in hostile environments resources would be more constrained that would lead to greater control and interlocking and conservativeness of firm behaviour. Nevertheless, it is of high relevance to acknowledge that in this study we support the view that entrepreneurial orientation strategy and its five dimensions are flexible in nature and may change, vary and covary depending on context and circumstances. Therefore, it is the ability of the entrepreneur, the business unit or the venture department to build business attitudes, and to channel business activities, guided by the contextual limitations and advantages, in direction that would lead to higher overall business performance.

However, another viewpoint stands that fostering entrepreneurial orientation is not always the best choice of organizational behaviour. Thus, for example, there are cases when bold following of entrepreneurial orientation dimensions, especially at corporate or lower levels, may obstruct and slow down the effectiveness at alternative levels. Similarly, studies from Wales (2016), Wales et al. (2011), revealed that sometimes pursuing conservative entrepreneurial

strategy or low entrepreneurial orientation commitment may lead to better performance outcomes given certain circumstances. Closely related to this, the risky entrepreneurial orientation activities, if not managed carefully, may cause serious business losses and low business performance, Wales (2016). The author also connects the applicability of entrepreneurial orientation strategy to availability of firm resources, stating that fostering high entrepreneurial orientation may result in zero or neutral outcomes in resource limited firms. Conversely, Lumpkin and Dess (1996) argue that when behaving passive, and therefore taking no risk, firms actually run the risk to lose the entrepreneurial edge.

Drawing on previous insights, one may challenge the applicability of entrepreneurial orientation to SMEs in developing countries. Facts illustrate that entrepreneurial orientation remains unexamined in developing countries and emerging markets contexts. Since there is a lack of research in this area, applicability of entrepreneurial orientation in the context of developing countries might present new and attractive opportunity for empirical research.

2.5.1 Conceptualizing an entrepreneurial orientation strategic posture under the constraints of developing country circumstances

Entrepreneurial perspective in developing countries is, by far, perceived as absolutely poor and unfavourable. A broader and richer perception of this context is hence necessary. We propose a view that it is not only the negative aspect of developing countries that create the entrepreneurial atmosphere, but also the positive background emerging from the immature stage of the market and larger pool of unexploited opportunities. In order to give greater support to the theoretical framework and therefore greater credibility to the propositions included in this study, we additionally observe the moderating factors (limited resources, culture, immature market and unexploited opportunities) through the lenses of Resource Based Theory, Hofstede's cultural dimensions, the four stages of population needs and the Opportunity Based Theory.

The “*limited resources*” constraint and the Resource Base Theory

In fact, a fundamental implication emerging from developing countries' economic circumstances refer to the multiple constraints to the success and prosperity of the small and medium sized businesses. In this study, while considering the negative effects, we draw attention

to how the limited resources and national culture hamper the entrepreneurial prosperity of businesses. Namely, even raising on the assumption that SMEs in developing countries have a numerous supporting funds for starting the business, frequently the limited resources consequences emerge later in the phase of planned development, as investment in new technology and innovation, conducting market research and analysis or investing in intensive marketing for boosting sales.

The importance of resources for superior company performance has been extensively elaborated in the work of Wernerfelt, B. (1984); Prahalad and Hamel (2006); Barney, J. (1991), resulting in structuring the Resource Base Theory. The core notion behind this theory is that firms may more easily exploit external opportunities by utilization of internal resources and capabilities, while eliminating the environmental factors and their influences. In fact, the RBV assumes resources to meet certain criteria, including being valuable, rare, imperfectly imitable and not substitutable. Moreover, the main objective of this strategy is achieving competitive advantage and superior market performance.

This view is applicable to the research framework of this study, with a core acknowledgement of the importance of resources, especially capital, in the pursuing of entrepreneurial orientation direction. However, entrepreneurship goes beyond the financial limits of inspired individuals or prosperous firms. Moreover, management of resources and therefore, the management knowledge and competence to efficiently use available resource is the cornerstone to firm development. As indicated in the study of Newbert (2007), firms may not earn extra profit by having better resources, but through their unique competence to make use of these resources. Another stream of critiques on Resource Based Theory, point that available resources can be useful for developing competitive advantage, particularly in the short-term, but should be considered in partnership with other factors as organizational learning and adaptability when performing long-term strategic planning, Kraaijenbrink (2010).

In the context of entrepreneurial orientation framework, the factor of limited resources directly impacts entrepreneurial orientation activities by limiting SMEs' abilities to innovate, their opportunities to screen the market and detect demand in order to act proactively or ability to invest extensively in marketing in order to act aggressively toward competitors. Consequently, it reflects negative consequences to the risk taking dimension, since taking risk without any innovation support and market information may, by itself, result in negative business outcome.

The “*entrepreneurial culture*” and Hofstede’s cultural dimensions

Previous literature elaboration has shown that national culture has an important moderating effect of entrepreneurial processes and performance relationship, Hofstede et al. (2002); Trompenaars and Hampden-Turner (1997); Runyan et al. (2012). The culture signifies a strong determinant of entrepreneurial growth, and is identified as one of the major elements in national entrepreneurial ecosystem. In light of the entrepreneurship in developed and developing countries, culture is a critical element that might either foster collaboration and innovation or prevent effective knowledge sharing. From a theoretical point of view, there is a sound support for introduction of culture to the conceptual framework for this study.

As elaborated in the previous review of the literature, Hofstede’s model of entrepreneurial culture includes: power distance index (PDI), individualism versus collectivism (IDV), masculinity versus femininity (MAS), uncertainty avoidance index (UAI), long- versus short-term orientation (LTO) and indulgence versus restraint. A detailed elaboration of Hofstede’s six dimensions has been presented in Section 2.1.3.1, when considering the effect of culture on the success rate of start-ups in developing countries. Avramaska (2007) has studied students’ and managers’ behaviour regarding Hofstede’s dimensions in the regions of Macedonia, Slovenia and Kosovo. The position Macedonia holds in this study clearly reflects its cultural environment. Therefore, regarding the power distance index, Macedonia has been ranked right below Slovenia, experiencing hierarchy as standard in organizational structure, pointing that subordinates are afraid to express disagreements with their supervisors and are rarely involved in decision making processes of the organizations. What is also important result from this study in Macedonia is that young generations are conscious of the fact that this position of collective awareness should be shifted forward, and common decision making is of high importance.

Macedonia has also been ranked lower than Slovenia in the evaluation of IDV index; however it was ranked higher than Kosovo. These results bring us to the conclusion that during the transition and post transition period culture transits from state of collectivism to notable individualism. Thus, observing Slovenia as most developed country from the sample, it is evident that it concentrated most of individualism, self-importance, concentration of leisure and higher living standard. Regarding the masculinity-femininity phenomenon, the study of

Avramaska (2007), has showed that Macedonia has highest MAS Index, meaning that gender roles in the society are clearly distinct. This, however, corresponds with the high IDV Index in the country, acknowledging the fact that high individualism may not outstand with low masculinity since masculinity characteristics are the one that naturally respond to actions in individualistic society.

While analysing the uncertainty avoidance index, more precisely, the extent to which people feel threatened by uncertain or unknown situation, Macedonia has been ranked relatively high. In fact, Macedonia had shown the highest UAI compared to Kosovo and Slovenia as comparison countries. Results have shown that Macedonians very often feel stress and anxiety in their working environment. This may respond to the level of development of the countries in transition, since, on the other side, the same study have shown that people in developed societies would rather accept new challenges and risky ideas and projects, than to solely implement other's orders and tasks. According to this study, Macedonia has also been characterized as long-term oriented country, with highest LTO index among comparison countries. Macedonian culture is highly focused on importance of savings. This fact has been supported by family tradition and economic circumstances as well. In fact, families have great impact in creation of this strong attitude toward savings, pointing that savings are extremely important if someone streams to achieve higher goals. Moreover, as Macedonians are living in very unstable overall environment, savings have shown to be very important for their life in general.

Concerning entrepreneurial approach, one may conclude that measuring the changes of national cultures is extremely complex and long process, therefore, recognizing and accepting core national norms and values would be crucial for adaptation of management practices at the time of new venture performance. The cultural implications directly affect entrepreneurial orientation dimensions, mostly in terms of risk taking and risk aversion, as well as entrepreneur's motivation for innovation and presence of courage for proactive activities.

The “immature market” and the four stages of population needs

Moreover, the stage of market maturity has been indicated as a positive aspect of developing countries' entrepreneurial conditions. In fact, as the country develops and moves from developing country to industrialized nation, the needs for products and services changes dramatically. According to Martinez and Haddock (2007), population's basic needs pass through

four stages: survival, quality, convenience, and customization. As they indicate in their article: *“In developing countries, most of the population is preoccupied with basic survival – obtaining adequate food, housing, and clothing. As a middle class emerges, people seek greater quality in their food, housing, clothing, and healthcare services. After the stage of availability of high quality products, they begin to seek convenience, they buy time-saving appliances and processed foods, and they may move closer to work.”*

Another viewpoint that sheds some positive light on the economic and society development of transition countries has been presented by Perlo-Freeman and Webber (2009) and Mayer-Foulkes (2005) stressing the positive relationship that change in needs have on productivity and vice-versa. Studies have found unidirectional relationship that improving basic welfare contributes strongly to labour productivity change, moreover, channelling resources towards improving health, education and nutrition might bring dramatic economic returns, Perlo-Freeman and Webber (2009). These issues on invisible economic vehicles have been also present in the work of Mayer-Foulkes (2005), who found that increased health and welfare raise the returns of all types of investments and leads to faster capital accumulation. Naturally, with the increase of human capabilities, technology and social organization develop and transition tracks start progress more rapidly.

Macedonia is emerging market with a population of 2 million citizens. As small, land-locked country in South Eastern Europe it has shown serious progress in the past two decades. However, it is still one of the Europe poorest countries. According to the statistics provided in 2018, Macedonian households have spent greatest share of their revenues on food and non-alcoholic beverages (37.8%) and housing, water, electricity and other fuels (11.4%). Additional consumption items have been present in very small quantities. For instance, in 2018, Macedonians have spent 5.1% of their income on clothing and footwear; 3.6% on restaurants and hotels; 2.9% on health; and only 1.8% on recreation and culture and 0.2% on education, Statistics (2018). Additionally, incorporating the data on average monthly salary of 391euros in 2019 may assist in creating a more comprehensive picture of the current Macedonian consumption market.

In light of the above, the immature Macedonian market is full of challenges and opportunities at the same time. This position of the market opens a wide range of opportunities

for current and potential entrepreneurs in Macedonia. The small market size, low income and high unemployment are dynamic obstacles that need to be carefully addressed.

The “*unexploited opportunities*” and the Opportunity Based Theory

Markets development connects closely to the new opportunities that arise in developing countries. However, opportunity definition has remained intangible in the literature, Landstrom and Lohrke (2010). A precise and widely accepted definition of opportunities has been presented in the work of Shane and Venkataraman (2000), by stating: ” those situations in which new goods, services, raw materials and organizing methods can be introduced and sold greater than their cost of production”, p.220. Accordingly, the authors tend to emphasise that exploitation of opportunities involves not only technical skills like finances and market research, but also creativity, team building, problem solving and leadership. Referring back to the basic theories of entrepreneurship, opportunities hold a special place in entrepreneurship concept development, Drucker (1985); Stevenson (1983). According to authors’ standpoint entrepreneurs do not cause but exploit the opportunities that change (in technology, consumer preferences etc.) creates. In the work of Drucker (1985), this is what defines and distinguishes entrepreneurs, and further explains that entrepreneurs always recognize opportunities rather than problems when changes occur. Stevenson (1990) would further Drucker’s opportunity-based theory by including the matter of resources and clearly distinguishing entrepreneurial from administrative management. In the main, entrepreneurship itself has most broadly been defined as act of grasping and responding of opportunities in the imperfect world. Drawing on this insight, it is of utmost importance to emphasise the term “unexploited opportunities” as essential part of our theoretical framework conceptualizing the influences on entrepreneurial orientation in developing country environment.

What is also important at this point of market elaboration is the perception of Macedonians on business opportunities in their environment. A study conducted by Microfinance centre (2018), summarized several interesting conclusions regarding this issue. First, entrepreneurs ranked the general perception for opportunities in Macedonia relatively high, namely, highest among the countries in the region. In fact, even 38% of the adult Macedonians have the opinion that there are present business opportunities in the environment where they live. Moreover, even 56% of Macedonians feel capable of starting a business, whereas 25% of the

participants reported intent to start business within a period of three years, presenting relatively high standing compared to countries in the region, GEM (2014). On the other side, besides these promising reported entrepreneurial data, there is vast number of studies showing that the percentage of people who prefer safe public administration job is very high and also the number of start-ups do not cooperates to the extremely high reported percentages of nascent entrepreneurs.

The undefined pool of opportunities, gives a special potential to the entrepreneurial orientation of the SMEs in developing countries. It is specifically enlightening the conditions for innovation and proactivity, as well as lowering the potential negative outcomes of risk taking activities. Being aware that these immature markets in developing countries are relatively small, the role played by the dimension of competitive aggressiveness in SMEs entrepreneurial behaviour is of utmost importance.

Willing to respond to the unanswered call for examining of SMEs’ entrepreneurial orientation contribution to successful performance in developing countries, we attempt to structure a clear and comprehensive conceptual framework with described contexts as most important influencing dimension. The proposed conceptual framework of entrepreneurial orientation contribution to SMEs success in the context of developing country is presented in Figure 5. The presented conceptual framework would be used as a ground for delivering propositions, based on which the case studies would be interpreted and analysed.

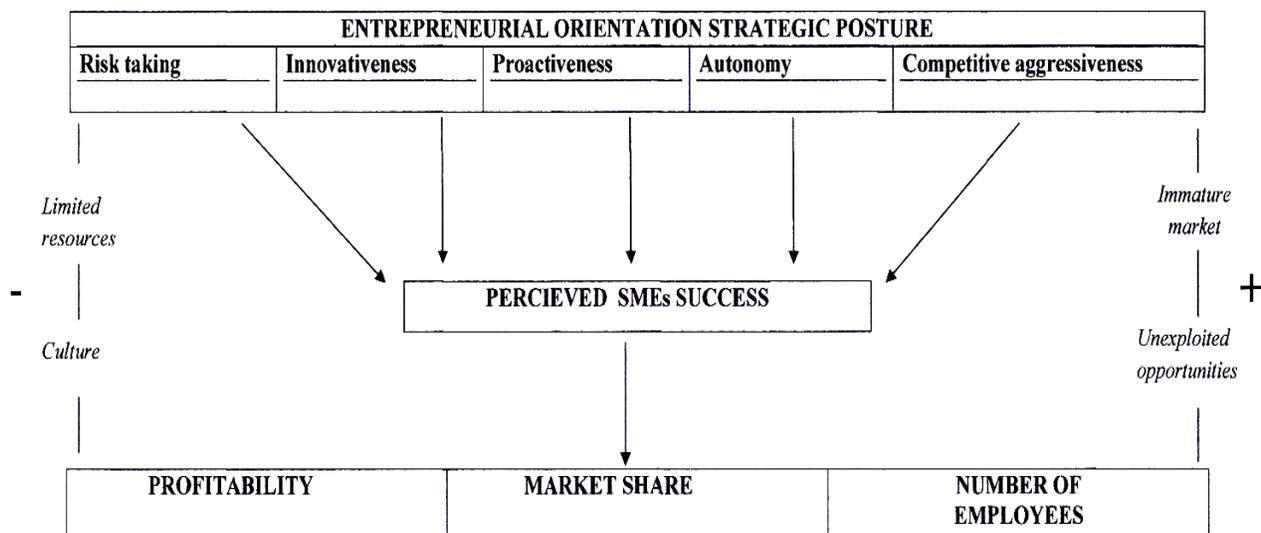


Figure 5: Proposed conceptual framework of EO contribution to SMEs success in the context of developing country.

2.5.2 Conclusion and discussion

Although being criticized for being mainly empirical in nature, still, the concept of entrepreneurial orientation have received great attention among a large number of eminent entrepreneurship authors, Miller (1983); Covin and Slevin (1989); Lumpkin and Dess (1996;2001;2009), among others. In summary, Miller (1983) have been the first scholar to shift the importance of entrepreneurial orientation from individual to firm-level phenomenon while establishing an important entrepreneurial orientation conceptualization based on the dimensions of risk taking, innovativeness and proactiveness. Moreover, Covin and Slevin (1989) have been recognized as most eminent authors in the phase of entrepreneurial orientation measurement framework development focusing mainly on elaborating the relationship between entrepreneurial orientation and performance, in contrast to Miller (1983) who worked primarily on the entrepreneurial orientation and its antecedents. The later work of Lumpkin and Dess (1996) have brought a new momentum in the entrepreneurship literature, mainly by being the first authors to introduce the term “entrepreneurial orientation” and very importantly, by enriching the entrepreneurial orientation construct with two additional dimensions of autonomy and competitive aggressiveness. Furthermore, Lumpkin and Dess (1996) share the view that the five specified entrepreneurial orientation dimensions may *independently* and *collectively* define the concept of entrepreneurial orientation, confronting the Miller (1983) view that the three précised entrepreneurial orientation dimensions *must* positively covary in order for entrepreneurial orientation to exist. Entrepreneurial orientation – performance relationship has been extensively examined in many studies and the findings have mostly revealed a positive relation among the two variables. Although great in number, the studies on entrepreneurial orientation - performance relationship have rarely been provided without the moderating effects of environmental forces, national culture, industry growth stage or internal founder’s traits.

The effects of the moderating variables are of essential meaning for the research conducted in developing countries. As relatively less examined context of entrepreneurial orientation-performance relationship, developing countries offer a solid grounds for research and elaboration of entrepreneurial orientation behavior under the conditions of limited available resources, negatively evaluated national entrepreneurial culture on one side; and the immature market stage with a great number of unexploited business opportunities on the other side. How the five

adapted entrepreneurial orientation dimensions would reach their path to the successful business performance under these moderating circumstances is a question whose answer we believe to be found through the identified avenues for future research.

However, we assume that the SMEs in developing countries should organize their activities primarily around the individual dimensions of innovation, proactiveness and risk taking, since firms are in a stage in front of an open market with many opportunities on which firms may act proactively (before competition). Furthermore, the immaturity of the market and increasing customers needs offer many possibilities for innovations (or even adaptation of existing products from abroad to domestic markets, through developing sound absorptive capacity). Considering the already constrained resources, one should be aware that all of these entrepreneurial actions do not come without certain costs, therefore incorporating certain level of risk. Nevertheless, autonomy must be present as a main precondition for all the mentioned operations to occur. The competitive aggressive actions should also assist, once the firms establish a place on the market that is valuable to be defended through additional investments.

2.6 General discussion

A tentative conclusion one may derive from the extensive overview of the literature covering the importance of entrepreneurship for national economies, and more specifically for national economies of developing countries, is that SMEs are of high importance for overall economic development and growth. National government should not only support business start ups, but at the same time should strive to minimize business failures. As indicated in the literature, and supported by the “liability of newness” and other paradigms, businesses are most vulnerable in their infancy period that follows their start up. Therefore, our investigation on the internal, environmental and organizational-level factors that impact SMEs success in first few years of performance is exceedingly relevant. Of essential meaning is the wise combination of the three groups of factors. While businesses have absolutely no power to influence the environmental forces that affect them, they might make several considerations when choosing their place on the market and accommodate to the best circumstances. In this sense, businesses may look for opportunities for products and services that are well accepted by the criteria and values of national culture; to choose a sector that enjoys a most favorable institutional support in the country; and to enter a market that have the capacity to conduct a sound relations with buyers

and supplier, as well as the capacity to absorb the final good and services offered. On the other side, being aware of the internal factors that lead to successful business story; although individual and specific; entrepreneurs may work on improvement of considered weaknesses and therefore trace better conditions for the future venture performance. Opportunity-driven entrepreneurs, with previous sector experience, extensive business and social network and sense for innovation will certainly enjoy advantages for pursuing a successful business initiative. In this study, we found it relevant to draw attention to the entrepreneurial orientation of the businesses as an organizational level factor that encompasses the abilities of businesses to be innovative, to wisely choose the extent of risk in their operations; to think upfront and act proactively on the market, as well as to delegate adequate autonomy in the organization that would support and realize new and creative ideas and be aware of competition and prepared to act aggressively toward rivals when needed. The role of entrepreneurial orientation has been specifically elaborated in developing countries, as separate point of interest. The empirical qualitative research that follows in this study should more clearly show how entrepreneurial orientation strategy of the SMEs in the private healthcare sector in Macedonia contribute to performance taking into account the specific moderating effects of limited resources, cultural constrains on one side and immature market and unexploited market opportunities on the other side.

Chapter III: Methodology

3.1 Research aims and objectives

The reasons behind the low survival rates of new ventures during their infant period have been the main motivation for conducting this study. As literature review showed earlier, more than 50% of new ventures fail within three years of their performance. Factors that are elaborated as influential for firm survival in developing countries are varied in nature. Besides the internal and external factors detailed earlier, a special attention has been given to the organizational level factors that directly affect firm performance. In this study, we particularly focused on the

entrepreneurial orientation posture of firms operating in the specific context of developing countries.

In essence, the research question we are trying to address is “how the entrepreneurial orientation strategy (encompassing the innovation, risk taking, proactiveness, autonomy and competitive aggressiveness) influences the success of SMEs in developing countries?”

The predicted research objectives more specifically include:

- To emphasize the importance of entrepreneurship for the transformational processes of developing countries
- To identify central entrepreneurship theories and definitions
- To make analysis of major individual, organizational and environmental factors that influences the success of SMEs
- To analyze extensively the entrepreneurial orientation strategy of a SMEs,
- To adapt entrepreneurial orientation strategy to the conditions of the developing countries constrains, presenting it through a conceptual framework and corresponding propositions that should lead to further theorization
- To test the set propositions through six comprehensive case studies in the private healthcare sector in Republic of Macedonia
- To answer the call for qualitative research in entrepreneurial orientation field
- To deliver contextualized, context-specific results, that may guide managers in developing countries in structuring strategies and operations that better suit local conditions and avoid adverse consequences.

3.2 Methodology/Research design, research philosophy and research approach

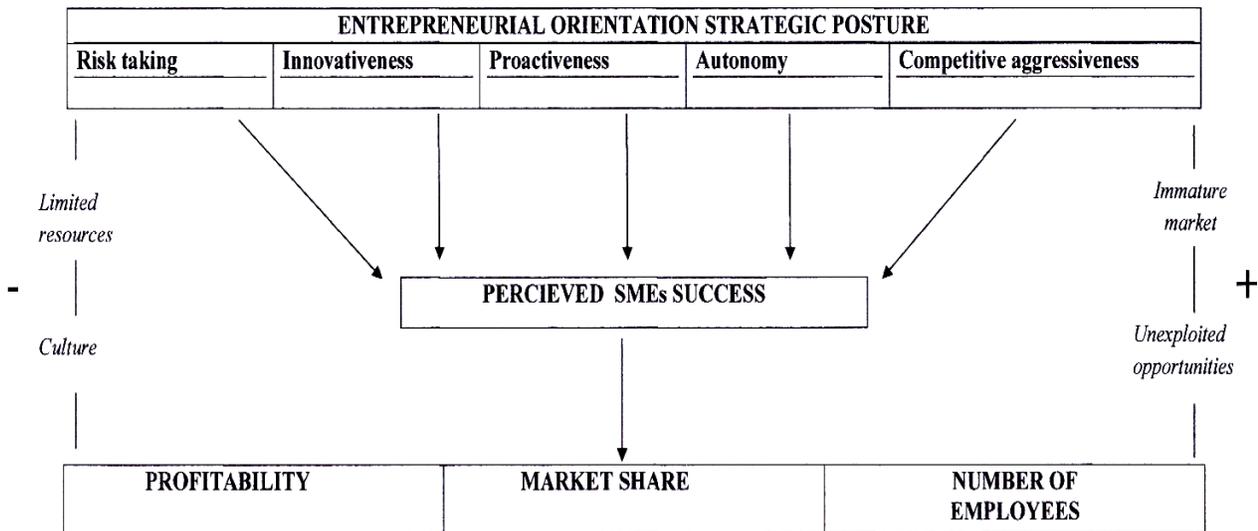
For the purpose of this study, we chose to apply qualitative research method, as the literature in the field of entrepreneurial orientation strategy has been continuously criticized for providing too few qualitative longitudinal studies, on behalf of the use of already established instruments mailed to wide samples when a survey research strategy has been applied, (Wales, 2016; Miller, 1983; Miller 2011). In this research we would commit to extensive field work, that means direct interviews with managers and entrepreneurs, answering carefully designed questionnaire in order to create fine-grained contribution to entrepreneurial orientation strategic

posture in the specific context of developing country. Six case studies are generated based on the information gathered, intending to give explanatory answer to the stated research question. The multiple-case research strategy has been selected in order to investigate contemporary firm's entrepreneurial behaviour. Quantitative research in a form of survey among employees, and use of secondary data sources, will be part of each of the cases in order to enrich research evidence and provide triangulation of results. Since the quantitative data will be used only within cases, without generalization across cases, one may assume that the study is still fully qualitative in nature.

Deductive research approach

Considering the fact that we apply qualitative research method accompanied by specific and yet comprehensive case studies of companies, based on which we will generate and test theoretical propositions, we will follow a deductive research philosophy. The detailed conceptual theoretical framework as well as the derived theoretical propositions we use in this study are presented in details below.

Figure 5: Proposed conceptual framework of EO contribution to SMEs success in the context of developing country.



Research propositions

Proposition 1: Limited resources will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 1a: At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.

Proposition 1b: At conditions of limited resources, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 1c: At conditions of limited resources, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 1d: At conditions of limited resources, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 1e: At conditions of limited resources, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Proposition 2: National culture will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 2a: At conditions of unfavourable entrepreneurial culture businesses take less risk, which has negative or no influence to SMEs success.

Proposition 2b: At conditions of unfavourable entrepreneurial culture, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 2c: At conditions of unfavourable entrepreneurial culture, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 2d: At conditions of unfavourable entrepreneurial culture, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Proposition 3: Immature market will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

Proposition 3e: At conditions of immature markets, businesses act more competitive aggressively, which has positive influence to SMEs success.

Proposition 4: Unexploited market opportunities will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

Proposition 4e: At conditions of unexploited market opportunities, businesses act more competitive aggressively, which has positive influence to SMEs success.

At this point, we present the research propositions derived from the theoretical conceptual framework. These propositions will be further applied in the design of the six case studies and analysis will show if the stated propositions are demonstrated in each of the cases, or entrepreneurial orientation behaviours are performed differently.

In fact, we have conducted literature review on the topic of entrepreneurship and entrepreneurial orientation, however, none of the elaborated theories have focused explicitly on their concept in the context of developing countries, meaning that there is still room for generating theories and propositions of entrepreneurial orientation concept in specific context of developing country constrains. Namely, our study is based on the scientific assumption that entrepreneurial orientation dimensions, referring to innovativeness, proactivity, risk taking, autonomy and competitive aggressiveness, affect the success of new businesses under the specific circumstances of developing countries environment. Following this assumption, we

attempt to discover the exact cause and effect of this relationship. Moreover, since our research has also developed propositions, relying on the scientific methods, these propositions will be proved or disproved. Therefore, this might bring us to the conclusion that scientific methods are applied mechanically in order to operationalize propositions; and since all of the set propositions are measurable, we may refer to our study as fully objective and research independent.

3.2.1 Research strategy

Multiple-case study design

Six case studies are generated based on the information gathered, intending to give explanatory answer to the stated research question. The multiple-case research strategy has been selected in order to investigate contemporary SMEs behaviour over which we have little or no control. Quantitative research in a form of survey among employees, and use of secondary data sources, will be part of each of the cases in order to enrich research evidence and provide triangulation of results. During the case study design process, we follow the Yin (1983) case study design logic, which starts with identifying specific conceptual framework of the subject under research. After this initial theory development, we proceed with cases selection and data collection design and protocol. Next, we proceed by selecting six SMEs from the private healthcare sector in Republic of Macedonia. As each individual case presents a study by itself, we conduct individual case study report for each case study respectively and then we produce a multiple case results and summary report. For each individual case the report should indicate how and why a particular proposition was demonstrated or not demonstrated. Across cases, the report should indicate the extent of the replication logic and why certain cases were predicted to have certain results where maybe other cases have demonstrated constructing results.

3.2.2 Research techniques and procedures

Direct interviews (supported by survey among employees in the selected companies and secondary data)

Research design is built on mix of three separate methods in order to achieve triangulation of the results and increase the credibility and validity of the same. With the use of triangulation in the research, we hope to overcome the weaknesses of each separate method and minimize intrinsic biases.

Direct face-to-face interview with the managers of the selected companies for elaboration presents the main research technique during the process of data gathering. Six interviews have been conducted with the founders of the companies, lasting no longer than one hour, respectively. A specifically structured interview protocol has been followed. The protocol is presented in Appendix V. All the participants agreed to audio-tape the conversation in order to facilitate the note taking during the interview. Moreover, all the interviewees signed a release form, to fulfil the ethical and legal standards and requirements. Through these interviews, we focused to learn more about founder's experience in the private healthcare sector in Macedonia and attempt to learn about entrepreneurial practices they have applied in their operations and how they contributed to performance.

Indeed, the interviews have been supported by carefully semi-structured questionnaires that leave space for expressing founders' attitudinal and behavioural principles, regarding the five established entrepreneurial orientation dimensions-innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness. More precisely, questionnaires try to access firm's abilities to act proactively on the market, to introduce innovations, to take risks, act autonomously, and defend their market position through the use of competitive aggressive actions. What is more specific in our research is that questionnaires examine these actions and their contribution to firm's performance under the conditions of developing countries, meaning, under the constraints of limited resource availability, unfavourable entrepreneurial culture, but as well, the advantage of immature market stage with increasing customers needs, and wide range of unexploited business opportunities. Questionnaires have been divided in four sections, from A to D, in the following manner:

- A: *Warm up questions*: open general questions regarding business conditions in Macedonia (as case of developing country)
- B: Questions covering the entrepreneurial orientation dimensions
- C: Questions that access business performance in last three years
- D: *Closing question*: to access interviewee's willingness to improve entrepreneurial orientation position, if possible.

Section A consists of four self-created questions, intending to release answers about the general business climate in Republic of Macedonia, regarding the clients' needs and recorded changes during the recent years, the availability/unavailability of resources, dealing with open

opportunities and cultural perception toward business start-ups. Section B covers the largest part of the questionnaire and these fourteen questions refer to the entrepreneurial orientation of the companies. What is important, in order to assure that all the participants have a clear understanding of the terms we investigate at this point, we set a detailed definition of every specific entrepreneurial orientation dimension as applied in our research. Furthermore, the five questions covering the risk-taking and innovativeness sections have been derived from the Hughes and Morgan (2007) research questionnaire. Moreover, Covin (1991) contributes with only one question that has been added to the innovativeness section. The three questions challenging the information on proactiveness of organizations have been derived from the work of Morgan and Strong (2003). Correspondingly, we used three questions that cover the autonomy section from the work of Lumpkin and Dess (2009), and two questions on competitive aggressiveness topic from the work of Lumpkin and Dess (2001). Almost all of the stated questions have been accompanied by probe questions that often led to improved explanation of the subject under research.

Section C covers the company success indicators. As most intimate and sensitive subject of the research we positioned these items near the end of the questionnaire. Still, in order to eliminate participants' position of uncertainty to share such information, we asked them only to declare if the following indicators: profitability, market share and number of employees, have increased or decreased during the past three years. Our study attempts to use both, financial and non financial performance indicators, in order to detect SMEs success position. While financial performance indicators as increase in profit; return on investment or revenue growth are certainly clear indicators for the company's performance position. Still, founders often highly value the non-financial performance indicators as the need for achievement, autonomy or number of employees which often are valuable support for successful business processes and assist in sustaining the financial performance high for a longer period of time. Nevertheless, it is of high relevance to acknowledge that in order to be successful, entrepreneurs need to be lead by both, financial as well as non-financial business goals that would give an comprehensive results at the performance construct.

The last section of closing questions, section D, is composed of self-created question referring to the willingness of the entrepreneurs to improve their entrepreneurial orientation

position, once having more entrepreneurial knowledge and available resources. The full questionnaire of the research is presented in Appendix VI.

Additionally, short survey among the employees of the companies will be provided in order to get insights into their attitudes towards the five entrepreneurial orientation dimensions- innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness. Since entrepreneurial orientation is observed as a firm-level phenomenon, multidimensional approach is therefore reasonable, and data should be gathered not only from managerial but also from lower levels at the selected companies. However, in this study, the questionnaire among the employees has been distributed in three of the selected companies that have more than 10 employees, while the three companies with less than 10 employees (the specialized private healthcare offices operating with only couple of medical teams) will be elaborated based on the interview of the founder and his experience in the private healthcare sector in Macedonia. In order to enrich the case studies and clarify the validity of this data, additional company reports have been delivered on request and used exclusively for the purpose of the research process. Secondary data of publically available sources have been used to complete the information needed, as well, mapping out all the entrepreneurial aspect valid for this study.

Variables in the research

Although the determination of dependent, independent and control variables are characteristic of quantitative research, qualitative research also allows for outlining variables in the research that would most often be analyzed in the natural setting as they are found. In our research context, variables will assist in answering the question “how something happens” or more precisely “how the entrepreneurial orientation strategy (encompassing the innovation, risk taking, proactiveness, autonomy and competitive aggressiveness) influences the success of SMEs in developing countries?”

To answer this question we will use qualitative approach based on multiple case studies analysis and the variables and the corresponding indicators analyzed during the research process are presented below.

Independent variables

- Entrepreneurial orientation strategic posture
 - Innovativeness

- Proactiveness
- Risk-taking
- Autonomy
- Competitive aggressiveness

In Chapter 2, we presented a broad literature covering the topic of entrepreneurial orientation and the five corresponding dimensions. Therefore, we have adopted certain definitions that best explain the meaning of the elaborated phenomenon. Namely, as employed in our research, the definitions for the stated variables above are the following:

"Risk-taking" refers to a willingness to commit resources to projects, ideas, or processes whose outcomes are uncertain and for which the cost of failure would be high.

"Innovativeness" refers to a the exhibition of experimentation, exploration, and creative acts as reflected in, for example, new products/services, new process technologies, new methods of operation, and new business strategies.

"Proactiveness" refers to engaging in forward-looking actions targeted at the exploitation of opportunity in anticipation of future circumstances, as would be typical of firms that lead and/or pre-empt the actions of others (e.g., market pioneers, early adopters of new technologies).

"Autonomy" refers to the independent action of an individual or a team in expressing an idea or a vision and carrying it through to completion.

"Competitive aggressiveness" refers to how firm relates to competitors and how it reacts to trends already existing on the market, including entering a market that other business has identified, or aggressively lowering prices as response to competitor's actions, invest heavily in marketing...

Dependent variables

- SMEs success
 - Profitability
 - Market share
 - Number of employees

At this point of analysis, we decided to approach to measuring both, financial and non-financial success indicator. In order to avoid bias information and trust issues, we asked only for the changes in this variables, if they have increased or decrease during past three years. More

precisely, in our research we employed the generally accepted definitions for the indicated variables. Therefore:

"*Profitability*" refers to the degree to which a business or activity yields profit or financial gain.

"Market share" the portion of a market controlled by a particular company or product.

"Number of employees" refers to the total number of persons who work in the business unit (employees receiving remuneration, working proprietors and unpaid family workers) as well as outside working persons who belong to the unit and are paid by it.

Moderating variables

- Developing country context
 - Limited resources
 - Broad scope of unexplored opportunities
 - Immature markets
 - Culture

The moderating variables are actually assumptions that we use to characterize the developing country circumstances. What is specific in our research is that we examine these actions and their contribution to firm's performance under the conditions of developing countries, meaning, under the constraints of limited resource availability, unfavourable entrepreneurial culture, but as well, the advantage of immature market stage with increasing customers needs, and wide range of unexploited business opportunities.

Population

Population: Private healthcare providers in Republic of Macedonia.

We are trying to draw conclusion upon the small and medium size businesses in Republic of Macedonia, as a representative developing country. However, due to the fact that drawing conclusions for the general mass of SMEs in Macedonia based on case study research approach seems not appropriate and difficult to make generalization, we would tighten the scope to the sector of private healthcare providers. The choice to analyze the private healthcare sector has emerged from its evident progress in the past ten years, and from the promising future evolution capacity. A supporting assumption here is that the continuous developing trend of the country leads to greater awareness about the health and lifestyle, therefore demand for new and more sophisticated health products and services correspondingly arise. Therefore, our target population

includes the private healthcare businesses in Republic of Macedonia. Accessible population is detected by the following criteria:

Inclusion criteria:

- To be domestic company
- To be private healthcare provider
- To operate on the market for more than 3 years and
- To have less than 250 employees (SMEs focused).

Exclusion criteria:

- Foreign direct investments
- Public healthcare providers
- Refuse to give confidential information

Sample

Sampling has been conducted by applying qualitative non-probability purposive sampling. The main goal of purposive sampling is to focus on particular characteristics of a population of interest, which will best allow answering our research questions. SMEs in Republic Macedonia that fulfilled previously stated population inclusion/exclusion criteria were addressed. The choice of exact research participants has been made based on personal research of private healthcare providers. For the purpose of this study we chose to deliver six comprehensive case studies, grounded on the data gathered from six businesses from the private healthcare sector in Republic of Macedonia. In this regard, the private healthcare providers included in the study follows:

Case	Type of healthcare provider	Name of the company	Interviewee partner
C1	Private gastroenterology center	SRCE	Founder
C2	Private gynecology ordination	DR. LOZANKOVSKI	Founder
C3	Private dentist ordination	DENTAL COSMETIC STUDIO	Founder
C4	Private dermatological ordination	VIVI DERM	Founder
C5	Private assisted living facility for elderly	PU TERZIEVA	Founder
C6	Private center for rehabilitation	KINEZIKA	Founder

Table 2: Macedonian private healthcare providers involved in the multiple case design of the study

It is important to acknowledge that the six selected cases fully meet the noted selection criteria. Namely, Macedonia has employed the European classification of business size. As defined in the EU law and based on the criteria of number of employees, European Commission (2003), the selected businesses belong to the group of micro and small business, which is correspondent to selection criteria, although excluding medium size business from the set of cases. However, supportive reasons behind this selection are multidimensional. First, we clearly acknowledge the fact that most of the private healthcare units in Republic of Macedonia are organized as micro and small businesses, regarding universally accepted business size classification. Only three of the private healthcare businesses have more than 250 employees, therefore belonging to large organizations. Regarding the position of private healthcare market, our interest to focus on micro and small companies while studying the entrepreneurial orientation of private healthcare units seems absolutely justified. Moreover, nature of the sector in question additionally explains the low numbers in employees and business size. Namely, the healthcare sector is highly sensitive on medical expertise and field specializations, therefore, very often the doctors present a brand by themselves and there is no need of large number of additional employments.

Regarding the previously stated insights, and aiming to fulfil the objectives of this study, we will pass over the classical business size classification in cases selection, and outline the selected businesses in the following manner. The first set of cases is consisted of five businesses (C1, C2, C3, C4 and C6) with three employees, eleven and sixteen employees. Additionally to this we set the case C5 with forty-three employees, which will serve as outlier extreme case, so that we may actually examine if this case differs from the cases with smaller number of employees.

Namely, using N-vivo software for qualitative data analysis, first we will explore propositions within cases and afterwards explore propositions cross cases. In this way we can see the unique experiences of the cases but also explore similarities between their unique experiences. By outlining the case C5 as business with higher number of employees regarding the other five cases, we may actually explore the similarities and differences with the first set of five cases with fewer employees. Additionally to this, the number of employees is one of the success indicators in this study, so with this creation of the sample of cases one may actually perceive to what extent the number of employees really affects the overall business performance.

Considering the fact that the sample is context specific, incorporating only businesses from the private healthcare sectors may limit generality; however, we hope to generate more fine-grained and empirically valid knowledge that would result in giving more logic in process examined.

Procedure 1- Interview

Direct face-to-face interviews have been provided, supported by carefully semi-structured questionnaires. The questions have been specifically selected to provide actionable guidance for practitioners that aim to address key factors that shaped their success on the market in the past years of their performance, regarding dimensions and indicators of entrepreneurial orientation strategy. Four sections of questions were included, starting with warm up questions, questions focusing on innovation, risk-taking, proactiveness, autonomy and competitive aggressiveness, questions focusing on success indicators, and finalizing with open-ended closing question to enable adding broader explanations about topics covered. Namely, interviewees could freely express their opinion on any additional success indicator applicable in their business.

Protocol for interview conduction has also been created in order to assure standards have been met regarding time frame of interviewing, behaviour during interviewing and after interview manners and usage of the information received. All interviews have been recorded by the interviewer that would assist in analyzing the answers afterwards and draw exact conclusions.

Procedure 2 –Survey

The interviews mentioned in the previous section were conducted among the founders of the businesses in order to get insights about the top level attitude toward entrepreneurial orientation of the organizations. Since entrepreneurial orientation is a firm-level, rather than founder's phenomenon, a short survey among different lines of employees has been conducted additionally to the interviews with founders, when applicable. The questionnaire contains mixed closed-ended and open-ended questions as well as response formats. Participants have been asked to give their opinion on different set of questions referring to one of the entrepreneurial orientation dimensions. They were asked to express their opinion on a Likert-scale, by choosing answer from “strongly agree” to “absolutely disagree”. Namely, we begin with closed-ended

questions for higher response rates. Several open-ended questions have also been added, so that participants will be able to express personal opinion on entrepreneurial orientation aspects not included in the content from the questionnaire.

The protocol includes mail delivered questionnaires. We work under the assumption that all of the participants in selected companies have access to internet and use the web mail. The privacy and confidentiality of the information, as well as the purpose and goals of the survey are fully declared in an accompanying document to the questionnaire. Having in mind the bias of low response rate of mailed questionnaires, we send three reminding mails in the mailing procedure, hoping to overcome the low responsiveness of the participants.

Quantitative data from the survey have been used to support the descriptive statistic analysis, drawing conclusions on shape, tendency and variability of the different set of entrepreneurial orientation dimensions as identified independent variables in the research. Additionally, inferential statistic analyses have also been applied, in order to consider the association among the acknowledged entrepreneurial orientation dimensions. Additional data analyses are not completely excluded, and will be also used if necessary to assure answer to the research question under observation.

Procedure 3 – Case study protocol

While building the case studies, certain procedures have been followed, as a standardized agenda for each of the six cases respectively. For this reason, we focused on the case study protocol suggested by Yin (2003), which outlines the following steps:

1. Introduction of the case studies and the purpose of the protocol

At this point we would state the research question and the propositions. A theoretical framework, outlining the logical model of the case studies will also be presented.

2. Data collection procedures

Further, we will state the exact SMEs included in the research, outlining their names and contact person from each participant. A detailed data collection plan will be prepared, including multiple sources of evidence. While the interview with the founders will present the most massive source of data, additional survey among the employees in every SME will be conducted, in order to get more precise information for case creation. Company document will also be requested on site.

3. Case study questions

According to Yin (2003), five level of question should be included during the interviewing, dividing them as following:

- Level 1: Questions asked for specific interviewee
- Level 2: Questions asked for the individual case
- Level 3: Questions asked for pattern of findings among multiple cases
- Level 4: Questions asked for an entire study
- Level 5: Normative questions about policy recommendation and conclusion

4. Preparation for case study report

If the case study procedure comes to certain changes, the case study protocol may face further modification.

3.2.3 Data collection

The evidence that supported the six case studies has come from different sources following Yin’s data collection method, Yin (2003). Although the main source of evidence has come from the focused interviews with the founders of the companies in focus, additional evidence have been provided by conducting a short surveys among the companies’ employees as well as documents connected with the subjects of interest. A detailed presentation of the data collected for creation of the six case studies is presented in Table 3.

Case	Sources of data collected		
	Interview	Questionnaire for employees	Other sources
Case C1	Yes	Yes	Website, media press
Case C2	Yes	Yes	Website
Case C3	Yes	No	Website
Case C4	Yes	No	Website, media press
Case C5	Yes	Yes	Website
Case C6	Yes	No	Website

Table 3: Data collection sources

Moreover, additional to the principle of triangulation of data sources that we attempt to achieve by providing multiple sources of data, we focus on creation of case study database for the multiple cases selected, meaning building a set of raw data that is different from the case study reports presented for each of the six companies respectfully. In this research, the database

consists of notes taken during the interviews, audio materials, company reports (mainly presented on the company's websites), survey questionnaires and results as well as relevant computer files containing tabular materials. The aim of providing this kind of presentable cases database is to increase the reliability of the multiple case studies, therefore the consistency of the research processes. Adding to this construct, we also attempt to maintain a reasonable chain of evidence, allowing to any external observer to track data and evidence from the primary research question to the final case study reports and conclusions. The interviews with the founders as well as the surveys among the employees of the companies have been conducted following formally written protocols and procedures. The corresponding documents and protocols are presented in Appendix V and Appendix VI.

The presence of ethics in the research assisted in providing morale and responsible way of data gathering, data storage and analysis and final results interpretation. In fact, these ethical standards assisted in the communication with all research participants, especially in the process of interviewing, meaning that all the entities participated on voluntary basis and were fairly informed about privacy and usage of the given information. Moreover, ethics in this research were secured by creating a research protocol that assures quality and objectivity in operations. However, objectivity in the research has been most imperative in the phase of data analysis and drawing final conclusions and remarks. Additionally, great importance has been given to sound interpretation of publically available information and all the used materials, books and papers have been correspondingly referenced.

3.3 Insights into Macedonian healthcare sector

The growing importance of healthcare is eminent on the global stage; however, it is also clearly recognized and anticipated in the healthcare policies in developing countries, L. Attalah et al. (2012); Borger et al. (2006); de la Hoz-Correa and Muñoz-Leiva (2019). The perspective of global observation of health challenges is well described by Plasència (2019) by stating that "The problems of health do not respect borders, therefore, neither the solutions". In fact, there are global healthcare challenges that affect both, developed and developing countries, respectfully. The issue of aging population is a problem that affects nations globally; however, combating the emergence of chronic diseases should be on the healthcare agenda in every healthcare policy discussion on a national level, aiming to ensure health in the middle aged population, Caley and

Sidhu (2011); Kaeberlein et al. (2015). Climate changes and air pollution are other leading healthcare global trends that ask for actions and steps for prevention, Carthey and Chandra (2007). The need for qualified and specialized healthcare service is more than evident. As mentioned earlier, as these problems combat borders, solutions should not be found in isolation. Still, starting point is always the local and national level, as a solid ground for international cooperation to take place.

3.3.1 Macedonian national healthcare system: history and reform

No universal definition of Macedonian healthcare system may be found in the literature, mainly due to the fact that Macedonian healthcare system has passed through numerous reforms since the national independence in 1991. Leaving the Socialist Federal Republic of Yugoslavia behind, Macedonia had inherited a well established health care system with sound geographic distribution of resources, continuing the positive health policy practices including control of communicable diseases, strong preventive service delivery and access to free health service, Milevska-Kostova et. al (2017). However, the beginning of the post-independent period has demonstrated poor infrastructure maintenance, low system efficiency and high operation costs, resulting in further deterioration of public infrastructure and quality of service. This position of Macedonian health care system made further reforms implicitly necessary. Therefore, the past twenty eight years of independence have been characterized by two main transition periods. The first period includes the transition period of development of health system reforms and decision making power over the allocation of resources (1991-1999), while the second reflects the pro-market approach and health market liberalization (2000-present).

The Constitution declared in 1991 set the grounds for the further development for the legislation and regulation of the health system, ensuring the right to health protection and the introduction of obligation of protecting personal health and the health of others. At the same time, by adoption of the Law of Health Care in 1991, the organization and functioning of the health care system have been fully redefined, setting grounds for liberalization of health services provision by private practices, Nordyke and Peabody (2002). Moreover, this law has also served as foundation for introduction of compulsory health insurance. Still, all the decisions related to allocation of resources, financing and planning for further investments have been directed by the Ministry of health. The economic consequences of transition processes have made enormous

impact on the health system as well. The collapse of number of private enterprises, and the evident increase in the unemployment rate have resulted in decrease in the revenues in the health system for nearly 40%, Ivanovska and Ljuma (1999). Similar to other transition countries, this period has been fulfilled with numerous humanitarian activities and other forms of financial assistance for the health sector, providing pharmaceuticals and medical devices. At this period the country set the first Loan agreement with the World Bank for health reforms in the system, World Bank (1996). However, the benefits and improvements have been noticed later during the pro market period of reforming.

In fact, the pro-market reforms have been conducted under the inevitable influence of the World Bank's Health Sector Transition Project and Health Sector Management Project, Nordyke (2000), World Bank (1996). The main goals during this process have been the design of structural and fiscal reforms in the health care sector. Part of these reforms included introduction of laws related to health insurance and positioning the Health Insurance Fund as a third party payer; establishment of Drug Bureau as part of Ministry of Health, as well as introduction of new payment mechanisms at all levels of health. A detailed illustration of all important reforms from the transition and pro-market period has been presented in Appendix VII. All of the reforms in history of the Macedonian public health care system have contributed to creation of the current health care system position. However, the position of public health care institution comprises of many drawbacks and weaknesses, which started to open doors for more organized and qualified health service from private providers. The next section brings overview of the Macedonian national health position and policy challenges.

3.3.2 Macedonian national health status and challenges: grounds for development of private health care services

Macedonian citizens have experienced increase in the average life expectancy during the past years, increasing from 71.1 years in 1991, to 75.1 years in 2010, moving closer to EU average of 75.7 years, WHO Regional office for Europe (2016). The analysis of main causes of death have shown that the disease of circulatory system have been the number one cause of death in the country. Moreover, the smoking-related causes have been the second most common cause in the past two decades, followed by the cerebrovascular diseases on the third place. Although these three causes are similar to statistics of the EU health status, there are other causes of death that show mixed results when compared to EU data. For instance, diabetes and tuberculoses are

higher than EU averages, whereas respiratory diseases and the diseases of digestive system have shown to be lower causes to death compared to EU averages. This divergence from EU numbers may present a reflection of Macedonian citizens' lifestyle, including unhealthy habits and behaviours regarding unbalanced diet, high rates of smoking and alcohol intake and low physical activities, Gerovska M. (2012). Moreover, the psychosocial factors, as well as the high air pollution present in the country add additional burden to Macedonians' health status.

Primarily, the citizens are looking for the solution for their health problems at the public health providers in the country. As mentioned earlier, they pay a mandatory health insurance, but again, they have to pay participation at the point of service delivery (10-20% of initial price) and very often they have to pay for services in the private hospitals due to the lack of services and equipment in the public hospital or long waiting lists for screenings or examinations. In fact, although the public health care system has been declared as solidarity and free, analysis have shown that still 36,7% of total healthcare services in the country have been privately paid out of pockets of the citizens, WHO Regional Office in Europe (2016).

A research conducted in 2018 among macedonian citizens aiming to evaluate their attitudes and opinion regarding public healthcare system, showed that greatest percent of participant evaluate public healthcare services much worse than the private. More precisely, participants have explained that they struggle with basic issues including availability of examinations, long waiting lists, unsatisfactory emergency medical assistance support due to lack of ambulance vehicles and doctors; unsatisfactory level of service during the night shifts in the public hospitals; and generally bad infrastructural hospital conditions with low hygiene levels and lack of basic conditions for patients like food, hospital cloths and linings, Atanasova T., (2018). In sum, the inability of public hospitals to provide the service the citizens need and very often the unsatisfactory level of quality of received service have moved the patients toward private practitioners.

A number of private hospitals for cardiac surgery, gynaecology and obstetrics have been opened during the pro-market reform period. Namely, the private healthcare sector has been developed in parallel to the public sector, offering healthcare services under market conditions. Moreover, in 2012 Health Insurance Fund have started to sign contracts with the private healthcare providers in order to cover specific types and volume of services that are not able to be provided by the public hospitals due to lack of specialized care. Currently, in Macedonia are

operating three large private hospitals, while the rest private practices are primarily organized as small and medium sized enterprises. Unfavourable public healthcare conditions pulled away large number of doctors and specialists. Statistics show that part of these specialists have left the country searching for better working conditions and salaries abroad, while other part have shifted to private offices in the country, Lazarevik (2015). The business focus implemented by the private healthcare institutions position these healthcare service providers much higher than the one in the public sector. Moreover, private practitioners should be aware of the importance of the quality of service provided, as well as the contribution that eventual competitive advantages may make to the positioning on the market and overall success. Even though, the market demand for private medical services present no problem for successful private practices functioning, the private health care institutions in the Republic of Macedonia face various economic and legal problems. However, the knowledge, potentials and great will for further progress of this activity within the private sector in direction of resolving the the key issues that are essential for the successful functioning of this sector require continuous dialogue and constant consultation. Moreover, a formal light is shed on all stakeholders regarding legal and economic issues related to this sector and immediate public readiness of the state to take into account the opinions, remarks and suggestions of the private sector in the field of health. Relying on these assumptions, the private healthcare institutions, since 2011, have been coordinated and organized within the Group of Private Healthcare Institutions within the Economic Chamber of Macedonia. The association is open for membership of all private healthcare institutions in the Republic of Macedonia and aims to articulate and co-ordinate the needs of private healthcare institutions, in order to improve patients' protection, Economic Chamber of Macedonia (2011). In partnership with the Ministry of Health, the Health Insurance Fund of the Republic of Macedonia and other health policy makers, the association of private health care providers is able to participate in preparation of health care related legislation, as well as other activities that aim to improve the real situation in the health sector. In light of the above, private health care providers have the opportunity to improve the general quality of health services in the country and to present an active stakeholder in providing greater access to its quality services to patients.

3.3.3 Case studies interpretation

Six private healthcare providers have been selected as part of our multiple case study research design. All of the six cases serve an identical cause, offering healthcare service under clearly market conditions. Although, there are private healthcare providers that operate on private bases, but still have sign a contract with HIF of Macedonia, the cases in our research operate on purely private bases, meaning that patients need to pay the full amount for the service out-of-their pocket. The assumption behind this fact is that these private providers should focus on their entrepreneurial and business skills in order to attract and attain patients that have a need for service in their area and have prepared budget for spending. The six selected cases differ in their specialization, ranging from gastroenterology, gynecology, dentistry, dermatology, elderly care and rehabilitation. During the process of cases selection, we have been guided by the type of healthcare service provided, as well as the position and the reputation on the Macedonian market, rather than by the size of the private healthcare provider. Therefore, having this assumption in mind, as well as being aware of the relatively small size of the Macedonian healthcare sector with only three large private hospitals, it comes as no surprise that three of the selected cases have between 10 and 50 employees and therefore represent the small sized companies, whereas the other three private practices are operating with less than 10 employees belonging to the group of micro businesses. The supporting evidence here is the general assumption that this set of private healthcare providers may best reflect the position of the private healthcare sector, acknowledging the fact that largest percentage of these private providers operate as one or only a couple of teams of doctors and medical technicians. A more detailed overview of the six cases presented in this study is presented in Table 3. Here, besides the field of specialization of private practices and the number of employees, the main activities in the specific area of operations have also been documented. The section that follows describes the six cases in details separately, shading light on their perception of the market in which they operate and more important focusing on their entrepreneurial orientation elements.

Case	Sector	Specialization	Year of foundation	Number of employees	Main activities
C1	Healthcare	Gastroenterology	2003	15	Cardiology, gastroenteropathology, nephrology, endocrinology and rheumatology, thyroid, andropause, diabetes, peripheral circulation, hypertension, chest pain, arrhythmias and nutrition.
C2	Healthcare	Genecology	2005	11	Prevention and diagnosis of gynaecological issues, podiatry, pregnancy care
C3	Healthcare	Dentistry	2009	3	General dentistry practice, orthodontics, implantology, cosmetic dentistry
C4	Healthcare	Dermatology	2011	3	Treatment of skin diseases, general dermatological and venereological examinations, dermoscopy, and mycological examination, aesthetic corrections such as mesotherapy, microdermabrasion, chemical peels, filler and Botox application, cosmetic and platelet-rich plasma treatments
C5	Healthcare	Elderly Care	1998	43	Accommodation and care of elderly, including primary, medical, socio-cultural care as well as physiotherapy
C6	Healthcare	Rehabilitation	2009	3	Orthopaedics, neurology, surgery and other medical fields of an inflammatory, degenerative and traumatic nature of the skeletal and neuromuscular apparatus.

Table 4: Case studies overview

3.3.3.1 Case study 1 description - Center for Internal Diseases "SRCE"

The Center for Internal Diseases "SRCE" is a private health organization, established in 2003 by Dr. Goran Nikolov specialist internalist-specialist cardiologist. SRCE is leader in performing diagnostic examinations in the field of internal medicine - cardiology, gastroenteropathology, nephrology, endocrinology and rheumatology. Moreover, the center also has cabinets for thyroid, andropause, diabetes, peripheral circulation, hypertension, chest pain, arrhythmias and nutrition. Their team of eleven specialists in the field composed of specialist cardiologists, certified

nutritionists, specialist internist, ing. in biochemistry, medical technicians, laboratory assistant and three external consultants, serve a great number of patients not only from Macedonia, but from the region as well.

Dr. Nikolov evaluates patients' needs as significantly increased in the period of the last three years. From his standpoint, the needs connected to patients' diseases remain constant or has slightly increased, however, a dramatically increase has been noticed in the demand for specialized nutrition programming and increased frequency in examinations for diseases prevention, pointing to the fact that people awareness about health and healthy lifestyle has shown a positive increasing trend. In this direction, willing to answer to the expressed patients' needs, the team is dedicated to continuous process improvement and increasing efficiency. One of the tactics they have introduced is introduction of decreased working hours for employees, involving a two shift operations that empts to boost teams' performance indicators and cover wider client base. They believe that having more resources would mean deeper exploitation of the market opportunities and satisfying more of the demanding service requests. Regarding the entrepreneurial culture in the country, they have experienced certain skepticism and warning during the startup process, mainly from close friends who has previously experienced business failures themselves. However, they built their successful story by honest support by the founder's family, trust in the professionalism the founder holds, the advantage of previous experience in the sector and the benefits of having a group of loyal clients following the doctor's transition to own office.

During the past sixteen years of operations SRCE has initiated several undertakings with great uncertainty in the expected results. Namely, the launching of own unit for laboratory analysis has asked for accountable investment and additional staff and couple of years have passed before it has started to yield certain profits. They assume the introduction of every innovation as operation that holds certain risk. Therefore, being the first in Macedonia to launch the "hrono" nutrition program assumes risk as well, which this time fortunately has resulted with great success. New ideas and initiatives usually come from the founder, but are further discussed with the colleagues specialists. The founder as a leader promotes and initiates open dialog among the team and encourages them to continually work on themselves and advance in their fields. At the moment, SRCE does not show great interest and does not make certain effort to do research and to try to exploit more opportunities on the market.

Introducing the special “hrono” nutrition program in Macedonia and making a unique combination of connecting it with examination of doctors specialists, internists and graduated nutritionists, certainly makes SRCE leader in the sophisticated and medical-related nutrition in Macedonia. The diet program is based on physiology, endocrinology, biochemistry and biophysics, and is unique in helping to achieve ideal body weight while achieving ideal health. At this point, special innovative element is the new technology and equipment the organization applies during the program. In fact, they conduct measuring the body composition by InBody Analyzer, as well as determination of food intolerance using MORA technology by using a bioresonance method (without blood extraction). Their latest innovative activities include introduction of new “smart office” which includes medical software that empts to improve operations’ efficiency and improve service to end clients. The software also includes electronic diary that allows keeping a full record of patients and sending reminders for regular preventive examinations and offering promotion packages. One may conclude that SRCE accountably uses new and innovative technology to improve internal operation processes and to retain patients satisfied.

Their proactive activities are closely connected to the introduction of innovative services, corresponding new technologies and sophistication in everyday operations. Therefore, being more precise, they have been the first to introduce the hrono diet program, the technology used in this program as well as the smart office. However, they base their services on the core medical protocols and examinations, and introduction of new services would mean complementation of these basic services, rather than their substitution.

Team work is highly encourages and performed in managing the health unit. However, final decisions are mainly made by the founder Dr. Nikolov, although he encourages employees’ participation and is willing to delegate more of his responsibilities in the future. His leadership style is based on democracy and inclusion, showing understanding and tolerance for mistakes made during employees’ performance, accompanied by advices how to execute better.

SRCE is organization working on own core values and principles. They include expertise, confidentiality, kindness, punctuality and efficiency. They are equipped with state-of-the-art equipment and a team of professionals and university professors who are leading experts in their fields in the Republic of Macedonia. SRCE’s mission is highly professional, courteous and trustworthy treatment of sick patients, and prevention of illness for the healthy ones. Focused on

their own core competences, the organization is performing almost in isolation of the competition in the sector. They make no effort to take any aggressively competitive actions, and even do not respond to any aggressive attacks toward them. Dr. Nikolov shared an experience of massive social media campaign promoting unprofessional hrono diet programs, but still, they have rather stayed silent and continue their highly professional work, than making public announcement that would result in creating groups of enemies.

The dedication to professionalism and hard-work has resulted in positive performance results during the years. Therefore, SRCE has reported increased market share in the past three years, mainly due to the introduction of new and professional services. Consequently to this, the profitability has also increased and the number of employees moved upwards. Their future plans are to move to new and contemporary facility, to introduce novelties and to increase the number of professionals in the team. Having more resources available, for them would mean more innovation and proactivity that would assume more risk as well.

3.3.3.2 Case study 2 description- LOZANKOVSKI POLICLINIC

Lozankovski Polyclinic was founded in 2005, by Dr. Gligor Lozankovski – specialist in gynecology and obstetrician. The initial team was composed of one gynecologist and one nurse. However, the commitment they devoted to patients' health has created conditions for increasing the number of gynecological teams. Today, the team of Dr. Lozankovski counts several teams of gynecologists, pediatricians and biochemists, with a total number of 16 employees. The increase in the number of patients as well as in the number of healthcare workers in the polyclinic is additional confirmation that they provide high quality service and satisfy patients' most delicate needs.

Through the fourteen years of operations on the Macedonian healthcare market, Dr. Lozankovski may recognize increasing patients' needs in his sphere of gynecological private practice. The underlying assumption behind this observation is that through the internet people are becoming more aware of the world-wide best gynecological practices, so the interest for more modern and more sophisticated services remarks increasing trend. Moreover, the escalating environmental issues, as well as the increased everyday stress and unhealthy lifestyle made their own contribution to the gynecological practices. In fact, even more than 50% of young couples

face sterility problems or related issues, so in this direction the need for more sophisticated assisted pregnancies procedure has mounted in recent years. However, the mentioned opportunities have usually been exploited by large private hospitals due to the availabilities of funds for investments, counting in millions of Euros. Lozankovski-Poliklinic, similar to other small and medium sized businesses operating in the healthcare sector in Macedonia finances the business mainly through reinvestments, personal savings and bank loans in form of mortgages.

Unfortunately, in general, Macedonia may not be proud of its entrepreneurial culture. However, it becomes truly evident by the fact that greatest percentages of people prefers employment in state institutions rather than being self employed and take risk while acting. Dr. Lozankovski points to Macedonian entrepreneurial culture as highly risk averse.

However, risk and uncertainty have been continually present throughout dr. Lozankovski's operations in the past years. Although doctor by vocations, he has always been very enthusiastic to entrepreneurial undertakings. Therefore, in 1993 he launched his first business - a pharmacy in partnership with friend with background in pharmaceutical sector. However, their business goals did not reach cohesion and the business failed after two years on the pharmaceutical market. Today, during the performance of the Polyclinic, the greatest risk is assumed to be the high investments he makes in equipment and technology. To add further clarity, the doctor had applied for bank loan with mortgage requirements in order to be able to invest in sophisticated "eho" equipment that would serve the pregnant women and assist in delivering highest quality service. Conversely, little risky practices have been noticed among the team of doctors and nurses. Intending to improve this, the doctor tries to motivate the staff to be more active and creative by delivering awards and setting a percentage of revenues earned.

Backed up by such a rich sector experience, Dr. Lozankovski has started to introduce innovations in the practice intuitively, encouraged by everyday operations and intending to offer comprehensive service to future and present mothers. Therefore, he has been among the first in the sector (excluding the three large private hospitals operating in Macedonia) to introduce the psychophysical preparation of pregnancy. For this manner, the Policlinic organizes psychophysical training for pregnant women in which the pregnant woman is released from fear; is educated for painless delivery using breathing techniques; informed about the care and

breastfeeding of the newborn; receive nutrition advice both in pregnancy and the postpartum period. A specialized program is offered for breastfeeding support for mothers. Innovation in Lozankovski Polyclinic not always assumes introduction of new service to the clients. Frequently, they introduce new methods for performing some standard procedures.

Dr. Lozankovski tends to be the first on the market among the small and medium polyclinics in many segments. The introduction of pediatric department as addition to the gynaecological practice have resulted in great end result. Adding to this, the launching of psychophysical preparation for pregnancy and breastfeeding support programs have add additional value to satisfying clients' needs. Eight years ago, when the alarm for dealing with young couples's sterility was on, Dr. Lozankovski had attempted to invest in sophisticated *in vitro* procedures. However, after starting the legal procedures for registration in the Ministry of health, rumours in the sector have started to spread the information that the bigger clinics are not happy with his undertaking. At this point, Dr. Lozankovski has ended the ongoing registration procedures and continued with his standard everyday operations. Therefore, it becomes fairly evident that Lozankovski Polyclinic has never been involved in any kind of competitively aggressive action. They have always attempt to work sound and peacefully, rather than act competitively in a manner to confront bigger players in the field.

Besides the fact that employees are encouraged to take innovative actions and to contribute to improving polyclinic performance, it seems that there is still a lot of room to work on initiating new ideas from the bottom up in the hierarchy. An exception here would be the doctor from the paediatric department, who initiated and launched the pregnancy support and breastfeeding support programs. Otherwise, all the final decisions are made by the founder and director - Dr. Lozankovski.

Performance indicators have been positive in the past three years. In fact, Lozankovski Polyclinic had experienced increased number of offered services covering increased share of the market. Furthermore, the number of employees has also increased, although Dr. Lozankovski is making further evaluations whether the number of employees should be decreased in the future. The profitability as indicator has been the most difficult to determine, since the Polyclinic had experienced only a slight and moderate increase in profit over the last three years. Reasons behind this fact might be connected to the stagnation in the offer of sterility related services and assisted pregnancy procedures that move the gynaecological sector upward with higher demand

and need of sophisticated technology and innovation in procedures. A more available resources or appealing financing options may bring solution for this problem, but certainly would assist in improving business position in innovation and technology, competitive position on the market, and therefore proactive market approach.

3.3.3.3 Case study 3 description- DENTAL COSMETIC STUDIO

DENTAL COSMETIC STUDIO is a private health office in the field of dentistry with ten years experience in general dentistry practice, orthodontics, implantology and cosmetic dentistry. The team of two doctors specialists in their filed and one dentist technician provide a comprehensive dentistry protection starting from services for prevention, treatment and cure of oral diseases, as well as cosmetic and aesthetic procedures for design of a perfect smile. The office introduces the latest achievements and trends in dentistry and in medicine, maintains the quality and warrantee continually, thus paying attention to time and money saving and especially to affirmation of national dentistry. They follow the latest methods and techniques working with the most sophisticated equipment and materials.

The founder of DENTAL COSMETIC STUDIO argues that the needs of the patients regarding the dentistry services have documented a sharp increasing trend during the past ten years. Clients take more serious approach to dentistry and ask for more convenient service and higher quality. Internet accessibility has made them aware of the leading world dentistry trends and great percentage of the clients asks for services in that direction. Dr. Manevski claims that it is not the need of the patients that have changed, mainly the basic is good oral health; but the demand regarding oral health and aesthetic have increased and become more sophistication. A main issue arising at this point is that clients are not financially prepared to pay for the sophisticated quality service they have seen on internet, and expect that service to cost at least twenty times less than in developed counties. However, it is of high relevance people to acknowledge that the excellent-quality service comes with a certain cost.

The dentistry sector has been perceived highly developed and close to the level of more advanced countries. Dr. Manevski explains that there is sound market offer and highly professional doctors that stand behind. However, the role played by the training opportunities is of utmost importance. Thus, the lack of financial resources for investment in additional

education presents a main issue in the private dentistry business development. Advanced training programs are costly and not many doctors from Macedonia may afford to attend. This financial inability further might make a difference in the quality of service provided.

At the stage of launching the business, people in the founder's environment have shown great support and encouragement. Dr. Manevski evaluates Macedonian entrepreneurial culture relatively positive. Some of the colleges have warned him to be careful and cautious at the infancy period following start up, since businesses are most vulnerable at that stage. Today, Dr. Manevski realizes that the received comments have actually been a realistic advice to assure sustainability and growth in a later stage of the business.

The risk and uncertainty have been present in the private practice since the beginnings of its launching. To clarify this further, both doctors which are privately spouses, have made a decision to start a small business rather than to stay employed in the Macedonian state hospital. The investment of all of their savings in founding the dentistry private practice silently talks about the courage they have shown and stepped up. During the ten years of performance they constantly widen their client base. They both clarify that new ideas are frequently generated by the everyday experience with clients and the screening of international dentistry trends, however, the lack of financial resources prevent realization of the same. Furthermore, for providing a qualitative research and exploration of new opportunities, they would need more available time and greater number of members in the team. At the moment, both doctors are overwhelmed by clients' demands and no space has been left for additional activities.

In terms of innovation and introduction of new procedures and activities, the office is not able to change much in the basic field of operations since they operate in a medicine field which is based on certain protocols. Given the obligatory character of the field, no radical innovations are present at their level of performance. The way they apply innovation in their business is twofold. First, they introduce innovation in the organizational posture of the business. Being aware of the limited human resources they possess, an adequate management of time and patients is of utmost importance. Furthermore, the second way they introduce innovation is through imitation of international best dentistry practices. In this manner, they tend to apply as much as possible more sophisticated methods and services, which may not be a revolution for the advanced countries, but are new and interesting on a local level. The benefits they receive from

the trainings they visit abroad as well as from the internet make this transfer of knowledge possible to take place in their dentistry office.

As such, the team of DENTAL COSMETIC STUDIO has been continually looking for new opportunities regarding current operations. Operations performed three years ago, today are replaced by new and sophisticated activities that bring benefits to both, doctors' and patients. The private dentistry office has been aware that the proactive market approach comes with high costs. Therefore, due to the inability to invest time, effort and finances in such undertakings, the office is rarely the first to introduce new products or services to the market. However, their service portfolio is constantly growing and they follow the trends present on Macedonian market, the region and globally. Still, due to the difficulties to handle all the operations at time, the doctors tend to eliminate some of the old practices and focus on trends and novelties in the dentistry field.

Since strategic choices are frequently connected to financial risk, they are commonly made by the founder himself. However, dr. Manevski recognizes the value of employees' contribution to planning and new ideas generation. He imposes commitment to employees' motivation recognizing that only highly inspired employees may contribute to company's improvement and development. He always base his decisions on the consultation with his team, however, often, he consult outside parties he considers relevant to the topic in question. The private dentistry office is operating in an extremely dynamic and competitive environment. Nevertheless, DENTAL COSMETIC STUDIO has never attempt to take any aggressive actions regarding competition. They focus primarily on the medicine segment of their company, rather than on the business side of the same. Their vision is to keep the high quality dentistry operations. The main goal behind this assumption is that they prefer to stay small in order to keep the control over the quality of service they provide, assuming that the increased quantity of operations would negatively affect the end results to customers.

Regarding the business performance indicators, they reported a constant increase in the market share. The ongoing increase in the clients' base makes them uncertain if they are able to answer to all the needs of the clients. Consequently to this, the profitability has also shown a constant raise, however, the number of employees has stayed unchanged. Given the overwhelming evidence of increased demand from clients, this number is about to change soon.

3.3.3.4 Case study 4 description- Dermatological-Aesthetic Office VIVIDERM

Dermatological-Aesthetic Office Vividerm is active in the treatment of skin diseases, general dermatological and venereological examinations, dermoscopy, and mycological examination, removal of skin marks by radiofrequency and cryotherapy as well as sclerosis of superficial small blood vessels. The practice is also specialized on aesthetic corrections such as mesotherapy, microdermabrasion, chemical peels, filler and Botox application, cosmetic and platelet-rich plasma treatments. The team of dermatological-aesthetic office Vividerm is composed of Dr. Vangel Bitoljanu and Dr. Veronica Davceva Bitoljanu, with many years of professional experience in dermatology-venereology, prepared to meet the needs of the patient with expert advice, examination and highly professional medical treatment.

The founder of the dermatological-aesthetic office Vividerm is aware of the growing needs of patients in the services in their field. This increased patients' demand for private dermatological practice is seen as a result of greater patients' information about dermatological services and their ability to improve people's health and beauty; as well as the unsatisfactory level of service provided by the state hospitals. A recognized problem in their field of specialization is the issue of low level of dermatological health education. Great percentage of the patients is not even familiar with the right meaning and abilities of specialist dermatologist-venereologist, so additional efforts are needed to explain the field and correlated possibilities for health and beauty problems solving. Being aware of the doctor's competences and the wide range of services offered in the office certainly lead to further service requests. There are several ways in which the private dermatological practice may benefit from this pool of open opportunities, however, most of those need financial strength in order to succeed. Therefore, to be able to transfer the world dermatological trends on a local level, huge investment is necessary in acquisition of high tech equipment. Furthermore, to be able to operate it successfully and to advance and to introduce new dermatological methods of operations additional trainings and education abroad is essential. Besides these operations that come at high costs, young doctors, as the one of VIVIDERM may attract and retain clients by devoting time and patience, and providing highly professional and effective service. However, this implies that having more available resources the business would certainly develop at a much faster rate. Currently, the main finance option is the personal saving, annual own reinvestments and only a small percent of

bank loans. Special credit lines for acquisition of equipment and technology or suitable leasing options would also assist in business elevation. The lack of funds for investments as well as the low buying power of clients takes the economic level of the country as it is at the moment. The low standard of living sometimes prevents clients to ask for the dermatological service they need. They only act in emergency situations. Entrepreneurial culture in the country has never been seen as supporting factor in the business development process. On the contrary, people in Macedonia are still very skeptical for investments and are generally petrified to take risks. The reasons behind this statement are closely connected to the economic instability in the country and the apathetic political situation. Reflecting on this, people have no courage to take risk and prefer employment in the state administration. Businesses in our field are not open for collaboration, aiming at greater cooperation and exchange of experience and ideas.

Operating as a family business, as a partnership of spouses, doctors are aware of taking high risk, since the only source of income in the family is coming from their dermatological-aesthetic office. They thereby show that they are prepared to take additional risks in terms of new equipment acquisition and training visited. The end results coming from these undertakings are uncertain, nevertheless, they take the risk and continue rising. On the other side, in a specialist office like VIVIDERM, decisions are made by the specialist directed by worldwide accepted protocols and lead by medicine based on proofs. By doing so, their risk level at the everyday operations is relatively limited.

Doctors at VIVIDERM enjoy introducing new and most sophisticated methods and technologies. They have been among the first on the market to offer the Cryotherapy treatments, based on cooling of the skin tissue at low temperature. This treatment helps with numerous indications that appear on the skin, and is also very successful in treating cellulite and removing fatty deposits in the body. Their range of innovative services include health related procedures as skin biopsy and treatment and diagnosis of fungal diseases; to solutions for aesthetic issues as mesotherapy and Botox application for removal of wrinkles and stop of sweating. Moreover, the range of treatments includes PRP treatment, which is known to be the most effective and best method for rejuvenating and restoring lost hair. Moreover, the dermal roller treatments are one of the latest methods in the field of mesotherapy. These treatments are designed to quickly and efficiently revitalize and regenerate the skin naturally, allowing for the reduction of wrinkles, stretch marks, scars, as well as tightening and rejuvenating the skin. Overall, the office has

introduced wide range of new services and new technology in the past three years. What they also make different compared to other medical offices in their field is the new more dedicated communication with their clients and giving them sort of education about dermatological issues rather than giving them service exclusively. They are also proud of the latest and best Asclepion MeDioStar NeXT PRO laser that offers permanent and effective hair epilation.

The company operates in dynamic environment. Very often their business might be affected by the worldwide trends and innovations. Although they are trying to consciously follow world trends, however, they are not the only one. VIVADERM is seldom acting proactively on the market, since many other dermatological practices follow trends too. This leads us to the remark that the business operates on a highly competitive market. Their success and reputation builds on their professional and quality service, close cooperation with customers and their education, as well as their uniqueness of basing their work on strictly set protocols. Reflecting on this, VIVADERM stands on the top among the private dermatological practices in Macedonia. However, till now, they have not experienced any competitively aggressive action on the market. They quietly tend to beat competition, by building on the quality of their core competences. Conflicts and competitive actions are not part of their strategic acting.

Regarding the autonomy in the company, the doctors give clear insights that best results are achieved when they jointly make decisions. Nevertheless, acting as specialists they certainly make decisions autonomously at many occasions. Therefore, in their business they value flat hierarchy, openness and flexibility. Still, many actions are set by the law with the medicine based on proofs section and by the Ministry of Health, so at some point autonomy has been naturally disordered.

The founder clearly points that he is proud of where his business is at the moment. Still, he has numerous ideas that wait for better financing options to be realized in the future. Being able to assure more funds for investment, he would certainly introduce many innovations on the market, novelties that would surprise and overcome competitors' actions. However, during the past three years the business has experienced increase in the market share, by introduction of innovation and educating clients; which naturally leads to increase in the profit margin. For now, the business has not increased their number of employees, which is not excluded in the future actions of the company.

3.3.3.5 Case study 5 description- Private nursing home IDILA TERZIEVA

The private nursing home IDILA TERZIEVA is result of merger between two nursing homes in 2014. The first business – TERZIEVA, has been the first private nursing home founded back in 1998 with reasonably greatest experience in the field; while the second nursing home – IDILA has been founded in 2013 and have had reputation of best and most contemporary nursing facility, but lacking experience and expertise. Moreover, the founder of TERZIEVA, Meri Terzieva, is nurse by vocation; however, dealing with finances and budgeting have not been her strengths while managing the nursing home. On the other side, the founder of IDILA, Elena Gjorevska, is economist with a master degree, with previous work experience in finance, but lack of experience in nursing and medical-related services. The merger between these two businesses have shown to be a smart business decision for both sides, so that IDILA TERZIEVA, starting from 2014, entered the market as most comfortable and modern facility operating with the most experienced and highly respected team of professionals. Recently, they have introduced a new facility, specialized in Alzheimer and dementia. Today, the team of IDILA TERZIEVA counts 76 members, including managers, supervisors, doctor, medical technicians, caregivers, psychologist, social workers, physiotherapists and different kinds of technical support.

The director of IDILA TERZIEVA, expressed the opinion that recent years have brought increased interest in the demand for private nursing homes. Moreover, she declares that people awareness of the necessity of these services has increased. Additionally, the higher rate of women's involvement in the labor market, as well the increasing trend of migration of younger members of Macedonian families leads to inevitable need for sound and professional institutions that would take care of the elderly with the greatest degree of dignity and quality in services provided. Moreover, there is a stream of clients who are looking for more customized approach, especially when they ask for care for elderly with dementia and Alzheimer, due to their specific needs that necessitate more dedicated and professional approach. The opportunities in this sector in Macedonia are varied, since there is no specialized hospice, and there is lack of daily centres for elderly and centres for rehabilitation as well. Apparently, there are numerous prospects in the sector. IDILA TERZIEVA's step toward exploitation of these opportunities has been the recent establishing of the new specialized centre for elderly with dementia.

The financing of the business is provided mainly by reinvestment and bank loans. However, in the sphere of innovation and implementation of new technology for improvement of

elderly life, the company tends to apply for grants that are offered by the Government and more often by European Union. With an acknowledgement toward the entrepreneurial culture in the country, founder's twenty three years experience in the private sector led her to the conclusion that entrepreneurial culture has documented an improving trend. She declares that people have learned to accept risk and many new forms of businesses have emerged, including social enterprises. What people also have to learn is that entrepreneurship is complex phenomenon and building business success takes time and patience.

The risk and uncertainty have been present in the business operations throughout the years of existence. In fact, the founder has even created two other start ups, which unfortunately have failed; one in the health sector and the other in gastronomy. However, these failures have not put her in a position to hesitate in taking additional risk in varied forms. IDILA TERZIEVA is continually involved in different kinds of new activities. Employees are encourage to make initiatives and invited to apply for award for best idea and realized activity, but still most of the initiatives come from the team of founders and managers. At the same time, employees easily accept all the novelties and take part in the activities of their realization. For instance, in 2014 the company launched an educational program for caregivers, certified in the Ministry of education, aiming to transfer the knowledge and expertise they have wider in the society. Part of the employees with great experience in the company has been included as instructors in the program, which makes them feel important and increase monthly incomes at the same time. The launching of new specialized centre for dementia and Alzheimer makes everyone happy and exiting and motivated for accomplishing the latest set goal. One may conclude that the risky undertaking almost always come from the top, but are straightforwardly accepted and realized by the team of IDILA TERZIEVA. The role played by the sector experience and the great number of patients served is of utmost importance, most predominantly for the open possibility to make exploration of new opportunities through the observation of current and new patients' demands.

IDILA TERZIEVA is actively looking for innovations and making things different. Although in its field, involvement of radical innovation would come with extremely high costs, the company is constantly looking for ways to improve ongoing operations and to involve new technology or new service when possible. One of the ways it makes things different from competition is dedication for its team development. Therefore, the company is unique in the sector by having employed a full time doctor, have licenses all of the caregivers in the team, and

has biggest and most professional team of physiotherapists. Furthermore, the nursing home is unique by the international exchange of experience that it practices. For instance, last year, a team of six people have visited seven nursing homes in Netherland specialized in Alzheimer and dementia, and after the training they get there they transferred the knowledge in building the new facility of IDILA TERZIEVA which is the first of this kind in Macedonia and in the region. The company is also keen on applying new technology in the facilities; therefore is often part of innovative projects named for innovative technology for elderly. In this direction, the company has possessed a high tech robot who was able to communicate with the elderly and perform certain services for them. For instance, when patients' relatives try to call, the robot was automatically going to the certain patient and connected a video call on the screen on its head. Aside the basic communication possibilities, the robot was also able to give the patient a glass of water or napkin. Another example is the high tech bracelet the patients wear and at the same moment measure their saturation and blood pressure. Having continuous documentation of these data helps doctor's react with change in medical therapy and prevent hypertension and heart attacks. Backed up by such a rich sector experience, IDILA TERZIEVA is suitable partner with the research sector at the IT Faculty, and is on the way to take part in developing further technological innovations that would assist elderly in everyday activities and reduce medical problems.

The company has tendency to be the first on the market in introduction of new services or implementation of new technology. There are several ways that have proven this position. First, prior the merger, TERZIEVA has been the first private nursing home in the country. At that time Macedonia did not possess a law for regulation of nursing homes as special social institutions, so the team of TERZIEVA has worked with the Government and the ministry of social affairs to give the core insights into creation of an appropriate law. IDILA TERZIEVA is also the first on the market to offer care of elderly in their homes and is actively serving 90 families in the central municipality of Skopje. The educational center for licensing caregivers has also been the first of this kind in the field and is constantly improving and increasing the number of programs and courses offered. And finally, the specialized nursing home for Alzheimer and dementia is a project that the founders are especially proud of and makes them absolutely recognizable as leader in the sector with tremendous expertise and experience.

Although the key decision that ask for serious financial backup are most often made by the founders of the company, there are several ways in which founders trace autonomy through the team members. Therefore, there is an established mechanism for making decision regarding ongoing operations and services, so the team itself makes decision by a process of voting. Furthermore, the founders are always open for proposals and discussion at the regular meetings that are held twice a month, so staff has the opportunity to suggest initiatives and support the same with sound arguments. At this meetings decisions come from both the staff and the founders simultaneously. The politics of the company is to invest in staff members and make them strong enough to be able to work autonomously.

Regarding the competitive aggressiveness of the business, the founders would say that very limited attention is given to aggressive competition. In fact, they are constantly screening the market, but no concrete steps are taken to aggressively attack for other's market share. They invest in team advancement and in improving condition for their patients. Sophisticated and comfortable accommodation with highest quality service is what brings them an outstanding competitive advantage on the market. Hence, the company is dedicated to own development and expansion, and that is the way in which it overtakes patients from other private nursing homes.

IDILA TERZIEVA is willing to continue advancing in the field and improve in all of the elements of entrepreneurial orientation, especially in innovation and proactiveness; however, the founders are aware that these factors require financial strength for success. Having more available resources on request would certainly make a difference in their performance on the market.

3.3.3.6 Case study 6 description- Center for physical and kinesiotherapy KINEZIKA

The Center for Physical and Kinesiotherapy, KINEZIKA, is specialized in treatment of diseases in orthopedics, neurology, surgery and other medical fields of an inflammatory, degenerative and traumatic nature of the skeletal and neuromuscular apparatus. Founded in 2009, KINEZIKA is proud to offer wide range of specialized and highly professional services. The founder, Aleksandar Dimitrov, physiotherapist himself, today leads the team of four

physiotherapists constantly investing in their knowledge and know-how, so they would be able to offer the best physiotherapy treatment for the patients in need.

Dimitrov points that there is a substantial grounds to believe that people's needs regarding their sphere of interest have continually been growing during the past ten years. This is reflected in the facts that clients' unhealthy lifestyle and long office hours have shifted the age limits downwards. The increase in the demand for the private physical therapy services has also been affected by the unsatisfactory service patients receive in the public hospitals and the long waiting lists for receiving a treatment. Moreover, besides the basic physical therapy, patients are becoming more aware of additional opportunities regarding their physical health; therefore, often they are willing to try some of the new methods the office offers. Overall, they face increased frequency in demand as well as demand for greater quality and convenience of service.

It becomes fairly evident that the population is aging and people tend to become even more demanding for physiotherapy. However, the founder of KINEZIKA claims that in absence of additional resources for investment in trainings, education, staff and equipment they are not able to use their full potential and exploit additional opportunities. Currently, they finance the business mainly by reinvestments and bank loans. The family and friends of the founder have usually been present with a morale support and encouragement. Beside this, regarding Macedonian entrepreneurial culture Dimitrov holds that people are not ready to accept someone's failure and are not positively responsive to second chances.

In KINEZIKA, risk is part of everyday operations. The delicate operations they are performing on daily basis, working directly on patients' nerves, as in the case of medical acupuncture, holds a level of risk in themselves. Besides the risk in everyday activities, the financial risks are also present by leveraging resources for business formation as well as for business development, as investment in new equipment with uncertain performance outcome. The founder always encourages the team to suggest new ideas for introduction of new services that would improve the satisfaction of patients' expectation. Through an open dialog among the team the offer of services is constantly updating, based on the valuable experience from the patients served, but also on the world leading trends in the sphere of physiotherapy.

KINEZIKA is operating in a field under the influence of constant global change and improvement. Therefore, the business tends to lead trends and always to offer the best and most sophisticated services to its clients. In that direction, KINEZIKA has been to first office in

Macedonia to introduce the Yumeiho massage. Yumeiho is a special Japanese divine massage, which is also practiced in physiotherapy, where massage techniques such as pressing, crushing and punching are applied. In addition to applying massage techniques, kinesiotherapy techniques are also used for the repositioning of subluxated joints, that is, the manipulation of joints. Moreover, KINEZIKA has also been among the first private practices in the county to present the Chinese taping. This technique has been recognized as miracle of elastic self-adhesive tape – and it successfully treats muscle and joint problems, but it is also widely used in the treatment of migraine, swelling and is used as a preventive measure in recreational and professional sports. An innovation in the business which is totally different from other legally established private practices in physiotherapy is the ability to offer treatments in patients' homes. This additionally adds value to the clients who are not able to physically visit the office due to disability or temporary injury. Overall, the services that the company has introduced in the past three years have doubled in number and present real innovation for the Macedonian market. Although transferred as knowledge from abroad, still, they present something new and innovative for the Macedonian patients. Filled by such a rich sector experience and open for information and innovation from more advanced countries, more available resource is what separates Kinezika from realizing their full idea potential.

Consequently to this, the business has always been among the first private practices in physiotherapy to introduce novelties on the market. An excellent example would be the home-oriented service, the medical acupuncture and varied types of special massage and treatments. Moreover, the office has also been equipped with the best technology in the field applied during the performance of laser therapy, ultrasound therapy, electrotherapy, infrared therapy, medical acupuncture, kinesio tapping, cupping therapy, yumeiho massage. Besides, due to the inability to perform all the activities with the relatively small number of employees in the team, the office makes regular adaptation of services and eliminated old methods and treatments as well as the one that involve complicated procedures and may be replaced by simpler and more sophisticated.

In KINEZIKA, the importance of professionalism and accountability has been especially highlighted. Each physiotherapist should continually work on his self-improvement and take full responsibility for the operations done. Therefore, one may certainly conclude that autonomy is widely present in the company and openness and cooperation are highly valued. The founder has recognized that long term success must be built on professionalism and superior team-work.

Open dialog and openness for new ideas and activities is what makes KINEZIKA's performance moving straightly forward. Dimitov would claim that his business is competitive on the physiotherapy scene, however, no aggressive actions have ever been taken in order to take hold of a larger share of the market. He believes that the quality of service they offer is well recognized by the clients and there is no need of additional business takeovers. The demand for their services is relatively high, so they hold their position on the market simply by investing in themselves and introduction of new methods and treatments of patients.

The large number of new services introduced in the past three years has consequently lead to increased number of patients served and increased market share. That has naturally contributed to the increase in the business bottom line and profitability.

3.4 Multiple-case study summary

The contents of the six cases offered a fertile ground for Macedonian private healthcare sector elaboration. In facts, the wideness of their content allows for comprehensive amplification of the private healthcare businesses, taking into consideration both, positive trends and further possibilities as well as current limitations on the market and the negative consequences of the same. Nevertheless, it is of high importance to acknowledge that these companies are operating in absolutely prosperous sector, since the increasing needs for standard and more sophisticated healthcare services is evident. Namely, it is of high relevance to acknowledge that the unsatisfactory level of medical service from the public healthcare in the country moved large portion of Macedonian citizens toward the private healthcare providers. Moreover, problems like air pollution, aging population and stress related issues have also made their own contribution to citizens' healthcare needs. The increased rates of women's involvement in the labor market as well as the increasing trends of migration of younger family members leads to an evitable need for special treatment and care of the elderly in the country. Furthermore, the impact of the internet and the fast global sharing of information have additionally contributed to citizens' increased awareness of personal health and the importance of healthy lifestyle. In this direction the demand for more sophisticated healthcare methods as well as aesthetic operations has also shown an increasing trend. However, as the some of the founders of the selected companies have declared, the low standard of living has left certain people's healthcare needs unmet.

These prosperous trends in increasing demand for private healthcare services have been easily reflected in the end results of the selected companies. In fact, whereas the increasing demand has naturally increased the market shares of the companies and the net profits of the same, the position of increasing medical teams has not always been the case. Therefore, it becomes fairly evident that the expertise of the team and especially of the founder plays a main role in short-run and long-run strategic decisions. However, we may clearly draw attention upon the fact that Macedonian private healthcare providers are keen on innovation and tend to apply innovative activities at every point of their operations. Unfortunately, the lack of financial support often prevents realization and development of new ideas. On the other side, although limited by the medical protocols and the rules of medicine based on proofs, still, the private healthcare offices consciously take risky activities and work on improvement and development. However, when competitive aggressiveness is concerned, conflicts and competitive action are not part of their strategic acting on the market. A remarkable summering point is that all of the founders of the Macedonian private healthcare units provided clear interest to acquire more knowledge about entrepreneurial orientation and to invest time and effort to apply certain entrepreneurial orientation activities in order to improve business and operations.

Chapter IV: Data Analysis and Interpretation

In this chapter, all the data analysis will be presented and results will be correspondingly reported. In fact, since we will approach a cross-case study analysis, first we will begin with within-case analysis of the propositions for elaboration and then proceed with cross-case data analysis reporting all the differences and similarities across cases. In order to examine the different experiences of the private healthcare providers incorporated in this study and to analyse whether the set propositions will prove to be true or their experience moderately differ, we approached Nvivo software analysis. Using Nvivo software for qualitative and mixed methods analysis, assisted in discovering richer insights from our cases, as well as to articulate clear and defensible findings to support our research. Although the primary set of data is qualitative, additionally they have been supplemented by quantitative examination of employees' view on entrepreneurial orientation dimensions. Survey respondents have been asked to evaluate the five

entrepreneurial orientation dimensions on a 7-scale Likert scale. Results from the survey in form of means will be presented and compared to qualitative data outcomes. The Chapter is organized in the following manner. First, prior to accessing the within case and cross case analysis, a general overview of the four main propositions will be presented, aiming to analyse the business environment in which these businesses operate. Therefore, the four main propositions that analyze the impact of moderating elements (limited resources, national culture, market immaturity and unexploited opportunities) to entrepreneurial orientation - success relationship will be presented and results will be correspondingly reported. In this way, we set the ground for testing the twenty sub-propositions that present the businesses' behaviour regarding the five entrepreneurial orientation dimensions in the specific environment (innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness). Second, each of set propositions will be elaborated within each case, respectfully. For three of the cases, quantitative analysis will also be included, presenting the employees' opinion regarding entrepreneurial orientation dimensions, therefore adding value credibility to the research results. And finally, cross-case analysis will be conducted to give meaningful insights into the differences and similarities the selected businesses face regarding the elaborated entrepreneurial orientation strategic behaviour.

4.1 Presenting the results of the four main propositions across cases

As outlined above, at the beginning of presenting study results, a special priority has been assign to presenting the general results of the four main propositions of the study which should reveal if the impact of the influencing forces in the developing countries is truly relevant. The four main propositions present the moderating influence of the limited resources, national culture, market immaturity and the valuable position of unexploited opportunities. The four main propositions follow:

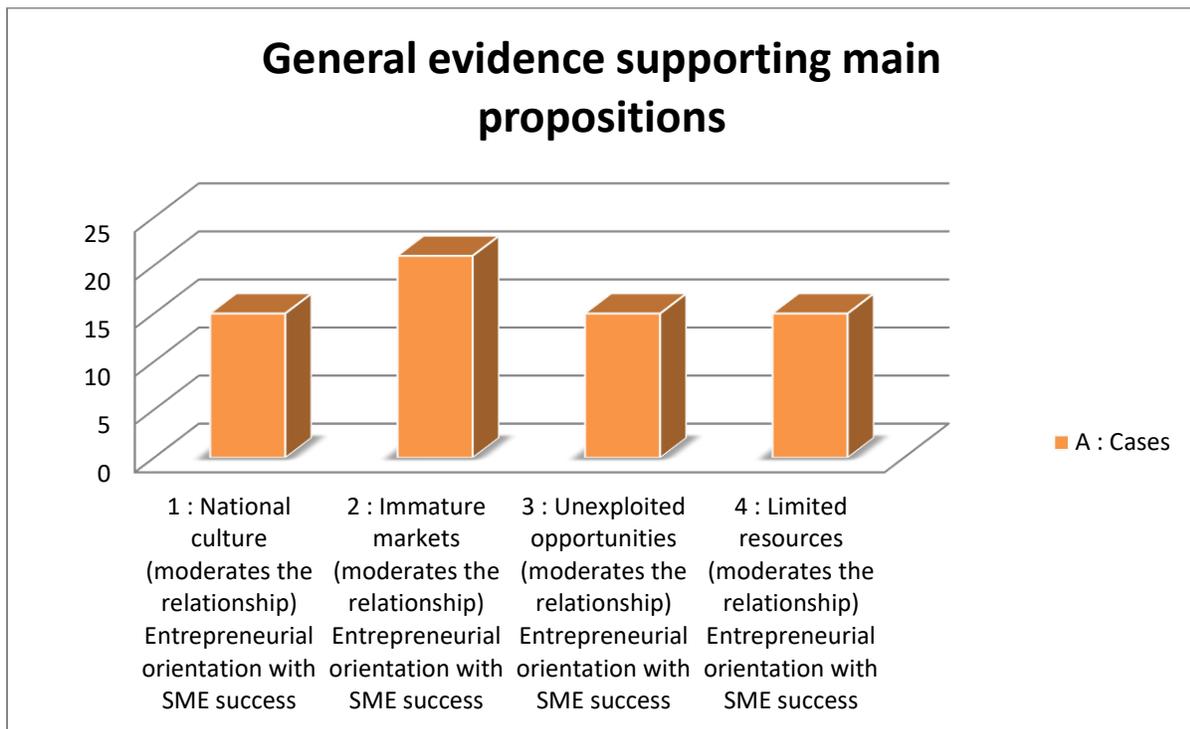
Proposition 1: Limited resources will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 2: National culture will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 3: Immature market will moderate the relationship between entrepreneurial orientation and SMEs success.

Proposition 4: Unexploited market opportunities will moderate the relationship between entrepreneurial orientation and SMEs success.

Since these moderating effects are expected to be felt by all the six cases, therefore presenting the business environment in which the six private healthcare businesses operate, a comprehensive overview is necessary. Results presenting the supportive evidence from all the cases for the stated propositions are illustrated in the Graph 1 below.

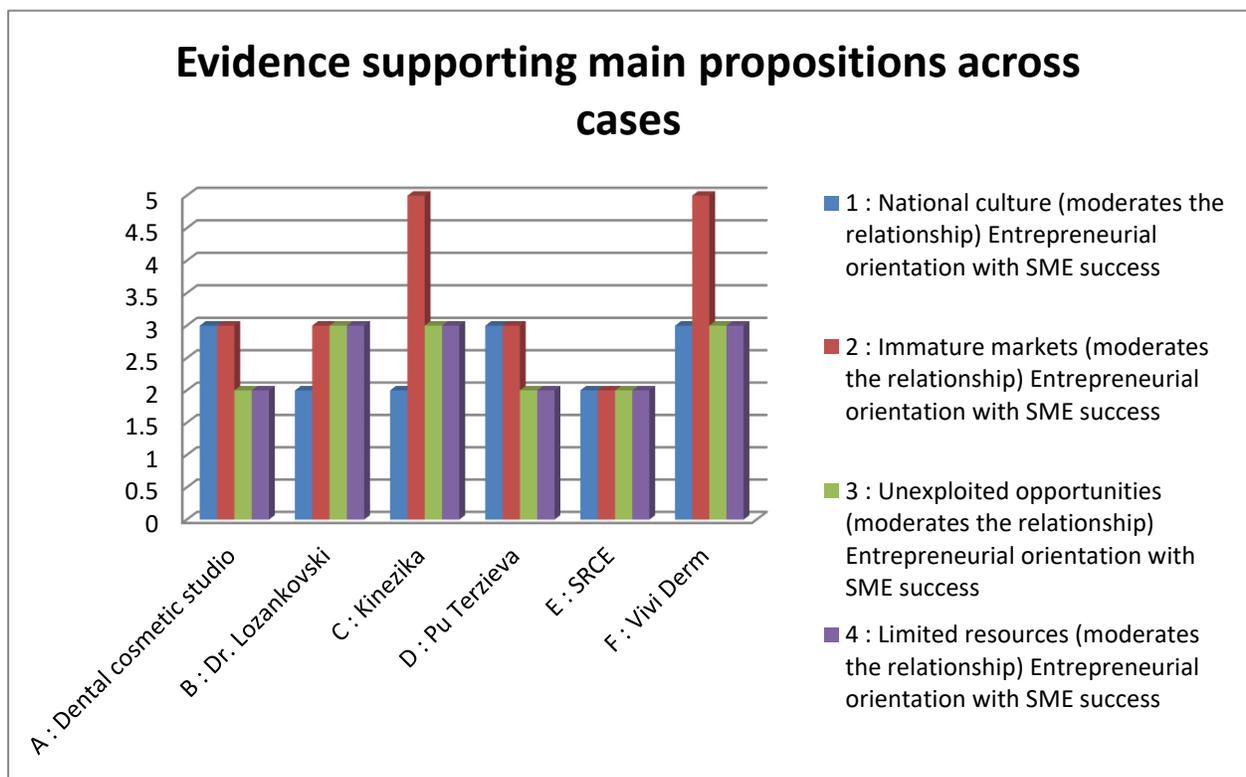


Graph 1: General evidence supporting main propositions

In particular, the studied cases confirmed the role of limited resources, national culture, market immaturity and unexploited opportunities as important moderators to businesses' entrepreneurial orientation behavior. Throughout the interview process with the selected entrepreneurs, there has been sufficient amount of evidence that prove that these four factors truly impact business environment and the conditions under which the private healthcare businesses perform on the market. A detailed view on the supporting evidence for confirmation of these positions is presented in Appendix VIII.

In fact, entrepreneurs have evaluated the position of limited resources, national culture and unexploited opportunities relatively high and admitted their importance to entrepreneurial actions. However, all six cases emphasized the outstanding impact of market immaturity position, whose dominance is evident in the graphical presentation as well. The immature market position seems to present a most dominant and significant factor that has greatest impact on entrepreneurial orientation of the businesses in developing countries.

While these data give only general insights of the environment and environmental influencing forces, the graph below presents the position of each case regarding their supporting data concerning limited resources, entrepreneurial culture, market maturity and opportunities issues.



Graph 2: Evidence supporting main propositions across cases

Although data supporting the influence of national culture to entrepreneurial orientation-business success relation are present across all six cases, more specifically, three out of the six

cases positioned the national culture relatively higher. Namely, regarding the entrepreneurial culture in the country, Dr. Lozankovski explained:

“Unfortunately, in general, Macedonia may not be proud of its entrepreneurial culture. However, it becomes truly evident by the fact that greatest percentages of people prefers employment in state institutions rather than being self employed and take risk while acting. I would evaluate Macedonian entrepreneurial culture as highly risk averse.”

Ultimately, similarly to Dr. Lozankovski, the founder of Vividerm also lends high support to unfavorable entrepreneurial culture in Macedonia by explaining further:

“Entrepreneurial culture in the country has never been seen as supporting factor in the business development process. On the contrary, people in Macedonia are still very skeptical for investments and are generally petrified to take risks. The reasons behind this statement are closely connected to the economic instability in the country and the apathetic political situation. Reflecting on this, people have no courage to take risk and prefer employment in the state administration.”

Nevertheless, all six cases admitted the importance of the immature market as most significant to their business environment and distinguished the immature market position as greatest moderator to their entrepreneurial orientation-success relationship. While this position is present across all cases, still it seemed to be most predominant in the cases of the dermatological-aesthetic office Vividerm and in the private physiotherapy practice Kinezika. In this regard, the founder of Kinezika pointed:

“There is a substation grounds to believe that people’s needs regarding our sphere of interest have continually been growing during the past ten years. This is reflected in the facts that clients’ unhealthy lifestyle and long office hours have shifted the age limits for physical therapy downwards”.

Similarly, the founder of Vividerm, Dr. Bitoljanu, explains the position of the market and clients needs and demands as following:

“We are aware of the growing needs of patients in the services in their field. This increased patients’ demand for private dermatological practice is seen as a result of greater patients’ information about dermatological services and their ability to improve people’s health and beauty; as well as the unsatisfactory level of service provided by the state hospitals.”

Consequently to the reported outstanding importance of the immature market, entrepreneurs have attributed a high importance to the role of unexploited opportunities as well. In fact, results from the study show that these two notions move in parallel and in the same direction. The logic behind these results is based on the assumption that the immature market position should lead to greater number of unexploited business opportunities. Therefore, as it reveals across cases, the unexploited business opportunities do have an effect on entrepreneurial orientation and how it leads to entrepreneurial success. Specifically, the center for care of elderly have illustrated in that direction:

“The opportunities in this sector in Macedonia are varied, since there is no specialized hospice, and there is lack of daily centers for elderly and centers for rehabilitation as well. Apparently, there are numerous prospects in the sector. Idila Terzieva’s step toward exploitation of these opportunities has been the recent establishing of the new specialized centre for elderly with dementia and Alzheimer”.

While the majority of the cases studied clearly confirmed the positive position of the immature market and the correlated unexploited business opportunities, further analysis of the studies added the limited resources as implicitly importance moderator to entrepreneurial orientation-success relation. Namely, the majority of the cases studied specifically outlined the issue of limited resources as central limitation for development, and key to business ability to exploit opportunities in the markets at the immature stage of development. In this direction, Dr. Dimitrov, the founder of Kinezika, elaborated:

“It becomes fairly evident that the population is aging and people tend to become even more demanding for physic therapy. However, in absence of additional resources for investment in trainings, education, staff and equipment we are not able to use our full potential and exploit additional opportunities.”

At this stage, the four forces are elaborated for their relevance and importance to entrepreneurial orientation-businesses success relationship, while their indirect impact on business success would be discussed during the specific testing of the sub-propositions in the sections that follow.

4.2 Within-case analysis

This section contains the within-case analysis of the study, therefore presenting the results for the sub-propositions for each of the six cases individually. The pattern for data analysis is the following. First, all the four groups of sub-propositions will be elaborated within each case, presenting the supporting evidence for each of the entrepreneurial orientation dimension (risk-taking, innovation, proactiveness, autonomy and competitive aggressiveness). The sub-propositions that are subject for examination within all the cases are presented below:

Proposition 1a: At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.

Proposition 1b: At conditions of limited resources, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 1c: At conditions of limited resources, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 1d: At conditions of limited resources, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 1e: At conditions of limited resources, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Proposition 2a: At conditions of unfavourable entrepreneurial culture businesses take less risk, which has negative or no influence to SMEs success.

Proposition 2b: At conditions of unfavourable entrepreneurial culture, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 2c: At conditions of unfavourable entrepreneurial culture, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 2d: At conditions of unfavourable entrepreneurial culture, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

Proposition 3e: At conditions of immature markets, businesses act more competitive aggressively, which has positive influence to SMEs success.

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

Proposition 4e: At conditions of unexploited market opportunities, businesses act more competitive aggressively, which has positive influence to SMEs success.

For further clarity, labels of the sub-propositions in the study are indicated as following:

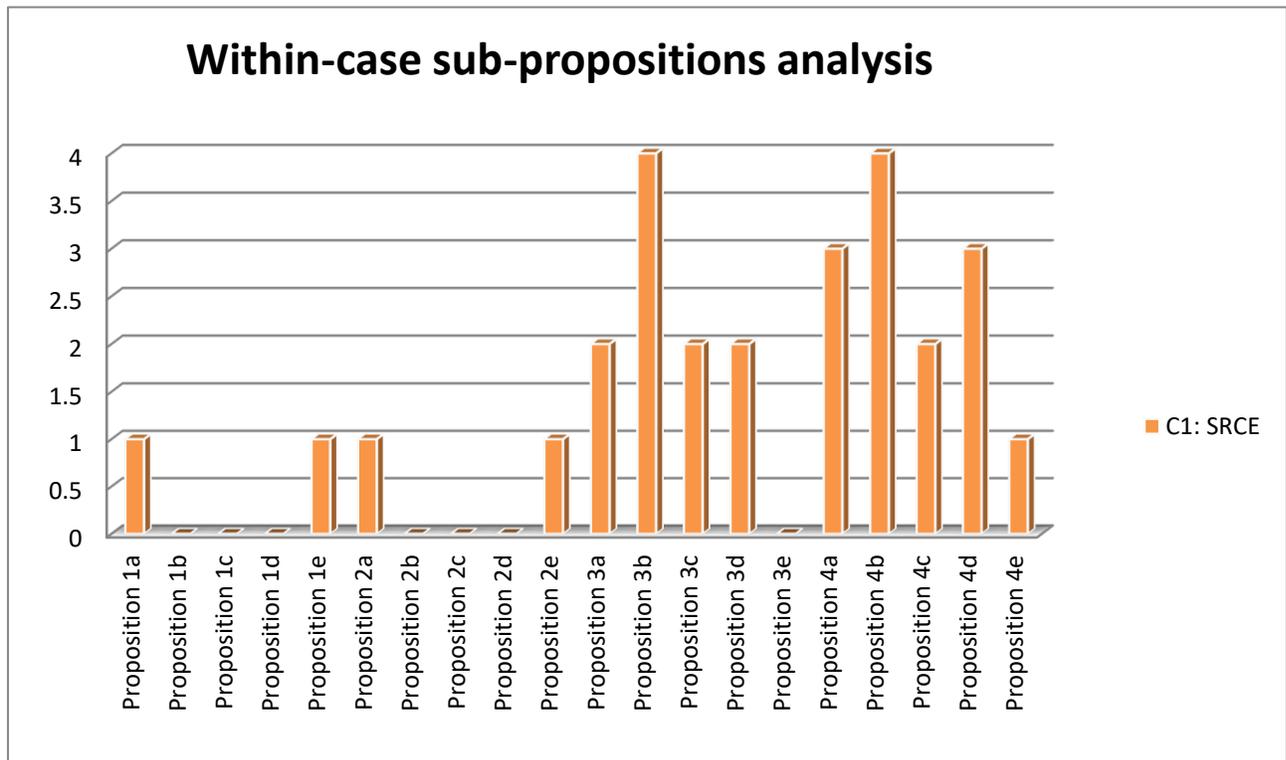
- for the sub-proposition of the first proposition of limited resources (1a, 1b, 1c, 1d, 1e);
- for the sub-propositions of the second proposition of national culture (2a, 2b, 2c, 2d, 2e);
- for the sub-propositions of the third proposition of immature markets (3a, 3b, 3c, 3d, 3e);
- for the sub-propositions of the forth proposition of unexploited opportunities (4a, 4b, 4c, 4d, 4e).

Second, the performance indicators data will be added to the elaborations of entrepreneurial orientation activities, showing the results for businesses' profitability, market share and number of employees. These indicators should complete the elaboration of the sub-proposition and to indicate whether the elaborated phenomenon has positive impact on SMEs success; or has negative or no influence to business performance position.

Third, quantitative data will also be presented and elaborated where applicable. The analysis of three out of the six cases (C1, C2 and C5) would be enriched with a quantitative data analysis derived from a survey conducted among ten employees from each of the companies.

4.2.1 Case C1 - SRCE

Nvivo software for qualitative analysis assisted in coding and analysis of case C1 and delivered results for the twenty sub-propositions, meaning elaborating if the set relationships are confirmed to be correct, or performed activities moderately differ. The results of the case C1 response to the tests of the five sub-propositions under the four different types of circumstances is illustrated in Graph 3 that follows.



Graph 3: Case C1 within case sub-propositions analysis

Results for the assumed negative impact on entrepreneurial orientation and business performance (sub-propositions 1a - 1e and sub-proposition 2a – 2e)

Regarding the five sub-propositions of *proposition 1* referring to the negative impact of the limited resources on the entrepreneurial activities (risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness), the center for internal diseases SRCE showed the following results. In fact, case C1 provided evidence only for two out of five sub-propositions regarding the limited resources moderating factor:

Proposition 1a: At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.

Proposition 1e: At conditions of limited resources, businesses act less competitively aggressively, which has negative or no influence to SMEs success.

More specifically, the case showed support to sub-propositions *1a* and *1e*, whereas no evidence for supporting sub-propositions *1b*, *1c* and *1d* has been noticed. Therefore, the case has confirmed the negative impact the limited resources have on activities connected with taking risk

and acting aggressively toward competition. In this direction the private healthcare provider does not show interest in doing research or trying to exploit more opportunities on the market. Moreover, regarding the competitive aggressiveness, the founder has explained:

“We are focused on our own core competences and the organization is performing almost in isolation of the competition in the sector. We make no effort to take any aggressively competitive actions, and we even do not respond to any aggressive attacks toward us.”

Essentially, the results from case C1 showed no support to the thesis that at conditions of limited resources businesses initiate less innovation; act less proactively or less autonomously, and that these actions have negative or no influence to performance.

Furthermore, case C1 showed similar response to the negative influences of the unfavourable entrepreneurial culture to the businesses processes in the company. Regarding the five sub-propositions of *proposition 2* referring to the negative impact of the national culture on the entrepreneurial activities (risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness), the business has experienced the following processes as existing in their operations. Ultimately, the negative impact of the unfavourable entrepreneurial culture has been competedly confirmed in the patterns of risk taking and competitive aggressiveness; whereas no negative effect has been noticed on the processes of innovation, proactiveness and autonomy in the organization. Correspondingly, the case C1 has provided sufficient evidence to support sub-propositions 2a and 2e; while no evidence has been provided to sub-propositions 2b, 2c and 2d. The confirmed sub-propositions follow:

Proposition 2a: At conditions of unfavourable entrepreneurial culture businesses take less risk, which has negative or no influence to SMEs success.

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success

Business success indicators results for the assumed negative impact

So far, we have presented a sound amount of evidence for part of the sub-propositions moderated by the influences of limited resources and unfavorable entrepreneurial culture. At this part, we will reveal the results for the last part of propositions referring to the business performance and success. The table 5 below presents software output, where the case C1 negative success indicators are presented:

	C1: SRCE
1 : Profitability constant or decrease	0
2 : Number of employees constant or decrease	0
3 : Market share constant or decrease	0

Table 5: Case C1 negative success indicators Nvivo results

As the results show, no evidence have been provided to show or confirm negative business performance, however, meaning that the limited resources and the entrepreneurial culture although influential at certain business undertakings, they have not contributed to negative business performance of case C1.

Nonetheless, on a whole, although previous results of the sub-propositions 1a; 1e; 2a and 2e have showed supporting evidence that under the conditions of limited resources and unfavourable entrepreneurial culture case C1 has initiated less risky activities and has not been active competitively aggressively, however, results have shown that these business actions did not contributed to negative business performance. More precisely, study results have shown that these business actions did not influence the profitability, the number of employees or the market share to shift downwards.

Results for the assumed positive impact on Entrepreneurial orientation and business performance (sub-propositions 3a - 3e and sub-proposition 4a – 4e)

Generally, results from case C1 seem to bear the notion that the business is more sensitive to the positive influences of the environment, the position of immature markets and unexploited opportunities; rather than to the negative pressure of limited resources and unfavourable entrepreneurial culture. This is clearly evident in the reported results of the influences of immature markets and unexploited opportunities that follow.

In essence, data from case C1 seem to confirm sub-propositions 3a, 3b, 3c and 3d, except sub-proposition 3e, which concerns the position of competitive aggressiveness. The confirmed sub-propositions follow:

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which

has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

As evident from the study results, the sub-proposition 3b, that refers to initiating more innovation under the conditions of immature market has been supported by greatest amount of evidence. In this direction, Dr. Nikolov, the founder of SRCE has emphasized:

“Introducing the special “hrono” nutrition program in Macedonia and making a unique combination of connecting it with examination of doctors specialists, internists and graduated nutritionists, certainly makes SRCE leader in the sophisticated and medical-related nutrition in Macedonia. The diet program is based on physiology, endocrinology, biochemistry and biophysics, and is unique in helping to achieve ideal body weight while achieving ideal health. At this point, special innovative element is the new technology and equipment the organization applies during the program.”

And further explained the innovative elements of the business:

“Our latest innovative activities include introduction of new “smart office” which includes medical software that empts to improve operations’ efficiency and improve service to end clients. The software also includes electronic diary that allows keeping a full record of patients and sending reminders for regular preventive examinations and offering promotion packages.”

Sub-propositions 3a, 3c and 3d have been also sufficiently supported by the founder’s statements throughout the interview. Namely, the founders explains that the high level of innovation activities certainly involves certain level of risk and their launching on the market support the view of acting proactively on the healthcare scene. Besides, the supporting evidence for the sub-proposition 3d comes directly from the founder’s explanation of the organizational functional within the unit:

“Team work is highly encouraged and performed in managing the health unit. The leadership style is based on democracy and inclusion, showing understanding and tolerance for mistakes made during employees’ performance, accompanied by advices how to execute better”

However, no evidence has been found to support sub-proposition 3e.

Regarding the influence of the unexploited opportunities existing on the market and their impact on entrepreneurial orientation dimensions, four out of five sub-propositions have been confirmed, while for one sub-proposition concerning the competitive aggressiveness on the market no evidence has been provided. As study results indicate, the confirmed sub-proposition regarding the position of unexploited market opportunities in case C1 are the following:

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

Nevertheless, as indicated in the graphical presentation of the results above, the innovation activities have shown to be predominant under the conditions of unexploited business opportunity as favourable surrounding factor. It has already been presented that the healthcare unit initiates high level of innovative actions; moreover, throughout the interview process the founder has clarified further:

“SRCE accountably uses new and innovative technology to improve internal operation processes and to retain patients satisfied.”

Study results from case C1, clearly show that the innovation practices come with no value if isolated from the components of risk taking, proactivity and autonomous acting. All these three dimensions contained in the sub-propositions 4a, 4c and 4d, has received credible supporting evidence while analyzing the data of case C1. In fact, regarding proactivity inclusion in the processes and operations of SRCE, Dr. Nikolov clarified:

“Our proactive activities are closely connected to the introduction of innovative services, corresponding new technologies and sophistication in everyday operations. Therefore, being more precise, we have been the first to introduce the hrono diet program, the technology used in this program as well as the smart office.”

Business success indicators results for the assumed positive impact

So far, we have presented a sound amount of evidence for part of the sub-propositions moderated by the influences of immature market position and the unexploited business opportunities. At this part, we will reveal the results for the last part of propositions referring to the business performance and success. The table 6 below presents software output, where the case C1 positive success indicators have been tested:

	C1: SRCE
4 : Profitability Increase	1
5 : Number of employees Increase	1
6 : Market share Increase	1

Table 6: Case C1 positive success indicators Nvivo results

As the results show, data from the case C1 gave clear evidence for positive success performance. This would complete the previous analysis of the sub-propositions which assume that immature market and unexploited opportunities have positive influence on business performance.

In sum, previous results of the sub-propositions 3a,3b,3c and 3d; and 4a, 4b, 4c and 4d have showed supporting evidence that under the conditions of immature market and unexploited opportunities case C1 has initiated more risky activities, greater innovation, has shown market proactiveness and practice autonomy throughout the organization; and all these business actions have contributed to positive business performance. To clarify further, the elaborated business undertakings have contributed to increase in profitability during the last three years. Results from the study also show that the positive influence have pushed the number of employees upward and have increased the market share.

4.2.1.1 Case C1 – within case survey analysis

This section presents results from the survey conducted among ten employees from case C1- Center for Internal Diseases "SRCE". The aim of this combination of research techniques is to make comparison between the results of the interview with founder regarding the five entrepreneurial dimensions and the factors affecting their direction; and the employees' view on the same phenomenon. Taking into consideration that the notion of entrepreneurial orientation and its innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness elements has been elaborated as organizational level factors rather than founder's responsibility, it is of utmost importance to enrich this research with empirical data that might confirm this

concept. Therefore, at this point, we will compare the confirmed and proved sub-propositions regarding the five dimensions (innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness) and the means that are results of the survey conducted among the employees regarding the same issues. Participants had the opportunity to evaluate each of the statements on a Likert scale ranging from 1-“strongly disagree” to 7 - “strongly agree”. For the purpose of this study, we consider mean above 4 to be relevant for confirmation of the indicated business activities under observation. The statements for evaluation of the risk taking activities of the company as well as the corresponding means are presented in Table 7.

Question - Statement for evaluation	Case C1 employees survey results
	Means
Risk taking	
The term risk taker is considered as positive attribute for the people in our business	4,0
People in our business are encouraged to take calculated risks with new ideas	4,9
Our business emphasize both, exploration and experimentation for opportunities	4,8
Overall mean for risk taking dimension	4,6

Table 7: Risk taking activities survey results

Results from the study among employees show relatively neutral voice toward the issue of risk taking in their organization. For instance, they evaluated the position of risk taking to be positive attribute for the people in the company with a mean of 4.0, meaning justifying the confirmation of risky activities in the business at the very low level. Slightly stronger evidence have been provided to confirm the statements that people in their business are encouraged to take calculated risks with new ideas and that their business emphasize both, exploration and experimentation for opportunities, scoring with a means of 4.9 and 4.8 respectfully. Since for the purpose of this study statements evaluated with a mean over 4.0 are considered relevant for confirmation of the stated activities, therefore, the confirmation of presence of risk taking activities is in accordance with the founder’s confirmation of sub-propositions 3a and 4a, confirming that at conditions of immature markets and unexploited business opportunities, businesses take more risk, which has positive influence to SMEs success. The success indicators of case C1 have been presented in the preceding section and explicitly confirm the validity of the confirmed propositions.

Finding from the survey indicate more positive employees' approach toward the innovation dimension of the entrepreneurial orientation construct. Essentially, participants in the survey have evaluated innovativeness of the business with an overall mean of 6.0. More precisely, they have confirmed that they actively introduce improvements and innovations in the company and that the business is creative in the methods of operations. Moreover, the results show relatively high evaluation results of the company approach towards the introduction of large number of new products and services during the past three years, therefore evaluating this position of the business with a mean of 6.5. The statements for evaluation of the innovativeness elements of case C1, as well as the corresponding means, are presented in Table 8.

Question - Statement for evaluation	Case C1 employees survey results
Innovation	
We actively introduce improvements and innovations in our business	5,9
Our business is creative in the methods of operations	5,5
Our company has introduced large number of new lines of products and services in the last three years	6,5
Overall mean for innovativeness dimension	6,0

Table 8: Innovativeness activities survey results

Moreover, results from the interview process with the founder have also indicated positive approach toward innovation in the business, therefore providing sufficient supporting evidence to confirm sub-propositions 3b and 4b, which verified that at conditions of immature markets and unexploited business opportunities businesses initiate more innovation which has positive influence to SMEs success. Following these arguments, it is explicit that the innovativeness dimension of case C1's entrepreneurial activities has been confirmed by both, the founder and the employees, correspondingly.

The findings also suggest a positive stance toward the proactive element of the business. As mean above 4.0 generally indicates positive attitude of the business towards the selected entrepreneurial items, the means of 5.9 show relatively high position of the company regarding the constant looking for new opportunities and the initiation of new brands or products on the market. One statement that employees have ranked relatively lower, with a mean of 4.1, is the attitude toward the strategic elimination of the operations in later stages of life cycle. In general, the survey has shown an overall mean for the proactiveness of the business of 5,5, which is

consistent with the founder's confirmation of proactiveness elements throughout the interview. In line with the above, the founder has provided confirmation of sub-propositions 3c and 4c, and confirmed the positions that at conditions of immature markets and unexploited opportunities businesses act more proactively which has positive influence to SMEs success. The full analysis of the sub-propositions accompanied by the tests of the success indicators are presented in the previous section of this chapter. The table below presents the means of the case C1 employees' responses to the proactiveness elements of entrepreneurial orientation.

Question - Statement for evaluation	Case C1 employees survey results
Proactiveness	
We are constantly seeking new opportunities related to present operations	5,9
We are usually the first ones to introduce new brands or products in the market	5,9
Operations in later stages of the life cycle are strategically eliminated	4,1
Overall mean for proactiveness dimension	5,3

Table 9: Proactiveness activities survey results

Results of the survey among employees presenting the means of the autonomy entrepreneurial elements of case C1 are presented in Table 10.

Question - Statement for evaluation	Case C1 employees survey results
Autonomy	
In general, the top managers of my firm believe that the best results occur when individuals and/or teams decide for themselves what business opportunities to pursue.	4,4
In my firm: Individuals and/or teams pursuing business opportunities make decisions on their own without constantly referring to their supervisor(s).	3,0
My firm supports the efforts of individuals and/or teams that work autonomously	4,6
Overall mean for autonomy dimension	4,0

Table 10: Case C1 autonomy activities survey results

Generally, the results seem to bear the notion that employee's opinion regarding the autonomy in their company is relatively low; although as a whole autonomy holds an overall mean of 4.0, which is the lowest limit for confirming of the performance of the selected activities in the business. Although participants have confirmed that the top managers of their firm believe

that the best results occur when individuals and teams decide for themselves what business opportunities to pursue and that the firm supports the efforts of individuals that work autonomously, with a corresponding means of 4.4 and 4.6, they showed no support for the statement that individuals and teams pursuing business opportunities may make decisions on their own without constantly referring to their supervisors. The low score of the last stated notion clearly shows employees' dependence on supervisors' approval. On the other side, findings from the interview with the founder show confirmation of sub-propositions 3d and 4d, indicating founder's opinion that at conditions of immature markets and unexploited business opportunities businesses act more autonomously which has positive influence to SMEs success. Generally, following the stated confirmation criteria, there seem to be no disparity between the employees and founder's results regarding the autonomy in the company. However, the strength of the autonomy attribute in case C1 is relatively lower than the attributes of risk taking, and especially than the positions of innovation and proactiveness of the business.

The last elaborated item of competitive aggressiveness has been negatively evaluated by the participants in the survey and it has resulted with an overall mean of 3.8; which is below the limit of acceptance for this study. The detailed presentation of survey results with the corresponding means is presented in Table 11.

Question - Statement for evaluation	Case C1 employees survey results
Competitive aggressiveness items	
My firm is very aggressive and in- tensely competitive	3,9
My firm has experienced many competitive action to take business from competitors in the last three years	3,5
Overall mean for competitive aggressiveness dimension	3,7

Table 11: Case C1 competitive aggressiveness activities survey results

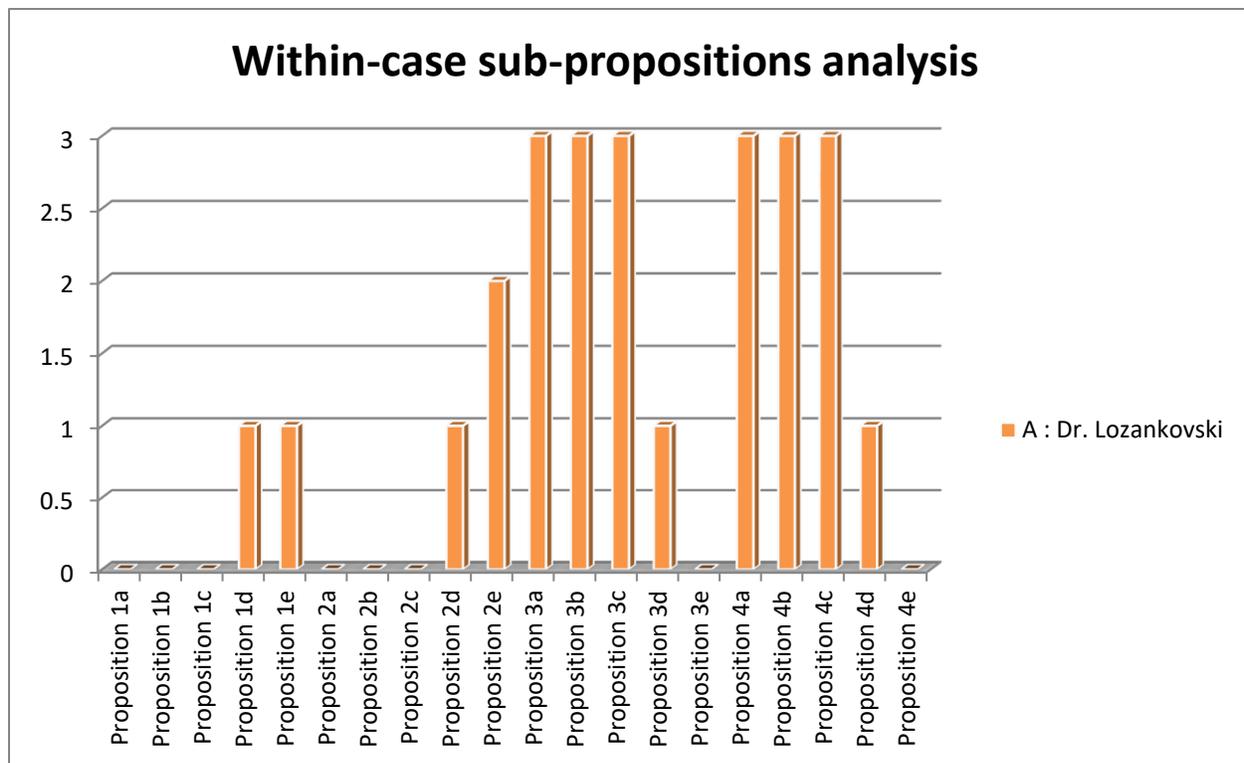
Employees seem to evaluated negatively the notions that the firm is very aggressive and in- tensely competitive and that it has experienced many competitive action to take business from competitors in the last three years. Moreover, the results of the study have shown that this is in accordance with the negative focus of the founder regarding the aggressiveness in competitive activities. In fact, results from the interview with the founder did not provided sufficient

evidence to confirm the sub-propositions 3e and 4e, therefore failed to confirm that the company is involved in any kind of competitive aggressiveness.

The comparison between the founder's and employees' results regarding the five entrepreneurial orientation dimensions seems to show no disparity in their opinion regarding these key entrepreneurial items. In essence, both, employees and founder consider that the company is performing well regarding the risk taking, innovation and proactiveness issues; they also agree that the company makes little efforts to perform competitive aggressive on the market. Regarding the autonomy in the company, although confirmed by statistics results, still, employees' voice shows dissatisfaction with the level of independence in their operations.

4.2.2 Case C2 – DR. LOZANKOVSKI

Data from case C2 has been coded and analyzed using Nvivo software and delivered results for the twenty sub-propositions, meaning elaborating if the set relationships are confirmed to be correct, or proposed activities have been performed differently. The results of the case C2 response to the tests of the five sub-propositions under the four different types of circumstances is illustrated in Graph 4 that follows.



Graph 4: Case C2 within case sub-propositions analysis

Results for the assumed negative impact on Entrepreneurial orientation and business performance (sub-propositions 1a - 1e and sub-proposition 2a – 2e)

First, the context of limited resources has been observed and its assumed negative influence on entrepreneurial orientation-performance relationship has been elaborated through the dimensions of risk taking, innovation, proactivity, autonomy and competitive aggressiveness. Therefore, in this regard, only two out of the five sub-propositions have received sufficient supporting evidence and are accepted to be correct. It refers to sub-propositions 1d and 1e, that follow:

Proposition 1d: At conditions of limited resources, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 1e: At conditions of limited resources, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

The findings from the study provide compelling evidence that indicate low level of autonomous activities throughout the operations of the business unit. The founder has reported that he is fully aware of this position of his unit, and further explained:

“Besides the fact that employees are encouraged to take innovative actions and to contribute to improving policlinic performance, it seems that there is still a lot of room to work on initiating new ideas from the bottom up in the hierarchy. An exception here would be the doctor from the pediatric department, who initiated and launched the pregnancy support and breastfeeding support programs. Otherwise, I still make all the final decisions that are of great importance for the future of the ordination”

Case C2 has also demonstrated an extremely negative aspect of the competitively aggressive attitude of the business. In particular, the findings confirm that the sub-proposition 1e is strongly confirmed, and the case clearly demonstrated that under the conditions of limited resources, business lack competitive strengths and their actions regarding competitors are minimal or provide no value to the company. Dr. Lozankovski gave explicit explanation for the dimension of competitive aggressiveness through his own experience throughout the years of performance on the Macedonian private healthcare market.

“Eight years ago, when the alarm for dealing with young couples’ sterility was on, we attempted to invest in sophisticated in vitro procedures. However, after starting the legal procedures for registration in the Ministry of health, rumors in the sector have started to spread the information that the bigger clinics are not happy with our initiated undertaking. At this point, we completely stopped the ongoing registration procedures and continued with his standard everyday operations.”

Data from case C1 clearly demonstrated that under the conditions of unfavorable entrepreneurial culture businesses provide less autonomy in their organization and they act less aggressively toward competitors, which confirm the reliability of sub-propositions 2d and 2e. Sub-propositions 2d and 2e are presented:

Proposition 2d: At conditions of unfavourable entrepreneurial culture, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

While the negative attitude towards the competitive aggressive actions has been elaborated earlier in this, Dr. Lozankovski has made a further clarification by adding:

“We have always attempt to work sound and peacefully, rather than act competitively in a manner to confront bigger players in the field. “

However, no evidence was found to support the sub-propositions 2a, 2b and 2c, stating that under the conditions of unfavorable entrepreneurial culture, business take less risk, initiate less innovation or act less proactively on the market. Consequently, it seems relevant to draw attention upon the fact that case C1 has demonstrated insignificant influence of the unfavorable position of the entrepreneurial culture when certain entrepreneurial dimensions are considered, referring to innovation, risk taking and proactivity on the market. Moreover, the full relevance of the confirmed sub-propositions 2d and 2e would be tested in the section that follows when the business success indicators would provide data for the assumed negative influence of these actions (providing less autonomy in the organization and acting less competitive aggressively) on the success position of the business.

Business success indicators results for the assumed negative impact

Up to this point, we have presented sufficient amount of evidence for part of the sub-propositions moderated by the influences of limited resources and unfavorable entrepreneurial culture. At this part, we will reveal the results for the last part of propositions referring to the business performance and success. Table 12 below presents software output, where the supporting facts for case C2 negative success indicators are presented:

	C2: DR. LOZANKOVSKI
1 : Profitability constant or decrease	0
2 : Number of employees constant or decrease	0
3 : Market share constant or decrease	0

Table 12: Case C2 negative success indicators Nvivo results

Regarding the results of our study, no evidence have been provided to show or confirm negative business performance, however, meaning that the limited resources and the entrepreneurial culture although powerful for making certain business decisions, they have not contributed to negative business performance of case C2.

Nevertheless, in fact, although previous results of the sub-propositions 1d; 1e; 2d and 2e have showed supporting evidence that under the conditions of limited resources and unfavourable entrepreneurial culture case C2 has acted less autonomously throughout the unit

and has not been active competitively aggressively, however, results have shown that these business actions did not contribute to negative business performance. Namely, study results have shown that these business actions did not influence the profitability, the number of employees or the market share to shift downwards.

Results for the assumed positive impact on Entrepreneurial orientation and business performance (sub-propositions 3a - 3e and sub-proposition 4a – 4e)

A plethora of observed evidence is provided indicating that case C1 has been driven forward by the received positive influences of the Macedonian environment. In essence, the polyclinic Lozankovski seems to be concentrated on the positive environmental factors, since majority of the sub-proposition regarding the positive influences have been confirmed throughout the interview process. In fact, evidence has been provided for three out of five sub-propositions. The supported sub-propositions refer to the immature market influence on the activities connected to risk taking, incorporating innovation in the business and acting proactively on the private healthcare market. The confirmed sub-propositions 3a, 3b and 3c follow:

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Dr. Lozankovski has provided sufficient evidence to confirm his positive response to risk taking activities and his vigorous passion toward entrepreneurial undertaking regardless the end results and following consequences. As he has declared during the interview process:

“To be honest, risk and uncertainty have been continually present throughout our operations in the past years. Although doctor by vocation, I have always been very enthusiastic to entrepreneurial undertakings. Therefore, in 1993 I launched my first business - a pharmacy in partnership with friend with background in pharmaceutical sector. However, our business goals did not reach cohesion and the business failed after two years on the pharmaceutical market.”

As study results show, under the condition of immature stage of the initial healthcare market, case C2 has showed outstanding interest in innovation activities. Supporting evidence

form case C2, show that the business is deeply involved into searching for innovative activities and applying them in the private policlinic unit. While confirming the sub-proposition 3b, Dr. Lozankovski elaborated:

“Backed up by such a rich sector experience, we have started to introduce innovations in the practice intuitively, encouraged by everyday operations and intending to offer comprehensive service to future and present mothers. Therefore, we have been among the first in the sector (excluding the three large private hospitals operating in Macedonia) to introduce the psychophysical preparation of pregnancy. For this manner, the Policlinic organizes psychophysical training for pregnant women in which the pregnant woman is released from fear; is educated for painless delivery using breathing techniques; informed about the care and breastfeeding of the newborn; receive nutrition advice both in pregnancy and the postpartum period.”

Results from case C2 have also demonstrated that under the condition of immature market surrounding, the policlinic Lozankovski has initiated more proactive activities. Naturally, the business rates their position in comparison to other small and medium sized healthcare providers, leaving aside the three large businesses in the private healthcare sector in Macedonia. Throughout the interview, Dr. Lozankovski argued:

“We tend to be the first on the market among the small and medium policlinics in many segments. The introduction of pediatric department in addition to the gynaecological practice has resulted in great end result.”

In particular, case C2 did not confirm the authenticity of sub-proposition 3d and the corresponding proposed thesis that at conditions of immature market business would act more autonomously. Sub-proposition 3d is presented below:

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

However, the founder of case C1 has clearly outlined the importance of the autonomy in their operations and business development policies. Even though no evidence has been found to confirm the thesis of autonomy for the current business operations, the founder has shown to be looking for ways to improve this position in future. He declared:

“As our experience shows, little risky practices have been noticed among the team of doctors and nurses. Intending to improve this, we try to motivate the staff to be more active and creative by delivering awards and percentage of revenues earned.”

However, no supporting evidence has been provided for supporting sub-proposition 3e, indicating that the immature market position has insignificant influence for case C2 aggressive competitive actions.

Furthermore, while analyzing the moderating factors that are part of this study, and their impact on entrepreneurial orientation of the business, case C2 has attributed a relatively high importance to the role of unexploited market opportunities. Essentially, case C2 has confirmed the reliability of sub-propositions 4a, 4b and 4c, indicating that under the conditions of unexploited market opportunities, case C2 is keen on taking more risk, initiating more innovation and acting more proactively. The confirmed sub-propositions follow:

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Whereas the positive risk taking practices have been expressed earlier in this section, Dr. Lozankovski has made some more clarifications on this issue regarding sub-proposition 4a:

“Today, during the performance of the Polyclinic, the greatest risk is assumed to be the high investments we make in equipment and technology. In fact, we have applied for bank loan with mortgage requirements in order to be able to invest in sophisticated “eho” equipment that would serve the pregnant women and assist in delivering highest quality service.”

Innovation has shown to be another valuable product of the influence of unexploited business opportunities on the entrepreneurial orientation of case C2. While Dr. Lozankovski has declared to have experienced innovation in various forms, and strongly confirm the thesis of sub-proposition 4b, his clarification in this direction follows:

“Innovation in our policlinic not always assumes introduction of new service to the clients. Frequently, they introduce new methods for performing some standard procedures.”

Case C2 shows a brilliant example of the significance of the association between risk taking, innovation and proactive market approach. More precisely, the case clearly indicated the way in which innovations should be timely channeled to the market in order to yield positive

performance results. The act of proactivity has been further clarified by Dr. Lozankovski by stating:

“Acting before the competition, the launching of psychophysical preparation for pregnancy and breastfeeding support programs have added additional value to satisfying our clients.”

At the end, case C1 failed to provide supportive evidence to confirm the reliability of sub-propositions 4d and 4e. Therefore, the result of the study indicates that the condition of unexploited business opportunities on the market does not impact business autonomy deligation throughout the organization. Moreover, as the results show, the condition of unexploited market opportunities has insignificant correlation to business activities regarding competitors and acting aggressively toward them.

Business success indicators results for the assumed positive impact

Until now, we have presented relevant and supportive evidence for part of the sub-propositions moderated by the influences of immature market position and the unexploited business opportunities. At this point, we will reveal the results for the last part of propositions referring to the business performance and success. Table 13 below presents software output, where the case C2 positive success indicators have been tested:

	C2: DR. LOZANKOVSKI
1 : Profitability increase	1
2 : Number of employees increase	1
3 : Market share increase	1

Table 13: Case C2 positive success indicators Nvivo results

As results show, data from the case C2 gave clear evidence for positive success performance. This would complete the previous analysis of the sub-propositions which assume that immature market and unexploited opportunities have positive influence on business performance.

Finally, previous results of the sub-propositions 3a, 3b, and 3c; and 4a, 4b and 4c have showed supporting evidence that under the conditions of immature market and unexploited opportunities case C2 has been devoted to more risky activities, has initiated greater innovation,

and has shown relatively high market proactiveness; and all these business actions have contributed to positive business performance. Moreover, results have shown that the elaborated business undertakings have contributed to increase in profitability during the last three years. Results from the study also indicate that the positive influence of the immature market point and the position of unexploited market opportunities have pushed the number of employees upward and have widened the market share.

4.2.2.1 Case C2 – within case survey analysis

At this point, analysis of the data gathered through the survey conducted among ten employees of case C2 – LOZANKOVSKI POLICLINIC, will be provided. Therefore, the five entrepreneurial dimensions (risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness) will be evaluated on a 7 level-Likert scale by the members of the organization’s team, therefore giving insights into the entrepreneurial orientation as an organizational level phenomenon. Results from the survey are presented by the means of each of the statements for evaluation and they are further associated with the results of the interview with the founder elaborating the same issues. More precisely, mean above 4 will be considered relevant for confirmation of the indicated business activities. Moreover, the confirmed entrepreneurial activities by the employees of the company will be compared with the confirmed sub-propositions by the founder regarding the entrepreneurial issues of risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness. The statements for evaluation of the risk taking activities of the company as well as the corresponding means are presented in Table 14.

Question - Statement for evaluation	Case C2 employees survey results
	Means
Risk taking	
The term risk taker is considered as positive attribute for the people in our business	4,0
People in our business are encouraged to take calculated risks with new ideas	4,6
Our business emphasize both, exploration and experimentation for opportunities	4,5
Overall mean for risk taking dimension	4,4

Table 14: Case C2 risk taking activities survey results

Results from the survey indicate relatively moderate employees' attitude toward risk taking activities in the company, presenting it with a mean scored 4.4. Employees' attitudes seem to bear the notion that they are not incredibly encouraged to take risk with new ideas and initiatives and do not consider the term risk taker to be very positive attribute for the people in the organization. However, although less enthusiastically, the mean above 4.0 still provides confirmation of presence of risk taking activities in the operations of the business. These facts go in line with the results gained from the interview with the founder who provided clear evidence to support the sub-propositions 3a and 4a and to confirm that at conditions of immature markets and unexploited business opportunities businesses take more risk which has positive influence to business success. Following these facts, it may be considered that the risk taking dimension of the entrepreneurial orientation has been confirmed by both, the employees and the founder of case C2.

Results from the study among the employees of case C2, show a relatively low evaluation regarding the innovativeness of the company. The detailed results presenting the means of the evaluated statements are presented in Table 15 below.

Innovation	
We actively introduce improvements and innovations in our business	4,0
Our business is creative in the methods of operations	3,8
Our company has introduced large number of new lines of products and services in the last three years	4,1
Overall mean for innovativeness dimension	4,0

Table 15: Case C2 innovativeness activities survey results

As outlined in the table, the overall mean result for the innovativeness element is 4.0, which is at the low limit for confirmation of performance of these kinds of activities in the business. Ultimately, employees have confirmed that they are actively introducing improvements and innovations in the business and that hat company has introduced large number of new lines of products and services in the last three years. However, the employees of case C2 do not consider their organization to be creative in the methods of operations. Consequently, innovativeness element of the business has been weakly confirmed by the members of the team. However, on the other side, the results from the interview with the founder show full

confirmation of sub-propositions 3b and 4b. Therefore, it supports the notion that at conditions of immature markets and unexploited opportunities businesses initiate more innovation which has positive influence to SMEs success. In general, empirical results regarding innovation in the business show no disparity among the founder's and employees' opinion on this issue, although it has been less enthusiastically supported by the team's members.

The study indicates similar results for the proactivity elements of the business. Means of the corresponding statements for evaluation are presented the Table 16.

Proactiveness	
We are constantly seeking new opportunities related to present operations	5,5
We are usually the first ones to introduce new brands or products in the market	4,4
Operations in later stages of the life cycle are strategically eliminated	4,1
Overall mean for proactiveness dimension	4,7

Table 16: Case C2 proactiveness activities survey results

In essence, statements evaluating the proactive stance of the company have been evaluated with an overall mean of 4.7, which is relatively near to the lowest acceptable limit. However, a relatively sound support have been provided to the notion that the company is constantly seeking new opportunities related to present operations, evaluating it with a mean of 5.5. A weaker support has been provided for the statements that the company is usually the first to introduce new brands or products on the market and that operations in the later stages of life cycles have been strategically eliminated. Related to this, throughout the interview process, the founder has provided support for sub-propositions 3c and 4c, therefore confirming that at conditions of immature markets and unexploited business opportunities businesses act more proactively which has positive influence to SMEs success. This confirmation of presence of proactive activities is fully in line with the employees' views on the proactive processes in the company.

Furthermore, the autonomy as dimension of the entrepreneurial orientation has shown explicitly interesting results. In fact, employees of case C2 have clearly demonstrated that they believe that their firm supports the efforts of individual and teams that work autonomously and that managers of their firm believe that the best results occur when individuals or teams decide for themselves what business opportunities to pursue. Results regarding autonomy issues are presented in Table 17.

Autonomy	
In general, the top managers of my firm believe that the best results occur when individuals and/or teams decide for themselves what business opportunities to pursue.	4,6
In my firm: Individuals and/or teams pursuing business opportunities make decisions on their own without constantly referring to their supervisor(s).	3,6
My firm supports the efforts of individuals and/or teams that work autonomously	5,0
Overall mean for autonomy dimension	4,4

Table 17: Case C2 autonomy activities survey results

The notion that individuals in the firm may pursue business opportunities without constantly referring to their supervisor failed to reach the admission limit of mean of 4.00. However, data from the interview with the founder provided no support for any of the stated sub-propositions regarding the autonomy dimension, demonstrating founder's opinion that at conditions of immature markets and unexploited opportunities business do not act more autonomously and it has no positive influence to business performance. Relating to this, founder's and employees' view on the position of autonomy in the company clearly differs.

Furthermore, Table 18 presents case C2 survey results regarding competitive aggressiveness entrepreneurial dimension.

Competitive aggressiveness items	
My firm is very aggressive and intensely competitive	3,2
My firm has experienced many competitive action to take business from competitors in the last three years	1,0
Overall mean for competitive aggressiveness dimension	2,1

Table 18: Case C2 competitive aggressiveness activities survey results

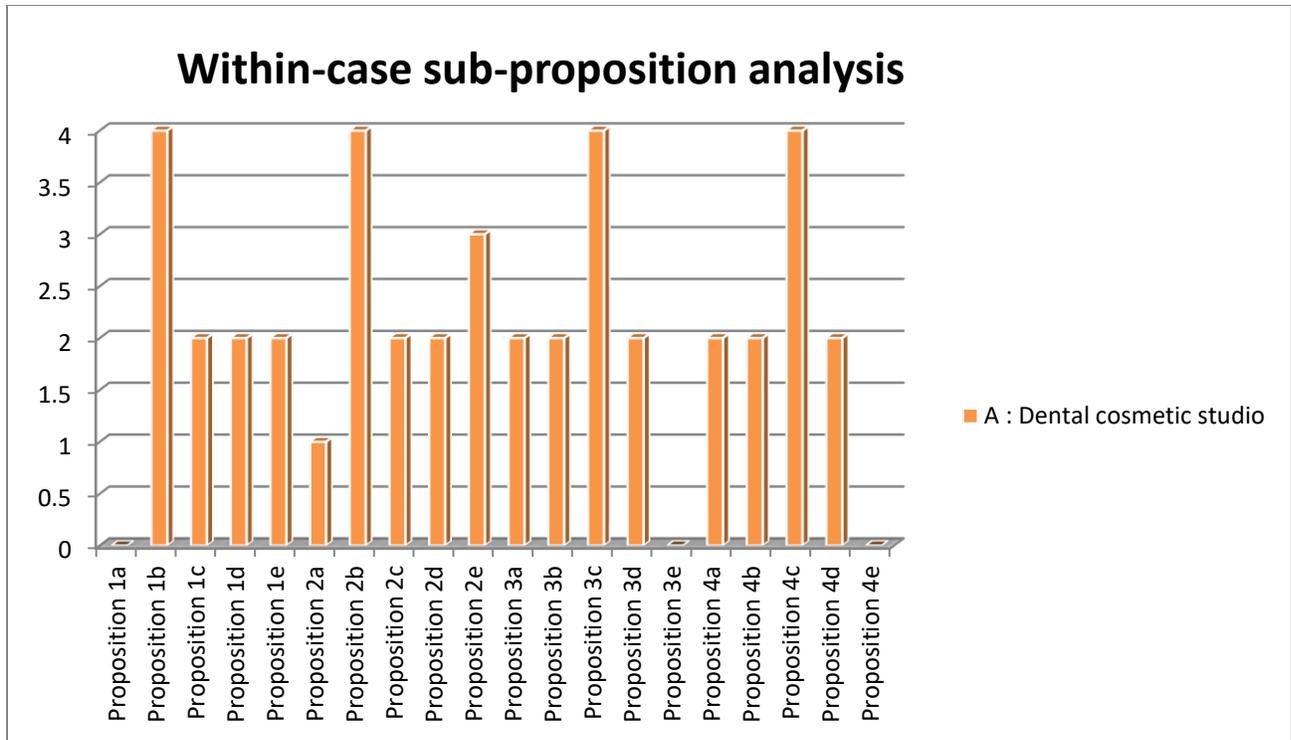
As indicated in the table, employees have rated the two competitive activities relatively low, with means as low as 3.2 and 1.0. Employees indicated no support for the statements that the company is intensively competitive, nor that it has experienced many competitive actions in

the past three years. However, this is consistent with the interview results, since data from the interview with the founder provided no support for sub-propositions 3e and 4e, stating that the business takes competitive actions and contributes positively to business performance. In general, findings from this study clearly confirm that competitive aggressiveness is not supported by the employees, or by the founder of case C2.

In general, employees and founder of case C2 have relatively similar view regarding the entrepreneurial activities performed in the company. In essence, they both agree that the company is performing satisfactory regarding the risk taking activities, initiation of innovative ideas and taking proactive steps on the market. However, both parties provided no support for presence of competitive aggressive actions in the business operations. Unexpectedly, results from the study show that employees consider autonomy as part of their organizational surrounding, whereas the founder failed to provide evidence and to confirm that the company is acting more autonomously under the stated conditions.

4.2.3 Case C3 – Dental Cosmetic Studio

This section elaborates the results for case C3. After coding all the relevant data from case C3 gathered throughout the interview process with the founder, the following results emerged regarding the twenty sub-propositions subject to research. The results regarding case C3 position for risk taking, innovation, proactiveness, autonomy, and competitive aggressiveness modified by the strengths of limited resources, national culture, immature market and the position of unexploited opportunities are illustrated in the Graph 5 below:



Graph 5: Case C3 within case sub-propositions analysis

Results for the assumed negative impact on Entrepreneurial orientation and business performance (sub-propositions 1a - 1e and sub-proposition 2a – 2e)

First, the five sub-propositions regarding the negative impact of the limited resources on the entrepreneurial orientation- performance relationship have been elaborated. In fact, data from case C3, have provided sufficient evidence to confirm sub-propositions 1b, 1c and 1d.

The confirmed sub-propositions are listed below:

Proposition 1b: At conditions of limited resources, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 1c: At conditions of unfavourable entrepreneurial culture, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 1d: At conditions of limited resources, business act less autonomously, which has negative or no influence to SMEs success.

Regarding sub-proposition 1b, results actually show that the lack of available resources, prevents the private dental office Dental Cosmetic Studio from initiating the desirable level of innovation. The reasons behind this results are clearly presented through founders statement:

“New ideas are frequently generated by the everyday experience with clients and screening of international dentistry trends. However, the lack of financial resources prevents realization of the same. “

The coding results have shown that the issue of innovation and correspondingly, lack of available resources for certain innovative activities to be performed, is dominant while analysing sub-proposition of proposition 1. Nevertheless, the effect of limited resources has shown to be equally important to the processes of market proactivity. Therefore, sub-proposition 1c has been strongly confirmed throughout our analysis of case C3, clearly showing that under the conditions of limited resources, business act less proactively on the macedonian private healthcare market. This position has been indisputably elaborated by the founder, who explained:

“We are aware that the proactive market approach comes with high costs. Therefore, due to the inability to invest time, effort and finances in such undertakings, the office is rarely the first to introduce new products or services to the market. “

As discussed earlier, besides the issue of innovation and proactiveness, the negative effect of the limited resources has also been confirmed in the case of autonomy and competitive aggressiveness. Moreover, coding results clearly indicated that under the conditions of limited resources, the process of autonomy within the organization is almost impossible. In this regard, the founder has pointed during the interviewing process:

“Main decisions and strategic choices are most often connected to finances and therefore bring certain financial risk. This is exactly the reason why all the main decisions are always waiting on my approval.”

Sub-proposition 1e, that concentrates on the influence the limited resources have on the competitive aggressiveness of the company, has also received special attention through our analysis. The outstanding low level of action regarding this business activity is compatible with the sensitivity of the healthcare sector. In this regard, the founder explained:

“We have never attempted to take any aggressive actions regarding competition. We have always focused primarily on the medicine segment of their company, rather than on the business side of the same.”

However, no strong evidence has been provided to connect this insignificant action toward the competitive aggressiveness to the position of limited resources of the business. Moreover, the software output did not provide any evidence that would support the stating

behind the sub-proposition 1a. This would mean that the position of limited resources did not contribute to decreased level of risk taking activities of the private dental office.

The second factor with assumed negative impact on the entrepreneurial orientation activities is the unfavorable entrepreneurial culture. After coding and analyzing all the relevant data from case C3, a confirmation has been reached for the following sub-proposition:

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

The confirmed sub-proposition from the group of the unfavorable entrepreneurial culture is sub-proposition 2e, which indicates that under the conditions of unfavorable entrepreneurial culture, businesses act less competitive aggressively and that negatively affects the business success performance. Thus, drawing on cultural influences on entrepreneurial insights; businesses lack motivation for enlargement and development. The reasons behind this supported fact, is explained through the statement of the founder of case C3:

"Our vision is to keep high quality dentistry operations. The main goal behind this assumption is that we prefer to stay small in order to keep the control over the quality of service we provide, assuming that the increased quantity of operations would negatively affect the end results to our customers."

Ultimately, case C3 did not provide supporting evidence for confirmation of the activities in sub-propositions 2a, 2b, 2c and 2d. Consequently, the case indicates that the entrepreneurial culture in Macedonia has not contributed negatively to the risk taking activities of the business. Furthermore, the private healthcare provider has not experienced negative impact of the entrepreneurial culture on its proactive activities, as well as on its autonomy deligation throughout the organization.

Business success indicators results for the assumed negative impact

So far, we have presented evidence for part of the sub-propositions moderated by the influences of limited resources and unfavorable entrepreneurial culture. In this section, we will present the results for the last part of propositions referring to the business performance and success. The Table 19 below presents software output, where the supporting facts for case C3's negative success indicators regarding the profitability, market share and the number of employees are presented:

	A : Dental cosmetic studio
Profitability constant or decrease	0
Market share constant or decrease	0
Number of employees constant or decrease	1

Table 19: Case C3 negative success indicators Nvivo results

Success indicators results show no evidence to support the notion that the position of limited resources and entrepreneurial culture provide decrease or stagnation in profitability and in the position of the market share. However, negative or results of stagnation has been found in the position of number of employees, meaning that the number of employees has either decreased or stayed constant during the past three years. Therefore, regarding the results of our study, partial evidence have been provided to show or confirm negative business performance, however, meaning that the limited resources and the entrepreneurial culture have been powerful for making certain business decisions, they have negatively contributed to business performance of case C3 regarding the of number of employees indicator.

Nevertheless, as results of the sub-propositions 1b, 1c, 1d and 1e have showed supporting evidence that under the conditions of limited resources case C3 has shown decreased level of innovation, proactivity, autonomy throughout the organization and competitive aggressiveness toward competitors, in fact, all these actions showed also to have negative impact on business performance as well, affecting the number of employees indicator. The analysis of case C3 showed the similar results for sub-proposition 2e, meaning that the private dentistry office has experiences negative influence from the surrounding entrepreneurial culture on its competitive aggressiveness activities, and therefore, it negatively affected its performance position.

Moreover, it is noteworthy mentioning that the position of limited resources has shown outstanding influence over case C3, completely confirming three out of five sub-propositions regarding this moderating force. However, the power of cultural influence seemed to be relatively low, since coding results provided evidence only for one out of five sub-propositions occupying this issue.

Results for the assumed positive impact on Entrepreneurial orientation and business performance (sub-propositions 3a - 3e and sub-proposition 4a – 4e)

Generally, results from the graphical presentation for case C3 seem to bear the notion that the business is almost equally sensitive to the positive influences of the environment, the position of immature markets and unexploited opportunities; as it is to the negative pressure of limited resources and unfavourable entrepreneurial culture. This is evident in the analysis of the influences of immature markets and unexploited opportunities that follow.

In fact, data from case C3 seem to confirm sub-propositions 3a, 3b, 3c and 3d, except sub-proposition 3e, which concerns the position of competitive aggressiveness. The confirmed sub-propositions follow:

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

Results with regard to the risk taking activity of case C3 show clear confirmation of sub-proposition 3a which states that under the conditions of immature market surrounding, businesses take more risk and it positively contributes to firm's performance. Consequently, we consider relevant to draw attention to the fact that risk is present in case C3 at the just beginning of its launching. As the founder, Dr. Manevski, explained:

“The risk and uncertainty have been present in the private practice since the beginnings of its launching. To clarify this further, privately we are spouses, and we both made a decision to start a small business rather than to stay employed in the Macedonian state hospital. “

Moreover, a considerable body of evidence has been built up confirming sub-proposition 3b, referring to the influence of immature market on the innovation cycles of the private healthcare provider. Evaluating equally important as the risk taking activities of its business, the founder argued that they tend to introduce innovations in every possible organizational posture of their business. Being aware of the limited human resources they possess, an adequate management of time and patients has shown to be of utmost importance.

Following the sequence of yielded results, it comes natural to assume that case C3's

innovation and risk taking position is closely connected to business proactivity on the market. In this directing, results confirm the sub-proposition 3c, for case C3, which holds the position that under the conditions of immature market, business act more proactively and adopt more proactive stance toward the market opportunities. The processes of this cycle are described as following:

“Operations performed three years ago, today are replaced by new and sophisticated activities that bring benefits to both, doctors’ and patients. “

The forth confirmed sub-proposition of this cluster is sub-proposition 3d, indicting the notion that under the conditions of immature markets, business act more autonomously. Therefore, Dr. Manevski has showed understanding for the value of employees’ contribution to planning and new ideas generation. He has imposed commitment to employees’ motivation recognizing that only highly inspired employees may contribute to company’s improvement and development.

The sub-proposition 3e is the only sub-proposition that has not received supporting evidence from the data from case C3. Throughout the interview process with the founder, no single supporting evidence have been recorded to confirm the notion that under the conditions of immature market surrounding, businesses act more aggressively toward competition.

Finally, the significance of the unexploited market opportunities influence on entrepreneurial dimensions of case C3 has been tested and results have been presented correspondingly. Namely, this influence showed to be relatively high, considering the fact that four out the five sub-propositions have been confirmed throughout the interview process with Dr. Manevski. Sub-propositions 4a, 4b, 4c and 4d have been confirmed and the same are presented below:

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

The propensity for risky activities has been discussed earlier in this section regarding case C3 business undertakings. The best clues for their positive attitudes toward risk may come from their enthusiastic life choices and directions, which are closely related to their business decisions. Following the provided body of evidence, we may certainly confirm sub-proposition 4a. In this regard, the founder in case C3 has argued:

“The investment of all of our savings in founding the dentistry private practice silently talks about the courage we have shown and stepped up for exploring new opportunities for our life.”

A sound amount of evidence have also confirm sub-proposition 4b, which states that under the position of unexploited market opportunities, businesses initiate more innovative activities. The importance of innovation for case C3 has been elaborated through several dimensions. Besides the provided argument that they tend to introduce innovations in every possible organizational posture of their business, the founder further explained that the second way they introduce innovation is through imitation of international best dentistry practices. In this manner, they tend to apply as much as possible more sophisticated methods and services, which may not be a revolution for the advanced countries, but are new and interesting on a local level.

A natural response toward a surrounding with unexploited market opportunities is a proactive stance toward the same. Therefore, the outstanding position of the pro-activeness dimension at case C3 is supported by number of business activities experienced by the founder. As Dr. Manevski has elaborated earlier, operations performed three years ago, today are replaced by new and sophisticated activities that bring benefits to both, doctors’ and patients. Following this argument, the founder had added that the team of Dental Cosmetic Studio has been continually looking for new opportunities regarding current operations. Case C3 has clearly demonstrated that autonomy is present throughout the organization, and although small business, decisions have been made jointly with the team. This clearly confirms sub-proposition 4d, and Dr. Manevski has added to this topic:

“I always base my decisions on the consultation with my team, however, often, we consult outside parties we considers relevant to the topic in question. “

Since sufficient amount of evidence has been provided to confirm the reliability of sub-propositions 4a, 4b, 4c and 4d, no supporting evidence has been found to confirm the validity of

sub-proposition 4e, leading to conclusion that for case C3, the conditions of unexploited market opportunities has not contributed to increased level of competitive aggressiveness.

Business success indicators results for the assumed positive impact

So far, we have presented relevant and supportive evidence for part of the sub-propositions moderated by the influences of immature market position and the unexploited business opportunities, showing the activities that these moderating factors influence. At this point, we will reveal the results for the last part of propositions referring to the business performance and success. The Table 20 below presents software output, where the case C3 positive success indicators have been tested:

	A : Dental cosmetic studio
1 : Profitability Increase	1
3 : Number of employees Increase	0
5 : Market share Increase	1

Table 20: Case C3 positive success indicators Nvivo results

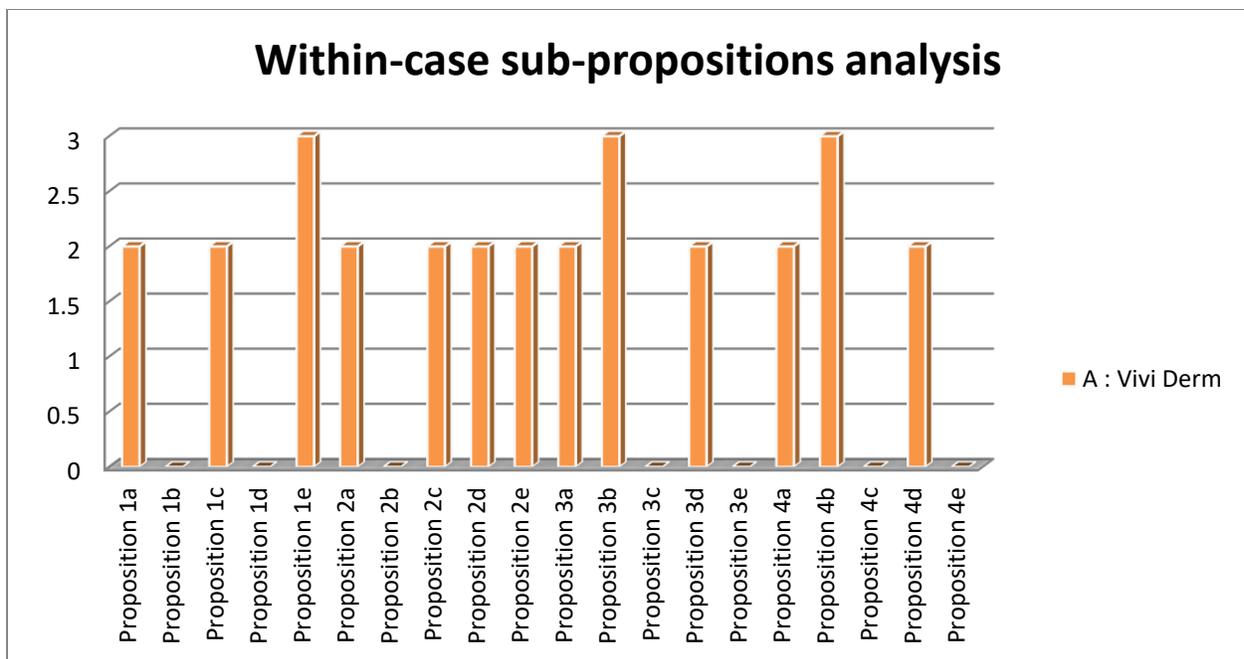
As results show, data from the case C3 gave clear evidence for positive success trends for the profitability and market share indicators. However, case C3 revealed no supporting evidence to confirm an increase for the indicator of number of employees. This would complete the previous analysis of the sub-propositions which assume that immature market and unexploited opportunities have positive influence on business performance. However, the confirmation would mean that immature markets and unexploited market opportunities have initiated the stated business activities for sub-propositions 3a, 3b, 3c and 3d; and 4a, 4b, 4c and 4d, and these activities have positively contributed to the profitability and market share of the case C3.

Moreover, previous results of the sub-propositions 3a, 3b, 3c and 3d; and 4a, 4b, 4c and 4d have showed supporting evidence that under the conditions of immature market and unexploited opportunities case C3 has initiated more risky activities, has been prone to greater innovation, and has shown relatively high market proactiveness and autonomy in the organization; and all these business actions have contributed to increase in market share and increase in profitability of the private healthcare provider. However, the elaborated business undertakings has not shown positive contribution for the number of employees of case C3, since

the supporting evidence indicate that the number of employees for case C3 has stayed constant throughout the past three years.

4.2.4 Case C4 – Vivi Derm

Substantiation research efforts have been needed to analyze the twenty sub-propositions, incorporating the positions of limited resources, culture, immature market and the position of unexploited opportunities. Moreover, these four sets of moderators have been tested on their influence on the business activities of risk taking, innovation, proactiveness, autonomy and competitive aggressiveness. A considerable body of evidence has been built up treating these issues in correlation with case C4, based on the data gained throughout the interview process with the founder, dr. Batuljanu. The results of the case C4 response to the tests of the five sub-propositions under the four different types of circumstances is illustrated in Graph 6 that follows.



Graph 6: Case C4 within case sub-propositions analysis

Results for the assumed negative impact on Entrepreneurial orientation and business performance (sub-propositions 1a - 1e and sub-proposition 2a – 2e)

This section elaborates the presumed negative impact of the position of limited resources and entrepreneurial culture on the risk taking, innovation, proactiveness, autonomy and competitive aggressiveness of case C4. The results of the study show that sufficient amount of

evidence have been provided to support sub-propositions 1a, 1c and 1e while no support provided confirmation of sub-propositions 1b and 1d. Therefore, the confirmed sub-propositions of case C4 regarding the influence of the limited resources phenomenon are presented below:

Proposition 1a: At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.

Proposition 1c: At conditions of limited resources, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 1e: At conditions of limited resources, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Since sub-proposition 1a refers to the influence of limited resources on the level of risk taking activity, the results clearly show that under the conditions of limited resources, case C4 has faced decreased level of risky activities. As the founder has declared business activities have been often directed by worldwide accepted protocols and led by medicine based on proofs. By doing so, their risk level at the everyday operations is relatively limited. Their financial inability to invest in expensive and more sophisticated equipment directly decreases their level of risk taking actions.

Founder's elaboration on the issue of market dynamics and proactiveness follow:

"Our company operates in dynamic environment. Very often our business might be affected by the worldwide trends and innovations. Although we are trying to follow world trends, however, we are not the only one. VIVADERM is seldom acting proactively on the market, since many other dermatological practices follow trends too.

Therefore, having in mind that following world trends is expensive and ask for outstanding costs, it certainly confirms sub-proposition 1c, stating that under the conditions of limited resources, business act less proactively. The results for the test of the negative consequences of these activities follow in subsequent section.

Moreover, case C4 has demonstrated insignificant actions of competitive aggressiveness on the market. Results from this study show that this low level of competitive aggressiveness is directly connected to the position and influence of the limited resources as moderating factor, having in mind the fact that more available resources would mean higher quality service and more professional respond to customers. Therefore, it is clearly evident that under the conditions

of limited resources, businesses act less competitive aggressively. Regarding the competitive position on the market, the founder has explained:

“Our success and reputation builds on our professional and quality service, close cooperation with customers and their education, as well as our uniqueness of basing our work on strictly set protocols. Reflecting on this, VIVIDERM stands on the top among the private dermatological practices in Macedonia. However, till now, we have not experienced any competitively aggressive action on the market. We quietly tend to beat competition, by building on the quality of their core competences. Conflicts and competitive actions are not part of our strategic acting. “

Findings from the study have not provided sufficient evidence to support and confirm sub-propositions 1b and 1d. This would mean that the conditions of limited resources did not contribute for initiating less innovation, or for acting autonomously throughout the organization. Drawing on autonomy insights, study has shown clear evidence that besides their efforts to delegate autonomy throughout the organization; the nature of the business has limited their legibility. Therefore, in their business they value flat hierarchy, openness and flexibility. Still, many actions are set by the law with the medicine based on proofs section and by the Ministry of Health, so at some point autonomy has been naturally disordered. Although case C4 clearly shows decreased level of autonomy throughout the organizations, it may not be connected to the influence of the limited resources; therefore, it may not support the confirmation of sub-proposition 1d.

Furthermore, results with regard to the influence of entrepreneurial culture on the case C4 operations has demonstrated confirmation of sub-propositions 2a, 2c, 2d and 2e, while no supporting evidence have been provided to support sub-proposition 2b. The confirmed sub-propositions for case C4 are presented below:

Proposition 2a: At conditions of unfavourable entrepreneurial culture businesses take less risk, which has negative or no influence to SMEs success.

Proposition 2c: At conditions of unfavourable entrepreneurial culture, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 2d: At conditions of unfavourable entrepreneurial culture, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less

competitive aggressively, which has negative or no influence to SMEs success.

Results from the study show that under the conditions of unfavorable entrepreneurial culture, case C4 has experienced decreased level of risk taking activities, less proactive market approach, insignificant autonomy in the organization and no competitive aggressive actions. Supporting evidence for these business positions, indicate that the low level of risky activities is most often connected to strictly following the medical protocols and working under the rules of medicine based on proofs. This leads to confirmation of sub-proposition 2a, acknowledging the fact that the entrepreneurial culture has not encouraged any entrepreneurial and risky activities in the private dermatological office. Finding from the study also demonstrated that under the conditions of unfavorable culture case C4 is seldom acting proactively on the market, thus confirming the sub-proposition 2c. Regarding the autonomy in the company, the doctors gave clear insights that best results are achieved when they jointly make decisions. However, the founder's explanation that follows clearly supports sub-proposition 2e and has showed that under the conditions of unfavorable entrepreneurial culture, the autonomy throughout the organization has been unconstructively affected.

“Nevertheless, acting as specialists they certainly make decisions autonomously at many occasions. Still, many actions are set by the law with the medicine based on proofs section and by the Ministry of Health, so at some point autonomy has been naturally disordered. “

The findings also suggest that the unfavorable entrepreneurial culture had posed a negative impact on the competitive aggressiveness of the business, therefore confirming sub-proposition 2e. The only sub-proposition that failed to receive confirmation by case C4 is sub-proposition 2b, indicating the notion that the condition of unfavorable entrepreneurial culture has not affected negatively the innovation in the private healthcare provider. While at this point we showed the results for the influence of limited resources and unfavorable culture on businesses' activities, the following section will reveal the results for the impact of these actions on businesses' performance.

Business success indicators results for the assumed negative impact

So far, we have presented evidence for part of the sub-propositions moderated by the influences of limited resources and unfavorable entrepreneurial culture. In this section, we will present the results for the last part of propositions referring to the business performance and

success. The Table 21 below presents software output, where the supporting facts for case C4's negative success indicators regarding the profitability, market share and the number of employees are presented:

	A : Vivi Derm
Number of employees constant or decrease	1
Profitability constant or decreased	0
Market share constant or decrease	0

Table 21: Case C4 negative success indicators Nvivo results

Success indicators results show no evidence to support the notion that the position of limited resources and entrepreneurial culture provide decrease or stagnation in profitability and in the position of the market share. However, negative or results of stagnation has been found in the position of number of employees, meaning that the number of employees has either decreased or stayed constant during the past three years. Therefore, regarding the results of our study, partial evidence have been provided to show or confirm negative business performance, however, meaning that the limited resources and the entrepreneurial culture have been powerful for making certain business decisions, they have negatively contributed to business performance of case C4 regarding the of number of employees indicator.

Nevertheless, as results of the sub-propositions 1a, 1c and 1e have showed supporting evidence that under the conditions of limited resources case C4 has shown decreased level of taking risk, less proactivity and insignificant competitive actions toward competitors; in fact, all these actions showed also to have negative impact on business performance as well, affecting the number of employees' indicator. The analysis of case C4 showed the similar results for sub-propositions 2a, 2c, 2d and 2e, meaning that the private dermatological office has experiences negative influence from the surrounding entrepreneurial culture on its risk taking, proactive, autonomy and competitive activities; therefore, it negatively affected its performance position.

Results for the assumed positive impact on Entrepreneurial orienttion and busienns performance (sub-propositions 3a - 3e and sub-proposition 4a – 4e)

Regarding the five sub-propostions that concern the positive impact of immature markets on the entrepreneurial activities (risk taking, innovation, proactiveness, autonomy and competitive aggressiveness), the dermatological office VIVIDERM revealed the following

results. Namely, case C4 has provided evidence for three out of five sub-propositions treating market immaturity as moderating factor:

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

More specifically, the supporting evidence for sub-proposition 3a has been backed up by founder's declaration that operating as a family business, as a partnership of spouses, they are aware of taking high risk, since the only source of income in the family is coming from their dermatological-aesthetic office. Moreover, the results clearly reveal that under the conditions of immature market entities are more prepared to take risky activities, therefore fully confirming sub-proposition 3a. Furthermore, as findings show, a considerable body of evidence has been built up treating immature market influence on innovation position of case C4. More specifically, as founder explained, doctors at VIVIDERM enjoy introducing new and most sophisticated methods and technologies:

"We have been among the first on the market to offer the Cryotherapy treatments, based on cooling of the skin tissue at low temperature. This treatment helps with numerous indications that appear on the skin, and is also very successful in treating cellulite and removing fatty deposits in the body. Our range of innovative services include health related procedures as skin biopsy and treatment and diagnosis of fungal diseases; to solutions for aesthetic issues as mezotherapy and Botox application for removal of wrinkles and sweating prevention. "

Therefore, as displayed in the graphical presentation for case C4's study results, special emphasis have been devoted to acknowledge the notion that under the conditions of immature market, businesses are motivated and encouraged to initiate more innovation. Regarding the autonomy in the company, the doctors give clear insights that best results are achieved when they jointly make decisions. Nevertheless, acting as specialists they certainly make decisions autonomously at many occasions. This would certainly lead to confirmation of sub-proposition 3d, meaning that at conditions of immature markets, business act more autonomously. However, case C4 failed to provide supporting evidence for sub-propositions 3c and 3d, indicating that the

immature market position did not influence the proactiveness of the business processes, as well as the competitive aggressiveness for case C4.

Regarding the influence of the availability of unexploited business opportunities on the entrepreneurial orientation dimensions of case C4, three out of five sub-propositions have been confirmed. The supported sub-propositions for case C4 follow:

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

As evident from the study results, case C4 has strongly supported the notion that at conditions of unexploited market opportunities, businesses take more risk, therefore supporting the confirmation of sub-proposition 4a. Besides the initial risk of starting a private family dermatological office and bearing the risk of self-employment, case C4 showed that the business has been prepared to take addition risks in term of new equipment acquisition and investment in trainings abroad. Even though the end results coming from these undertakings are uncertain, nevertheless, the business continues to take risky actions and is enthusiastically devoted to development.

Case C4 has also indicated sufficient support for sub-propositions 4b and 4d, supporting the statements that the position of unexploited opportunities has positive impact on the level of innovation and autonomy in the organization. Moreover, concerning the outstanding position of innovation in case C4, the founder has explained further:

“Overall, we have introduced wide range of new services and new technology in the past three years. What we also make different compared to other medical offices in our field is the new more dedicated communication with our clients and giving them sort of education about dermatological issues rather that giving them service exclusively. We are also proud of the latest and best Asclepion MeDioStar NeXT PRO laser that offers permanent and effective hair epilation.”

However, case C4 showed no support for sub-proposition 4c and 4d, thus, showing that under the conditions of unexploited opportunities case C4 failed to act more

proactively and did not act competitive aggressively. While at this point we showed the results for the influence of immature markets and unexploited opportunities on businesses' activities, the following section will reveal the results for the impact of these actions on businesses' performance.

Business success indicators results for the assumed positive impact

So far, we have presented relevant and supportive evidence for part of the sub-propositions moderated by the influences of immature market position and the unexploited business opportunities, showing the activities that these moderating factors influence. At this point, we will reveal the results for the last part of propositions referring to the business performance and success. Table 22 below presents software output, where the case C4 positive success indicators have been tested:

	A : Vivi Derm
Profitability Increase	1
Market share Increase	1
Number of employees Increase	0

Table 22: Case C4 positive success indicators Nvivo results

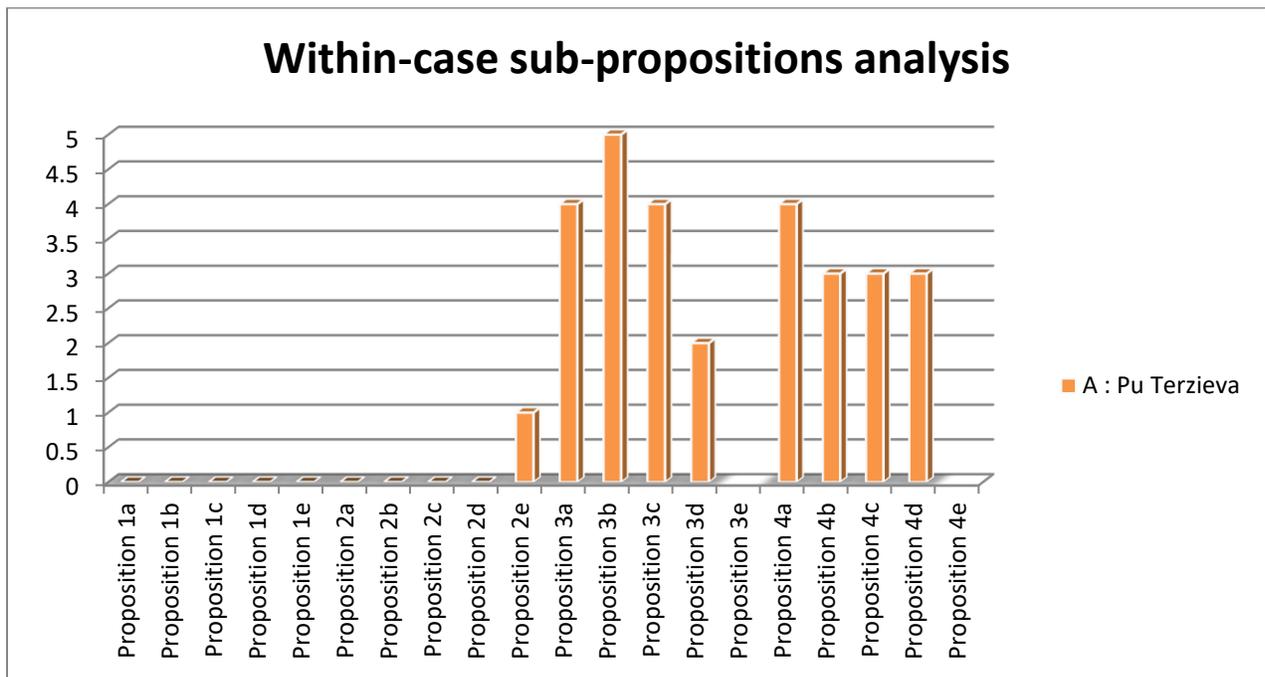
As indicated in the success results for case C4, data gave clear evidence for positive success trends for the profitability and market share indicators. However, case C4 revealed no supporting evidence to confirm an increase for the indicator of number of employees. This would complete the previous analysis of the sub-propositions which assume that immature market and unexploited opportunities have positive influence on business performance. However, the confirmation would mean that immature markets and unexploited market opportunities have initiated the stated business activities for sub-propositions 3a, 3b and 3d; and 4a, 4b and 4d, and these activities have positively contributed to the profitability and market share of the case C4.

Moreover, previous results of the sub-propositions 3a, 3b and 3d; and 4a, 4b and 4d have showed supporting evidence that under the conditions of immature market and unexploited opportunities case C4 has initiated more risky activities, has been prone to greater innovation, and has shown autonomy in the organization; and all these business actions have contributed to

increase in market share and increase in profitability of the private healthcare provider. However, the elaborated business undertakings has not shown positive contribution for the number of employees of case C4, since the supporting evidence indicate that the number of employees for case C4 has stayed constant throughout the past three years.

4.2.5 Case C5 - Terzieva

This section focus on the analysis of the twenty sub-propositions, incorporating the positions of limited resources, culture, immature market and the position of unexploited opportunities. Furthermore, the four established moderating forces have been tested on their influence on the business activities of risk taking, innovation, proactiveness, autonomy and competitive aggressiveness. The interview with the founder of case C5, Ms. Terzieva, provided sufficient data for case elaboration which was later incorporated in the qualitative analysis software. The results of the case C5 response to the tests of the five sub-propositions under the four different tyes of circumstances is illustrated in Graph 7 that follows.



Graph 7: Case C5 within case sub-propositions analysis

Results for the assumed negative impact on Entrepreneurial orienttion and busiess performance (sub-propositions 1a - 1e and sub-proposition 2a – 2e)

An interesting and surprising point for case C5 is that no sub-proposition from *proposition 1* has been provided with sufficient evidence for confirmation; meaning that no evidence has been found to confirm the negative influence of limited resources of company's entrepreneurial orientation dimensions. At this point of analysis, we may declare that no influence of limited resources phenomenon has been noticed on case C5's risk taking activities, innovation actions and market proactiveness, autonomy in organization or competitive aggressive actions. However, the section that follows will reveal the results of success performance indicators of case C5.

Regarding the five sub-proposition of proposition 2, referring to the negative impact of entrepreneurial culture on the business entrepreneurial activities and performance, case C5 revealed similar results. In fact, after coding and analysing data from case C5, supporting evidence has been provided only for one out of five sub-propositions. The confirmed sub-proposition follows:

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

More specifically, the findings showed that the unfavourable entrepreneurial culture had negative impact on the competitive aggressiveness of the company. Since the company does not take any aggressive actions towards competitors and presents no specific reasons behind this action, it may be concluded that it is result of general surrounding cultural circumstances. Regarding the issue of competitive aggressiveness, the founder has elaborated throughout he interview:

“We are constantly screening the market, but no concrete steps are taken to aggressively attack for other's market share. We invest in team advancement and in improving condition for our patients. Sophisticated and comfortable accommodation with highest quality service is what brings us an outstanding competitive advantage on the market. In fact, we are dedicated to own development and expansion, and that is the way in which we overtake patients from other private nursing homes.”

The section that follows will present the success performance indicators and will show if the presented entrepreneurial orientation actions had negative influence on the success position of case C5.

Business success indicators results for the assumed negative impact

Results from case C5 seem to bear the notion that the private nursing home is reluctant to negative influences of the positions of limited resources and unfavorable entrepreneurial culture. Since supporting evidence has been presented only for one sub-proposition, showing that the unfavorable entrepreneurial culture had negative effect over the competitive aggressiveness of case C5, evidence for the negative success position of the company will also be tested. Namely, the Table 23 that follows shows the results for testing the three success indicators of case C5 for their negative or constant position:

	A : Pu Terzieva
Profitability constant or decrease	0
Number of employees constant or decrease	0
Market share constant or decrease	0

Table 23: Case C5 negative success indicators Nvivo results

In fact, as it is evident from the presented results in the table, no evidence has been found to confirm the fact that case C5 has negative or constant success trends. Therefore, even though the entrepreneurial culture may have contributed to decline the level of competitive aggressiveness, it has not contributed to negative business performance of case C5.

Results for the assumed positive impact on Entrepreneurial orientation and business performance (sub-propositions 3a - 3e and sub-proposition 4a – 4e)

A plethora of observed evidence confirmed that case C5 has been driven forward by the positive influences of the Macedonian environment. In fact, the private nursing home Terzieva seems to be concentrated on the positive environmental factors, since majority of the sub-proposition regarding the positive influences have been confirmed throughout the interview process. In fact, evidence have been provided for four out of five sub-proposition regarding the immature market influences. The supported sub-proposition refer to the immature market influence on the activities connected to risk taking, incorporating innovation in the business, acting proactively on the private healthcare market and delegating autonomy throughout the organization. The confirmed sub-proposition 3a, 3b, 3c and 3d follow:

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

A considerable body of evidence has been built up threatening the positive impact of immature market position on the risk responsiveness in case C5. Supporting data show that the risk and uncertainty have been present in the business operations throughout the years of existence. In fact, the founder has even created two other start ups, which unfortunately have failed; one in the health sector and the other in gastronomy. However, these failures have not put her in a position to hesitate in taking additional risk in varied forms. Additional insights regarding risk in case C5 has been presented by the founder throughout the interview:

“Our employees are encouraged to make initiatives and are invited to apply for award for best idea and realized activity. Besides this, still most of the initiatives come from our team of founders and managers.”

Regardless the source of initiating activities with certain risk, still, data from this study provide sufficient supporting evidence to confirm that under the conditions of immature market, businesses are more dedicated to risking risks. Results from the study provided large body of evidence confirming that innovation is of utmost importance for entrepreneurial activities in case C5, thus fully confirming sub-proposition 3b. Supporting data have shown that IDILA TERZIEVA is actively looking for innovations and making things different. Although in its field, involvement of radical innovation would come with extremely high costs; the company is constantly looking for ways to improve ongoing operations and to involve new technology or new service when possible.

“We are keen on applying new technology in the facilities. That is the reason why we are often part of innovative projects named for innovative technology for elderly. In this direction, our company had a high tech robot that was able to communicate with the elderly and perform certain services for them. For instance, when patients’ relatives try to call, the robot was automatically going to the certain patient and connected a video call on the screen on its head.

Aside the basic communication possibilities, the robot was also able to give the patient a glass of water or a napkin. It has been a trivial experience. ”

Another example of innovation is the high tech bracelet the patients wear and at the same moment measure their saturation and blood pressure. Having continuous documentation of these data helps doctor's react with change in medical therapy and prevent hypertension and heart attacks. Backed up by such a rich sector experience, IDILA TERZIEVA is suitable partner with the research sector at the IT Faculty, and is on the way to take part in developing further technological innovations that would assist elderly in everyday activities and reduce medical problems.

Given the vast amount of evidence supporting the innovative dimensions of case C5, it becomes fairly evident that case proactive market approach is followed by positive trends as well, therefore confirming sub-proposition 3c. In fact, findings indicate that influenced by the immature market as initial surrounding, the company has tendency to be first on the market in introduction of new services or implementation of new technology since the beginning of its foundation. As Ms. Terzieva explained throughout the interview process:

"TERZIEVA has been the first private nursing home in the country. At that time Macedonia did not possess a law for regulation of nursing homes as special social institutions, so we have been working with the Government and the ministry of social affairs to give the core insights into creation of an appropriate law for our sector. Our new facility is also the first on the market as specialized center for dementia and Alzheimer. ”

Founder in case C5 has also attributed high importance for the autonomy in the organization, therefore strongly confirming sub-proposition 3d. As data shows although the key decision that ask for serious financial backup are most often made by the founders of the company, there are several ways in which founders trace autonomy through the team members. Therefore, as the founder explained, there is an established mechanism for making decision regarding ongoing operations and services, so the team itself makes decision by a process of voting. Furthermore, the founders are always open for proposals and discussion at the regular meetings that are held twice a month, so staff has the opportunity to suggest initiatives and support the same with sound arguments. At this meetings decisions come from both the staff and the founders simultaneously.

Case C5 has failed to provide supporting evidence for confirmation of sub-proposition

3e, that shows that the position of immature market positively influence business competitive aggressive activities. As case data has provided sufficient evidence to confirm that the immature market positively influences almost all entrepreneurial orientation dimensions, still, the next section will reveal the financial consequences out of these entrepreneurial actions.

Furthermore, regarding the five sub-propositions that concern the positive impact of the unexploited market opportunities on the entrepreneurial activities (risk taking, innovation, proactiveness, autonomy and competitive aggressiveness), the private nursing home TERZIEVA revealed the following results. Namely, case C5 has provided evidence for four out of five sub-propositions treating unexploited market opportunities as moderating factor:

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

As evident from the study results displayed in Graph 7, risk taking has been found to be highly supported by evidence provided by case C5, while analysing sub-propositions of proposition 4 referring to the influence of the unexploited opportunities. In that direction, the founder has argued:

“It is often the case that the risky undertakings come from the top, but what is also important is that they are straightforwardly accepted and realized by the team. The role played by the sector experience and the great number of patients served is of utmost importance, most predominantly for the open possibility to make exploration of new opportunities through the observation of current and new patients’ demands.”

Similarly, the findings of the study provide compelling evidence that support sub-proposition 4b, confirming that at condition of unexploited market opportunities, the business is keen on initiation more innovative activities. Besides the vast examples of technological innovation implementations in the facilities, case C5 has provided evidence for introduction of innovation in everyday activities and organization. One of the ways it makes things different

from competition is dedication for its team development. Therefore, the company is unique in the sector by having employed a full time doctor, have licenses all of the caregivers in the team, and has biggest and most professional team of physiotherapists. Furthermore, the nursing home is unique by the international exchange of experience that it practices. For instance, last year, a team of six people have visited seven nursing homes in Netherland specialized in Alzheimer and dementia, and after the training they get there they transferred the knowledge in building the new facility of IDILA TERZIEVA which is the first of this kind in Macedonia and in the region.

Findings from case C5 show support for sub-propositions 4c and 4d as well. Correspondingly, this indicates that under the conditions of unexploited market opportunities, the business takes more proactive approach on the market, and at the same time, acts more autonomously within the organization. Regarding the proactive stance of case C5, the founder has elaborated further:

“IDILA TERZIEVA is the first on the market to offer care of elderly in their homes and is actively serving 90 families in the central municipality of Skopje. The educational center for licensing caregivers has also been the first of this kind in the field and is constantly improving and increasing the number of programs and courses offered. And finally, the specialized nursing home for Alzheimer and dementia is a project that the founders are especially proud of and makes them absolutely recognizable as leader in the sector with tremendous expertise and experience. “

Corresponded to the view of positive autonomy trends in the company, the founder had explained that the politics of the company is to invest in staff members and make them strong enough to be able to work autonomously. The only sub-proposition that failed to receive support from the data from case C5 is sub-proposition 4e, meaning that no evidence has been found to confirm that under the conditions of unexploited market opportunities, business has been acting competitive aggressively on the market. The corresponding performance results of the stated entrepreneurial activities are presented in the section that follows.

Business success indicators results for the assumed positive impact

So far, we have presented a sound amount of evidence for part of the sub-propositions moderated by the influences of immature market position and the unexploited business opportunities. At this part, we will reveal the results for the last part of propositions referring to

the business performance and success. Table 24 below presents software output, where the case C5 positive success indicators have been tested:

	A : Pu Terzieva
Profitability Increase	1
Number of employees Increase	1
Market share Increase	1

Table 24: Case C5 positive success indicators Nvivo results

As the results show, data from the case C5 gave clear evidence for positive success performance. This would complete the previous analysis of the sub-propositions which assume that immature market and unexploited opportunities have positive influence on business performance.

In sum, previous results of the sub-propositions 3a, 3b, 3c and 3d; and 4a, 4b, 4c and 4d have showed supporting evidence that under the conditions of immature market and unexploited opportunities case C5 has initiated more risky activities, has shown extraordinary innovation dedication, has shown market proactiveness and have practiced autonomy throughout the organization; and all these business actions have contributed to positive business performance. To clarify further, the elaborated business undertakings have contributed to increase in profitability during the last three years. Results from the study also show that the positive influence have pushed the number of employees upward and have increased the market share.

4.2.5.1 Case C5 – within case survey analysis

This section presents results from the survey conducted among ten employees from case C5- Private nursing home TERZIEVA. The aim of this combination of research techniques is to make comparison between the results of the interview with founder regarding the five entrepreneurial dimensions and the factors affecting their direction; and the employees' view on the same phenomenon. Taking into consideration that the notion of entrepreneurial orientation and its innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness elements has been elaborated as organizational level factors rather than founder's responsibility, it is of utmost importance to enrich this research with empirical data that might confirm this

concept. Therefore, at this point, we will compare the confirmed and proved sub-propositions regarding the five dimensions (innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness) and the means that are results of the survey conducted among the employees regarding the same issues. Participants had the opportunity to evaluate each of the statements on a Likert scale ranging from 1-“strongly disagree” to 7 - “strongly agree”. For the purpose of this study, we consider mean above 4 to be relevant for confirmation of the indicated business activities that are under observation. The statements for evaluation of the risk taking activities of the company as well as the corresponding means are presented in Table 25.

Question - Statement for evaluation	Case C5 employees survey results
	Means
Risk taking	
The term risk taker is considered as positive attribute for the people in our business	5,7
People in our business are encouraged to take calculated risks with new ideas	6,3
Our business emphasize both, exploration and experimentation for opportunities	5,9
Overall mean for risk taking dimension	6,0

Table 25: Case C5 risk taking activities survey results

Results from the table clearly indicate that employees from case C5 has rated risk taking activities of their company relatively high, with an average mean of 6.0. The study shows that the team of TERZIEVA considers risk taking as positive attribute for the people in the company, and that business empathizes both, exploration and exploitation of business opportunities. Moreover, with a mean of 6.3, employees supported the view that they feel encouraged to take calculated risk while expressing new ideas. This is completely in relation to founders statements, who confirmed during the interview that at conditions of immature markets and unexploited business opportunities, businesses take more risk, which has positive influence to SMEs success. The success indicators of case C5 have been presented in the preceding section and explicitly confirm the validity of the confirmed propositions.

Survey results from case C5 has also shown significantly positive results regarding the innovativeness dimension of the entrepreneurial orientation. With means above 6.0, employees have indicated that they actively introduce innovations in the business; they consider the business to be creative in working methods and they declared that the company has introduced

large numbers of new services during the last three years. Results with the means of the indicated statements for evaluation of innovation dimensions are presented below.

Question - Statement for evaluation	Case C5 employees survey results
Innovation	
We actively introduce improvements and innovations in our business	6,7
Our business is creative in the methods of operations	6,1
Our company has introduced large number of new lines of products and services in the last three years	6,2
Overall mean for innovativeness dimension	6,3

Table 26: Case C5 innovativeness activities survey results

Moreover, throughout the interview process, the founder of case C5 has also confirmed that at conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success. This confirmation of presence of innovative activities is fully in line with the employees' views on the innovative processes in the company. The corresponding success results are also confirmed to be positive as indicated in the previous section.

Moreover, proactiveness, as entrepreneurial dimension, has also been highly acknowledged among the people in the company, although slightly lower than risk taking and innovation, with an average mean of 5.7. At this point, employees confirmed that they are actually constantly looking for new opportunities related to current operations and that the company is usually the first to introduce new services on the market. Slightly lower, with a mean of 5.2, employees evaluated the statement that operations in later stages of life cycle are strategically eliminated. Survey results from case C5 regarding the proactiveness elements are indicated in Table 27.

Question - Statement for evaluation	Case C5 employees survey results
Proactiveness	
We are constantly seeking new opportunities related to present operations	6,0
We are usually the first ones to introduce new brands or products in the market	6,0
Operations in later stages of the life cycle are strategically eliminated	5,2

Overall mean for proactiveness dimension	5,7
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Table 27: Case C5 proactiveness activities survey results

Survey results correspond fully to the founder’s arguments that confirm that at conditions of immature markets and unexploited business opportunities, businesses act more proactively, which has positive influence to SMEs success; therefore confirming sub-propositions 3c and 4c. Here, it is contended that the presence and initiative of proactive activities are confirmed by both, founder and the employees of case C5.

Moreover, the elements of autonomy in the company have also been supported by the employees, however, slightly less enthusiastically with an overall mean of 5.2. While they rated relatively high the notions that the managers believe that the best results are reached when individuals and teams decide for themselves; and that the company supports individuals that work autonomously, with means near to 6.0; the statement that individuals may pursue business opportunities without referring to the supervisors has been rated lower as 4.3. Referring to the fact that results with mean over 4.0 are considered relevant to be correct for this study, one may conclude that all three autonomy statements are relevant for further comparison. Table 28 presents survey results regarding autonomy issues for case C5.

Question - Statement for evaluation	Case C5 employees survey results
Autonomy	
In general, the top managers of my firm believe that the best results occur when individuals and/or teams decide for themselves what business opportunities to pursue.	5,9
In my firm: Individuals and/or teams pursuing business opportunities make decisions on their own without constantly referring to their supervisor(s).	4,3
My firm supports the efforts of individuals and/or teams that work autonomously	5,5
Overall mean for autonomy dimension	5,2

Table 28: Case C5 autonomy activities survey results

Coding and analysis of the data from the interview with the founder supported the confirmation of sub-propositions 3d and 4d, therefore confirming that at conditions of immature markets and unexploited business opportunities, business act more autonomously, which has positive influence to SMEs success. The analysis of the performance indicators for case C5 has also been positive confirming that these activities have contributed to increased profitability of

the company, increased market share and expended number of employees. Ultimately, findings show cohesion among the employees' and founders' views on autonomy issues.

Furthermore, Table 29 presents case C5 survey results regarding competitive aggressiveness issues. As indicated in the table, employees have rated the two competitive activities relatively low, in fact with means below 4.00. Employees indicated no support for the statements that the company is intensively competitive, nor that it has experienced many competitive actions in the past three years. However, this is consistent with the interview results, since data from the interview with the founder provided no support for sub-propositions stating that the business takes competitive actions and contributes positively to business performance. In particular findings confirm that competitive aggressiveness is not part of case C5 strategic plans and actions.

Question - Statement for evaluation	Case C5 employees survey results
Competitive aggressiveness items	
My firm is very aggressive and in- tensely competitive	3,9
My firm has experienced many competitive action to take business from competitors in the last three years	3,6
Overall mean for competitive aggressiveness dimension	3,75

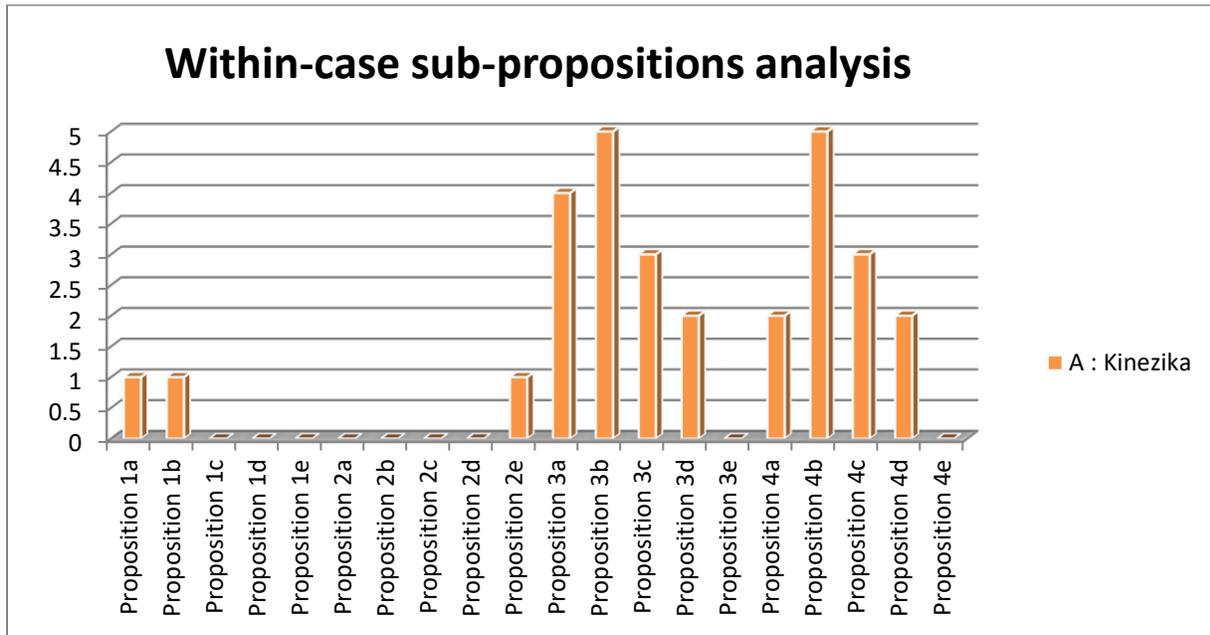
Table 29: Case C5 competitive aggressiveness activities survey results

Building on this consistency of results, we found fully compliance among employees' and founder's views on all five entrepreneurial orientation issues. Therefore, while both, employees and founder consider that the company is performing well regarding the risk taking, innovation, proactiveness and autonomy issues; they also agree that the company makes little efforts to perform competitive aggressive on the market.

4.2.6 Case C6 - KINEZIKA

Assisted by the Nvivo software for qualitative we proceeded with coding and analyzing data of case C6 and delivered results for the twenty sub-propositions, meaning elaborating if the set relationships are confirmed to be correct, or activities have been performed differently. The

results of the case C6's response to the tests of the five sub-propositions (referring to risk taking, innovation, proactiveness, autonomy and competitive aggressiveness) under the four different types of circumstances (limited resources, entrepreneurial culture, immature market and unexploited opportunities) is illustrated in Graph 8 that follows.



Graph 8: Case C6 within case sub-propositions analysis

4.2.1.1. Results for the assumed negative impact on Entrepreneurial orientation and business performance (sub-propositions 1a - 1e and sub-proposition 2a – 2e)

Generally, results from case C6 regarding the negative influence of the position of limited resources and entrepreneurial culture, seem to bear the notion that these two forces do not have great impact on C6's business activities. In this direction, findings from the study show that only two out of five sub-propositions regarding the limited resources moderating effect are confirmed. The supported sub-propositions are presented below:

Proposition 1a: At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.

Proposition 1b: At conditions of limited resources, businesses initiate less innovation, which has negative or no influence to SMEs success.

Case C6 has demonstrated that the limitation of available resource has been the main obstacle to greater investments which would lead to greater innovative and risk taking activities. Regarding these issues, the founder of case C6, Dr. Dimitrov, has explained:

“In absence of additional resources for investment in trainings, education, staff and equipment we are not able to use our full potential and exploit additional opportunities”.

Moreover, the research showed no support to any of the sub-propositions of proposition 2 that reflect the influence of the entrepreneurial culture on business activities connected to the entrepreneurial orientation dimensions and referring to risk taking, innovation, proactiveness, autonomy and competitive aggressiveness. Consequently, case C6 showed to work in isolation of the unfavourable entrepreneurial culture and it has no significant influence on its activities and performance. The section that follows presents the results of the performed activities of sub-propositions 1a and 1b, and how these activities have influenced case C6’s business performance.

4.2.1.1.1. Business success indicators results for the assumed negative impact

So far, we have presented evidence two sub-propositions moderated by the influences of limited resources. In this section, we will present the results for the last part of propositions referring to the business performance and success. Table 30 below presents software output, where the supporting facts for case C6’s negative success indicators regarding the profitability, market share and the number of employees are presented:

	A : Kinezika
Profitability constant or decrease	0
Number of employees constant or decrease	1
Market share constant or decrease	0

Table 30: Case C6 negative success indicators Nvivo results

Success indicators results show no evidence to support the notion that the position of limited resources provides decrease or stagnation in profitability and in the position of the market share. However, negative or results of stagnation has been found in the position of number of employees, meaning that the number of employees has either decreased or stayed constant during the past three years. Therefore, regarding the results of our study, partial evidence have been provided to show or confirm negative business performance, however, meaning that the limited resources have been powerful for making certain business decisions and they have negatively contributed to business performance of case C6 regarding the of number of employees indicator.

Nevertheless, as results of the sub-propositions 1a and 1b have showed supporting evidence that under the conditions of limited resources case C6 has shown decreased level of taking risk and lower level of innovation activities; in fact, all these actions showed also to have negative impact on business performance as well, affecting the number of employees' indicator.

4.2.1.2 Results for the assumed positive impact on Entrepreneurial orientation and business performance (sub-propositions 3a - 3e and sub-proposition 4a – 4e)

Considering the results from the previous section regarding the minor negative moderating effects of limited resources and entrepreneurial culture, it becomes evident that case C6 is more sensitive and responsive to the positive environmental forces, when channeling its entrepreneurial actions. Therefore, while analyzing case C6's data in relation to the assumed positive impact of the initial immature market, supportive evidence have been provided for four out of five sub-propositions. The confirmed sub-propositions regarding immature market influence follow:

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

Study results have indicated that the position of immature market had greatest influence on the risk taking and the innovation activities for case C6. A large body of data provided evidence that under the condition of immature market, the business initiated more risky activities and had been more prone to innovative actions, therefore fully confirming sub-propositions 3a and 3b. Regarding the risk dimension of entrepreneurial orientation of the business, the founder has elaborated throughout the interview:

“In KINEZIKA, risk is part of everyday operations. The delicate operations we are performing on daily basis, working directly on patients' nerves, as in the case of medical acupuncture, hold a level of risk in themselves.”

As the founder explained further, besides the risk in everyday activities, the financial risks are also present by leveraging resources for business formation as well as for business development, as investment in new equipment with uncertain performance outcome.

With regards to the innovative elements of the business the founder explained that the services that the company has introduced in the past three years have doubled in number and present real innovation for the Macedonian market. Although transferred as knowledge from abroad, still, they present something new and innovative for the Macedonian patients. A special innovative element has been the Chinese taping. This technique has been recognized as miracle of elastic self-adhesive tape – and it successfully treats muscle and joint problems, but it is also widely used in the treatment of migraine, swelling and is used as a preventive measure in recreational and professional sports. Another innovation in the business which is totally different from other legally established private practices in physiotherapy is the ability to offer treatments in patients' homes. This additionally adds value to the clients who are not able to physically visit the office due to disability or temporary injury. These arguments lead directly to support to the proactive activities on the market, therefore clearly confirming sub-proposition 3c, indicating that under the conditions of immature market, business act more proactively. In this direction, the founder had clarified:

“KINEZIKA is operating in a field under the influence of constant global change and improvement. Therefore, our business tends to lead trends and always to offer the best and most sophisticated services to its clients. In that direction, our office has been the first in Macedonia to introduce the Yumeiho massage and number of other novel operations and services. “

Furthermore, the sub-proposition 3d has also received considerable support, by indicating that the importance of professionalism and accountability has been especially highlighted. The founder has further explained that each physiotherapist should continually work on his self-improvement and take full responsibility for the operations done. Therefore, one may certainly conclude that autonomy is widely present in the company and openness and cooperation are highly valued.

The position of unexploited market opportunities has provided similar positive influence to entrepreneurial dimensions regarding risk taking, innovation, practiveness, autonomy and competitive aggressiveness, while confirming four out of five sub-propositions:

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk,

which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

Results show that the unexploited market opportunities had greatest impact on the risk taking propensity of the business and the innovation dimension of the entrepreneurial orientation. Regarding sub-proposition 4a concerning the risk elements of the business, evidence from case C6 support the notion that the business is continually taking risky activities, ranging from risk in everyday operations to financial risks concerning business formation as well as business development, as investment in new equipment with uncertain performance outcome. Moreover, sub-proposition 4b regarding business innovation actions has been fully supported. As it reveals within the case, the business has always been among the first private practices in physiotherapy to introduce novelties on the market. An excellent example would be the home-oriented service, the medical acupuncture and varied types of special massage and treatments. Following the arguments concerning high innovations on the market and the outlined courage for risky undertakings, leads to confirmation of the expected proactive market approach. Therefore, while giving full support to market proactive stance of the business and confirmation of sub-proposition 4c, the founder has clarified:

“Our business tends to lead trends and to offer the best and most sophisticated services to its clients. In that direction, our office has been the first in Macedonia in introduction new and contemporary services connected to our field of operations. Besides, due to the inability to perform all the activities with the relatively small number of employees in the team we make regular adaptation of services and eliminated old methods and treatments as well as the one that involve complicated procedures and may be replaced by simpler and more sophisticated.”

Furthermore, the founder has recognized that long term success must be built on professionalism and superior team-work. Open dialog and openness for new ideas and activities is what makes KINEZIKA’s performance moving straightly forward. Following this argument and outlining the importance of self-improvement and responsibility for the performance in

everyday operations give full support to company autonomy position. Findings confirm that at position of unexploited market opportunities, the business act more autonomously, therefore confirming sub-proposition 4d.

4.2.1.2.1 Business success indicators results for the assumed positive impact

Up to this point, we have presented relevant and supportive evidence for majority of the sub-propositions moderated by the influences of immature market position and the unexploited business opportunities, showing the activities that these moderating factors influence. At this point, we will reveal the results for the last part of propositions referring to the business performance and success. Table 31 below presents software output, where the case C6 positive success indicators have been tested:

	A : Kinezika
Profitability Increase	1
Number of employees Increase	0
Market share Increase	1

Table 31: Case C6 positive success indicators Nvivo results

As results show, data from the case C6 gave clear evidence for positive success trends for the profitability and market share indicators. However, case C6 revealed no supporting evidence to confirm an increase for the number of employees. This would complete the previous analysis of the sub-propositions which assume that immature market and unexploited opportunities have positive influence on business performance. However, the confirmation would mean that immature markets and unexploited market opportunities have initiated the stated business activities for sub-propositions 3a, 3b, 3c and 3d; and 4a, 4b, 4c and 4d, and these activities have positively contributed to the profitability and market share of the case C6.

Moreover, previous results of the sub-propositions 3a, 3b, 3c and 3d; and 4a, 4b, 4c and 4d have showed supporting evidence that under the conditions of immature market and unexploited opportunities case C6 has initiated more risky activities, has been devoted to greater innovation, and has shown relatively high market proactiveness and autonomy in the organization; and all these business actions have contributed to increase in market share and increase in profitability of the private healthcare provider. However, the elaborated business

undertakings has not shown positive contribution for the number of employees of case C6, since the supporting evidence indicate that the number of employees for case C6 has stayed constant throughout the past three years.

Within case analysis summary

Significant research effort has been needed to analyze the twenty sub-propositions within each of the six cases. The quantitative data from the surveys among the employees of three of the companies has additionally enriched research analysis. Generally, the results seem to bear the notion that businesses are more prone to receiving the positive impacts from the immature markets position and the benefits of the unexploited market opportunities; and are less vulnerable to the unfavorable entrepreneurial culture and the limitation of available resources. Although the limitation of resources has shown to have great impact on entrepreneurial activities, especially in the sphere of innovation and proactiveness on the market, the lack of significance of association between the limitation of resources and the negative business performance, has eliminated confirmation of certain sub-propositions concerning this issue. A summary of the study results is also displayed in the table below. The “√” sign indicates that certain sub-propositions has been confirmed for the corresponding case, whereas the color indicates that the sub-proposition has been confirmed only in the part that the moderator has provided influence for performance of certain entrepreneurial activities, however, no association with the indicated business performance has been found. In sum, only the sub-proposition that have been fully supported to have both, influence over the business activities and proved influence over business performance are validated in this study.

Sub-propositions	Cases					
	C1	C2	C3	C4	C5	C6
Proposition 1a : At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.				√		√
Proposition 1b : At conditions of limited resources, businesses initiate less innovation, which has negative or no influence to SMEs success.			√			√
Proposition 1c : At conditions of limited resources, businesses act less proactively, which has negative or no influence to SMEs success.			√	√		
Proposition 1d : At conditions of limited resources, business act less autonomously, which has negative or no influence to SMEs success.			√			
Proposition 1e : At conditions of limited resources, businesses act less competitive aggressively, which has negative or no influence to SMEs success.				√		
Proposition 2a : At conditions of unfavourable entrepreneurial culture businesses take less risk, which has negative or no influence to SMEs success.				√		
Proposition 2b : At conditions of unfavourable entrepreneurial culture, businesses initiate less innovation, which has negative or no influence to SMEs success.						
Proposition 2c : At conditions of unfavourable entrepreneurial culture, businesses act less proactively, which has negative or no influence to SMEs success.				√		
Proposition 2d : At conditions of unfavourable entrepreneurial culture, business act less autonomously, which has negative or no influence to SMEs success.				√		
Proposition 2e : At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.			√	√		
Proposition 3a : At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.	√	√	√	√	√	√
Proposition 3b : At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.	√	√	√	√	√	√
Proposition 3c : At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.	√	√	√		√	√
Proposition 3d : At conditions of immature markets, business act more autonomously, which has negative or no influence to SMEs success.	√		√	√	√	√
Proposition 3e : At conditions of immature markets, businesses act more competitive aggressively, which has negative or no influence to SMEs success.						
Proposition 4a : At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.	√	√	√	√	√	√
Proposition 4b : At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.	√	√	√	√	√	√
Proposition 4c : At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence to SMEs success.	√	√	√		√	√
Proposition 4d : At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.	√		√	√	√	√
Proposition 4e : At conditions of unexploited market opportunities, businesses act more competitive aggressively, which has positive influence to SMEs success.						

Table 32: Sub-propositions confirmation across cases

4.3 Cross case analysis

Previous sections presented the examination of the twenty sub-propositions on a single-case level, therefore conceptualizing the within-case analysis. In fact, the twenty patterns we have identified between the five entrepreneurial orientation dimensions (risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness) and the business success of the selected private healthcare providers have been examined under the influences of limited resources, unfavourable entrepreneurial culture, immature markets and unexploited opportunities. Extensive research efforts have been needed to provide the detailed within-case analysis and to decide on the credibility of the set sub-propositions based on the coded data from the cases. Sub-propositions that have been supported by sufficient evidence have been outlined as true and confirmed. At this point, a cross-case analysis follow, that would examine, detect and compare the similarities and differences of these patterns across the six cases. For that purpose, following the results of the within-case analysis, each of the set sub-propositions would be separately examined and compared across cases in order to determine if the literal replication has been assured. First, we will proceed with the sub-propositions presenting the negative influence of the limited resources on the entrepreneurial dimensions, therefore on the business success respectfully. The set of propositions regarding limited resources follows:

Proposition 1a: At conditions of limited resources, businesses take less risk, which has negative or no influence to SMEs success.

Proposition 1b: At conditions of limited resources, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 1c: At conditions of limited resources, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 1d: At conditions of limited resources, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 1e: At conditions of limited resources, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Sub-proposition 1a refers to the negative influence the limited resources have on the risk taking activities of the businesses and that these actions correspond to negative influence over the business success. Results from the study show that this notion holds for two out of the

six elaborated cases. In fact, only case C4 and case C6 have provided sufficient evidence to confirm that the limited resources affect negatively their performance through decreased level of risk taking activities. Moreover, success indicators show that these negative effects are reflected in the number of employees success indicator that has failed to show positive trends for cases C4 and C6. Moreover, even though case C1 has demonstrated that the limitation of resources has negatively affected its risk taking activities; further analysis has failed to confirm their negative influence over the company's performance results. Contrary to the results expected, only two out of six cases cited limited resources as limitation for their innovativeness and connected it to negative end results. In fact, case C3 and case C6 confirmed this patterns, therefore explaining that experiencing a lack of available resources, prevents these companies from initiating the desirable level of innovation. Moreover, doctors from case C3 explained the that the limitation of available resources initially affect their ability for additional employments, therefore explaining that they are overwhelmed by clients' demands and no space has been left for additional innovative activities. Results regarding the limited resources impact over the proactive activities of the business, therefore examined through sub-proposition 1c, showed similar trend. Namely, the negative effects of the limitation of resources on the proactiveness of the business have been recognized by two of the six examined cases, therefore case C3 and case C4. Moreover, these cases indicated the awareness that the proactive market approach comes with high costs. Consequently, due to the inability to invest time, effort and finances in such undertakings, the companies have been rarely the first to introduce new products or services to the market.

In terms of autonomy, only one case conceded that the position of limited resources has negatively affected its autonomy position within its organization. In fact, sub-proposition 1d, had received sufficient evidence for confirmation only by case C3, supported by the fact that strategic choices are frequently connected to financial risk and are commonly made by the founder himself, therefore eliminating the employees' autonomous position regarding new ideas realization or risk connected undertakings. Moreover, although case C2 has recognized decreased autonomous positions as result of unavailable resources, however, this study failed to connect this company position with negative effects on the success of the company.

Furthermore, all six cases have demonstrated low response to the competitive aggressiveness pattern presented in sub-proposition 1e. Moreover, taking into consideration the fact that all six cases build their reputation and competitive position on the market building on

their quality in service provided, education and additional trainings for development; the lack of resources may be easily connected to negative impact on their competitive position. However, only case C4 has provided enough supporting data to confirm that these negative effects on the competitive position, in fact, transmitted to the negative effects on the final performance results.

Finally, majority of the cases noted instances of negative influence of the position of limited resources on their entrepreneurial activities regarding the five entrepreneurial orientation dimensions, risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness. However, very few cases were able to prove that this negative influence over the listed entrepreneurial activities actually has negative influence over the final performance results. Generally, the negative impact of limited resources as moderating force for the entrepreneurial orientation of the companies failed to provide replication of the results across the six elaborated cases.

Furthermore, we will proceed with the sub-propositions presenting the negative influence of the unfavourable entrepreneurial culture on the entrepreneurial dimensions, therefore on the business success respectfully. The set of propositions regarding entrepreneurial culture is presented below:

Proposition 2a: At conditions of unfavourable entrepreneurial culture businesses take less risk, which has negative or no influence to SMEs success.

Proposition 2b: At conditions of unfavourable entrepreneurial culture, businesses initiate less innovation, which has negative or no influence to SMEs success.

Proposition 2c: At conditions of unfavourable entrepreneurial culture, businesses act less proactively, which has negative or no influence to SMEs success.

Proposition 2d: At conditions of unfavourable entrepreneurial culture, business act less autonomously, which has negative or no influence to SMEs success.

Proposition 2e: At conditions of unfavourable entrepreneurial culture, businesses act less competitive aggressively, which has negative or no influence to SMEs success.

Contrary to the expected findings, the impact of entrepreneurial culture on the entrepreneurial orientation activities has shown to be almost insignificant. In essence, the study failed to secure replication of results for any of the set sub-propositions. In fact, sub-proposition 2a, indicating that at conditions of unfavourable entrepreneurial culture businesses take less risk which has negative or no influence to SMEs success has been supported only by case C4. In

relation to this, case C1 has explained that the unfavourable entrepreneurial culture affects its risk taking activities, however, the study failed to connect this position with negative performance results. Moreover, no case conceded that the unfavourable entrepreneurial culture had provided negative influence to its innovative activities and success, correspondingly. The findings clearly suggest that private healthcare businesses are not sensitive to the negative impact of the entrepreneurial culture when proceeding with innovative activities. Moreover, the negative cultural impact on the proactiveness and autonomy of the businesses presented through sub-propositions 2c and 2d, has been also supported only by case C4, indicating that the private office is seldom acting proactively on the market, since competition is high, and no additional trigger has motivated the company to take more advanced proactive stance. However, the negative entrepreneurial culture has provided greatest impact on the competitive aggressiveness of the companies. In fact, these negative effects have influenced the activities of five of the six elaborated cases, although its negative effect on the performance indicators has been confirmed only in case C3 and case C4. Supporting facts to this thesis are numerous. For instance, the founder of one of the cases has explained that they prefer to stay small in order to keep the control over the quality of service they provide, assuming that the increased quantity of operations would negatively affect the end results to customers. Another case has indicated that they have always attempt to work sound and peacefully, rather than act competitively in a manner to confront bigger players in the field. Findings show that private healthcare businesses focus primarily on the medicine segment of their company, rather than on the business side of the same, therefore, conflicts and competitive actions are not part of their strategic acting.

Nonetheless, on the whole, founders from all the six cases have experienced relatively low negative cultural impact on their entrepreneurial undertakings regarding risk taking, innovation, proactiveness and autonomy within the organizations. However, the cultural impact on the competitive aggressiveness of the business has shown to be most dominant over companies' activities, however, still, not so influential to final performance results.

However, all six cases have emphasized the positive impact of the position of immature market that surrounds the private healthcare providers. Besides, it reveals across cases that replication of the results has been reached for majority of the sub-propositions incorporating this issue. Sub-propositions that refer to immature market influence over the entrepreneurial orientation dimensions and correspondingly to the success of the selected companies follow.

Proposition 3a: At conditions of immature markets, businesses take more risk, which has positive influence to SMEs success.

Proposition 3b: At conditions of immature markets, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 3c: At conditions of immature markets, businesses act more proactively, which has positive influence to SMEs success.

Proposition 3d: At conditions of immature markets, business act more autonomously, which has positive influence to SMEs success.

Proposition 3e: At conditions of immature markets, businesses act more competitive aggressively, which has positive influence to SMEs success.

In particular, all six cases have clearly confirmed sub-proposition 3a, therefore indicating that at conditions of immature markets businesses takes more risk and that it has positive influence to SMEs success. The supporting evidence behind this affirmation holds on the facts that the immature market has motivated and encouraged private healthcare companies to get involved in greater number of risky undertakings. Simply, the immaturity of the market, through the wide range of opportunities has motivated companies to explore and exploit more, therefore including risk at any of these actions. As the founder of case C6 has elaborated throughout the interview, they base future steps on the valuable experience from the patients served, but also on the world leading trends in their sphere of interest. The preparation of the selected companies to take sound level of risk has also been demonstrated through founders' choice to establish private healthcare office rather than being/staying employed in the state hospitals; their preparation to finance the business through all of their savings and to leverage their homes in order to secure loans from the banks; as well as constantly looking for ways to secure funding for new equipment and trainings for development.

Naturally, the increased level of risk taking activities has shown to be closely connected to the innovativeness of the companies, since all of the six cases have experienced increased level of innovation as well. In fact, all cases have exuded high level of innovativeness in their businesses, therefore fully confirming that at conditions of immature market businesses initiate more innovation and it positively affects SMEs success. Initially, case C1 has shown an accountable use of new and innovative technology to improve internal operation processes and to retain patients satisfied. Moreover, the founder of the company in the case C2 has started to

introduce innovations in the practice intuitively, encouraged by everyday operations intending to offer comprehensive service to future and present patients in need. Besides, another way to introduce innovation in the business has been demonstrated by case C4 and case C6 by imitation of international best practices. In this manner, they tend to apply as much as possible more sophisticated methods and services, which may not be a revolution for the advanced countries, but are new and interesting on a local level. As further explained in case C5, although frequently involvement of radical innovation would come with extremely high costs, the company is constantly looking for ways to improve ongoing operations and to involve new technology or new service when possible.

In addition to the high level of risk taking and innovative activities, five of the six elaborated cases have demonstrated high level of proactiveness on the market as well. Namely, the majority of the cases have clearly demonstrated that at conditions of immature markets businesses act more proactively and it has positive contribution to business success. Findings show that the immature position of the market additionally encourages business constantly to look for new opportunities and acting in entrepreneurial manner, to be first on the market with introduction of novel products and services. Moreover, their proactive stances have been also demonstrated through regular adaptation of services, therefore elimination of old methods and treatments as well as the one that involve complicated procedures and may be replaced by simpler and more sophisticated. Case C4 has been the only case that failed to provide supporting evidence for its proactiveness and its influence to end performance results. This may be result of the highly competitive surrounding and the inability to outperform rivals in introduction of innovations and novelties on the market. As the founder explained in the interview, they tend to follow trends, but competitors follow trends as well, so case C4 has failed to build outstanding proactive market position.

The autonomy, as entrepreneurial orientation dimension, has also shown to have valuable position within the selected companies. In essence, five of the elaborated cases have confirmed that the immature market position has positively impacted the autonomy in their companies and have experienced positive contribution to performance. The immature market potential to explore more possibilities, strategically plan new undertakings and the increased level of diversity in operations has significantly encouraged founders to build a team that would work responsibly and autonomously in order to achieve company's goals. Founders from the five cases

supporting this notion have explained that team work is highly encouraged and performed in managing the health units. Even though final decisions are mainly made by the founders, they encourage employees' participation and are willing to delegate more of their responsibilities. Their leadership style is based on democracy and inclusion, showing understanding and tolerance for mistakes made during employees' performance, accompanied by advices how to execute better. Case C2 has been the only case that failed to demonstrate autonomous processes within the private healthcare unit and to support its positive impact on the final performance results. As the founder of case C2 has elaborated throughout the interview, besides the fact that employees are encouraged to take innovative actions and to contribute to improving policlinic performance, it seems that there is still a lot of room to work on initiating new ideas from the bottom up in the hierarchy.

It prevails across cases that the immature market showed no influence over the competitive aggressive position of the businesses and its corresponding success results. Namely, all the six elaborated cases have failed to demonstrate that at conditions of immature market, businesses act more competitive aggressively. The six elaborated cases have generated a massive evidence that these companies lack competitively aggressive actions, and have totally eliminated this entrepreneurial orientation dimension from their strategic plans and actions.

Results from this study have revealed that the immature market influence over the dimensions of risk taking, innovation, proactiveness and autonomy within the companies have been fully confirmed and result could be replicated. However, the market influence over the companies' aggressiveness toward competitors, presented through sub-proposition 3e, was not supported by any of the selected cases.

Correspondingly, sub-propositions presenting the influence of the unexploited market opportunities over the businesses' risk propensity, innovative actions, proactiveness on the market, autonomy within organization and aggressiveness toward competitors would be analyzed across cases. The sub-proposition referring to these issues are presented.

Proposition 4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence to SMEs success.

Proposition 4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence to SMEs success.

Proposition 4c: At conditions of unexploited market opportunities, businesses act more

proactively, which has positive influence to SMEs success.

Proposition 4d: At conditions of unexploited market opportunities, business act more autonomously, which has positive influence to SMEs success.

Proposition 4e: At conditions of unexploited market opportunities, businesses act more competitive aggressively, which has positive influence to SMEs success.

The position of unexploited business opportunities has apparently has great impact on the selected private healthcare companies' entrepreneurial performance. The surrounding business opportunities have certainly encouraged businesses to exploit new prospects, to initiated greater innovation and in that way to commence proactive approach on the market and to support autonomy within each of the organizations. This is fully consistent with the fact that majority of the cases highly supported the confirmation of sub-propositions 4a, 4b, 4c and 4d. More precisely, all the six selected cases confirmed that at conditions of unexploited market opportunities businesses take more risk which has positive influence to SMEs success. The position of open market opportunities have certainly made individuals more curious and confident at the begging of business formation, as well as more ambitious and risk-friendly in the advanced stages of business development. Full replication of the results has been also reached for sub-proposition 4b, referring to the positive unexploited market opportunities influence over the innovative elements of the business, therefore confirming the positive contribution to business success respectfully. Moreover, being aware of the possible business initiative in the environment, businesses have been motivated to improve innovation first in the internal operations by adding on efficiency and introduction of new technology; and then to introduce innovation on the market in order to reach wider client base and offer more sophisticated and unique products and services.

The proactiveness of the businesses and its positive impact on business success has been recognized by five out of six cases. In fact, case C4 exclusively, has failed to provide support for its proactive domination on the private healthcare market. However, the rest of the five cases studied clearly demonstrated their proactive market performance, therefore confirming sub-proposition 4c. Their proactive actions have been presented through constant search for new opportunities, being first to introduce new products and services on the market as well as replacing methods in the last phases of their life cycles and offer contemporary and sophisticated

services to end clients. Findings also suggest great importance of the role of technology and sophistication of everyday operations as part of businesses' proactive approaches.

Furthermore, the results confirmed the role of unexploited market opportunities in delegating sound autonomy system within the businesses. Moreover, the favorable environment seemed to provide positive impact over organizations' autonomy, since five out of the six elaborated cases supported sub-proposition 4d, therefore confirming that at conditions of unexploited market opportunities business act more autonomously which has positive influence to business success. The positive contribution of the unexploited market opportunities has been primarily noticed through the organizations' need to create healthy and responsible individuals and teams that are able to work hard and act upon the open opportunities on the market. Although throughout the interview processes with the founder they shared their experience that the autonomy in their company barely matches this level, they have all explained that they work on his issue and that the environment with open market opportunities significantly assists in the improvement process.

The six elaborated cases clearly demonstrated that the unexploited opportunities on the market showed no influence over the competitive aggressive position of the businesses and its corresponding success results. Namely, all the six elaborated cases have failed to demonstrate that at conditions of unexploited market opportunities, businesses act more competitive aggressively. Findings strongly support the fact that these private healthcare companies lack competitively aggressive actions, and have totally eliminated this entrepreneurial orientation dimension from their strategic plans and actions. Reasons behind these unexpected results may be searched in the relatively immature position of the private healthcare market and the moderate level of competition.

Findings have shown that the unexploited market opportunities influence over the dimensions of risk taking, innovation, proactiveness and autonomy within the companies have been fully confirmed and result could be replicated. Nevertheless, the market opportunities influence over the companies' competitive aggressiveness, presented through sub-proposition 4e, failed to reach support by any of the selected cases.

Chapter V: discussion of the results, conclusions and practical contributions

5.1 Discussion of the results in reflection of the theoretical framework and literature review

The conceptualization of our theoretical framework clearly indicates the importance and relevance of introduction of influential forces while analyzing the entrepreneurial orientation and performance relationship. This also seem to be in line with a previous study by Rosenberg (1968), who emphasized the importance of the presence of contingency theory insights which state that introduction of moderators into such bivariate relationship should permit a more precise and specific understanding of contingency relationships.

In particular, findings from this study confirmed the role of limited resources, national culture, market immaturity and unexploited opportunities as important moderators to businesses' entrepreneurial orientation behavior. Throughout the interview process with the selected entrepreneurs, there has been sufficient amount of evidence that prove that these four factors truly impact business environment and the conditions under which the private healthcare businesses perform on the market. In fact, entrepreneurs have evaluated the position of limited resources, national culture and unexploited opportunities relatively high and admitted their importance to entrepreneurial actions. Besides, the immature market position seems to present a most dominant and significant factor that has greatest impact on entrepreneurial orientation of the businesses in developing countries. Moreover, this is consistent with the numerous studies regarding these issues, since literature is rich with studies elaborating resources as entrepreneurial orientation -performance moderator, Wiklund and Shepherd (2005); Grande et al. (2011); culture, Gupta et al. (2004); strategy importance, Moreno and Cassilias (2008), and the greatest attention in determining moderating effects of entrepreneurial orientation –performance relationship has been devoted to the environmental dynamism and hostility, Lumpkin and Dess (2001); Grande et al. (2011); Gartner (2008); Johns (2006). The actual impact of these forces on the end business performance has been presented through the second part of this study and provided valuable research results.

The concept of this study has positioned the entrepreneurial orientation as firm-level phenomenon. In order to examine if this is certain for the analyzed cases, interviews with the founders have been complemented by surveys among the employees at three of the cases in this

study. The findings clearly demonstrated that entrepreneurial orientation is not a one-person strategy; nevertheless, it is strategic behavior widely distributed in the cells of all the employees. Results from this study confirmed that founders' views on entrepreneurial orientation is in full compliance with employees' opinion toward the businesses' actions of risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness. Their views have shown to be compatible in analysis of all the five entrepreneurial dimensions. The relevance of the entrepreneurial orientation concept to be examined as organizational level factor has been widely present in the entrepreneurial literature, Basso et al. (2009); Sadler-Smith et al. (2003); Scott and Rosa (1996).

While at the beginning of the interviews, entrepreneurs have clearly expressed their opinion on the influence of the four moderating forces to their business operations, the aim of this research was to actually explore how exactly these forces influenced business performance through the impact on their risk taking activities, innovativeness, pro activeness, autonomy and competitive aggressiveness. Therefore, the following section discusses the results of the limited resources influence on the private healthcare providers' entrepreneurial activities and success.

1: Entrepreneurial orientation impact on business success modified by the influence of limited resources

Limited resources position in theoretical framework and proposed propositions

The factor of limited resources has been highly positioned on the theoretical background of this study; therefore it has been placed as one of the four main influential forces for the private healthcare businesses operating in Macedonia. Together with the entrepreneurial culture, they presented the assumed negative perspective of business operations in developing countries. Moreover, the aim of this study as to investigate the limited resources influence over the business performance results through its impact on businesses' risk taking, innovative, proactive, autonomous and competitive aggressive actions. More precisely, the propositions of this study suggested that at conditions of limited resources businesses take less risk, initiate less innovation, act less proactively, less autonomously and less competitive aggressively. In the section that follows, results of the six case studies regarding the limited resources influences will be discussed.

Limited resources research results

While analyzing the impact of the limitation of available resources, entrepreneurs have explicitly explained that limited resources have serious impact on their performance. In fact, the results seem to reveal that all of the founders of the private health offices agree upon the fact that they operate with considerable lack of resources that significantly impact their progress on the market. Moreover, being aware of the open opportunities on the market, both, local and global, the founders of all six cases revealed that having more resources would mean deeper exploitation of the market opportunities and satisfying more of the demanding service requests. Four out of six cases cited the limited resources to be the greatest impediment to better performance of innovation and technology transfer. Results from the interviews clearly reveal that to be able to transfer the world healthcare trends on a local level, huge investment is necessary in acquisition of high tech equipment. Closely connected to this, five out of six interviewed founders explicitly stated that technology is tightly connected to the noteworthy innovation processes in their businesses. Nevertheless, three of the cases similarly placed importance to the appealing credit lines or suitable leasing opportunities for technology purchases. This would certainly lead us to the conclusion that having varied financing options would also assist in improving businesses' position in terms of innovation and proactiveness on the market. What is especially important for these businesses as service providers, besides the acquisition of technology, is the education and trainings abroad that would strongly complement the innovation activities. To add further clarity to this point, the results show that four out of six cases point to lack of resources for trainings and education as main obstacle for local development in the field. The research also shows that the limited and unsatisfactory level of resources negatively affects the realization of new ideas. This is especially implicit in two out of six cases, where realization of new ideas has been mainly hampered by the lack of staff and financial support.

Although, findings from the interviews with the founders confirm the negative impact of limited resources on entrepreneurial business activities and actions; contrary to results expected, further analysis of the five sub-propositions elaborating limited resources' impact on the entrepreneurial orientation dimensions and the corresponding success consequences revealed totally different results. In fact, the study failed to process the replication of the expected results, therefore failing to provide the literal replication logic in the study. Instead of providing evidence that confirm that limited resources influence negatively on private healthcare businesses success,

only two of the selected cases have reported negative success results in terms of the “number of employees” success indicator, as results of limited resources influence through decreased level of risk, less innovations, less proactiveness, absence of autonomy and competitive aggressiveness.

In particular, results from the study indicate that the negative influence of the limited resources is predominantly present in the entrepreneurs’ mindsets; however, it has shown to be less influential in the actual business operations. As evident from the six elaborated cases, the limitation of resources has not prevented businesses from innovating and taking risks, or acting proactively and delegate autonomy in the everyday operations. Therefore, the results showing lack of significance in the relationship between the limited resources-the entrepreneurial orientation dimensions- and the success results, making this study distinctive and sound base for more intensive analysis on resources issues and their actual impact on business performance in developing countries.

Limited resources results in relation to previous studies

Limited resources present a significant factor in the conceptualization of the research of this study. In essence, it is one of the proposed four moderators to the entrepreneurial orientation dimensions and business performance relationship in developing countries. Selecting the factor of limited resources as one of the main influencers to the entrepreneurial orientation activities of businesses in developing countries, has been supported by numerous previous studies, Grande et al. (2011); Newbert (2007); Bertlett and Bukvic (2001); Kusi et al. (2015).

Results showing the entrepreneurs’ perception toward the negative effects of limited resources and their concern for their negative consequences to business success have been reasonable and expected. The founders from the selected cases have shown concern that having more resources would mean deeper exploitation of the market opportunities and better performance of innovation and technology transfer. The ambition to follow world healthcare trends certainly ask for more education and trainings abroad that would strongly complement the innovation activities, therefore lack of resources for trainings and education has been presented as main obstacle for local development in the field. These findings seem to go in line with the traditional patterns of RBV that stands that the available resources are significantly important for superior company performance, Wernerfelt, B. (1984); Prahalad and Hamel (2006); Barney, J. (1991).

However, results from the examination of the five sub-propositions (1a-1e), presenting the limited resources influence over the businesses actions as risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness and their connection to business success, have shown great differentiation from the majority of the previous studies in the literature review. In fact, the research process failed to provide replication of the five proposed sub-propositions (1a-1e), which indicate that at conditions of limited resources businesses take less risk, initiate less innovation, act less proactively and autonomously and act less aggressively toward competitors. More precisely, the negative influences of the limited resources on the entrepreneurial actions that have actually been connected to negative contribution to performance results have been detected merely among two of the cases. Namely, results from this study regarding the limited resources influential factor go in line with some of the streams of critics of RBV. As indicated in the study of Newbert (2007), firms may not earn extra profit by having more and better resources, but through their unique competence to make use of these resources. These findings are also consistent with the Kraaijenbrink's unenthusiastic view on RBV, stating that available resources can be useful for developing competitive advantage, particularly in the short-term, but should be considered in partnership with other factors as organizational learning and adaptability when performing long-term strategic planning, Kraaijenbrink (2010).

The selected private healthcare businesses have shown low sensitivity to the influence of the limitation of resources while taking entrepreneurial actions. As indicated in the cases, business have mainly been financed through own resources and bank loans, and in some cases through grants as result of collaboration with innovative and other SMEs supporting funds. This position of the businesses clearly point to their other strength to take risks, since majority of the entrepreneurs have invested the whole savings for the startup of their business, and in some cases their houses and apartments have been leveraged as bank collateral. Despite the low level of available resources, entrepreneurs have shown courage to take risk in the private healthcare market. The other businesses' strengths that have assisted private healthcare businesses to overcome the negative influence of limited resources are expected to be revealed in the analysis of the other three influential factors, or will be left as a base for some further research.

2: Entrepreneurial orientation impact on business success modified by the influence of entrepreneurial culture

Unfavourable entrepreneurial culture in theoretical framework and proposed prepositions

The unfavorable entrepreneurial culture presents the second moderating factor that is assumed to have negative impact on entrepreneurial orientation activities (risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness) and business performance results, correspondingly. Conceptualization of theoretical framework that analyzes the entrepreneurial orientation dimensions and their effects on business performance in specific context of developing countries has made introduction of cultural elements essential. Entrepreneurial culture was found to be important factor in all the stages of entrepreneurial processes, especially during the startup period. The negative role it has on the business operations has been supported by plethora of empirical and theoretical evidence. Moreover, backed up by such a reach theoretical background, the propositions of this study concerning the entrepreneurial culture issue, (2a-2e), propose that at the conditions of unfavorable entrepreneurial culture businesses take less risk, initiate less innovation, act less proactively, less autonomously and less competitively aggressive. The section that follows elaborates the research results referring to entrepreneurial culture moderating effects.

Unfavorable entrepreneurial culture research results

At this point, it is especially important to distinguish the two stages of the overview of obtained results. First, we will present the general views of the entrepreneurs regarding the surrounding in which they operate and their personal experience from the processes of startups until recent. Then, follow the results of the five tested sub-propositions that examine if the unfavorable entrepreneurial culture really impact the operations of risk taking, innovativeness, proactivity, autonomy and competitive aggressiveness; and how it reflects on the end performance results. Data from the interviews with the founders have shown that companies' environment have been highly skeptical and unsupportive while the startup processes of the ventures. Almost all elaborated cases have confirmed this notion. Additionally, founders have also faced certain warnings from families and friends, guided mainly by previous people's unfavorable business experience and failure or simply as advices for risk awareness during the infant period. Moreover, four out of six cases have point to people in their environment as highly

risk averse and risk intolerant. They further add that people in Macedonia are still very skeptical for investments and are generally petrified to take risks. Namely, only one of the cases revealed a noticed change in the entrepreneurial culture pointing that people have learned to accept risk and are more aware that entrepreneurship is complex phenomenon and building business success takes time and patience. This low level of surrounding business support as well as the economic instability in the country and the apathetic political situation, made state employment more acceptable for Macedonian citizens. What has also been explicitly pointed in one of the cases is that people are not ready to accept someone's failure and are not positively responsive to second chances. These results certainly make our decision to include entrepreneurial culture as part of our theoretical framework fully justified.

However, the results from the study that elaborated the actual entrepreneurial culture influence over business activities, and therefore business results, seem to bear a totally different notion. In fact, contrary to the expected findings, the impact of entrepreneurial culture on the entrepreneurial orientation activities has shown to be almost insignificant. In essence, the study failed to secure replication of results for any of the set sub-propositions concerning the negative cultural influence. The findings of this study clearly suggest that private healthcare businesses are not sensitive to the negative impact of the entrepreneurial culture when proceeding with risk taking, innovativeness, proactiveness and autonomous activities. However, the negative entrepreneurial culture has provided greatest impact on the competitive aggressiveness of the companies. Although almost all of the cases have confirmed this notion, negative consequences over performance results have been noticed only at two of the selected businesses. The negative influence of entrepreneurial culture over the competitive actions of the businesses has been perceived through their willingness to work sound and peacefully, rather than act competitively in a manner to confront bigger players in the field; or through their preference to stay small and sustain control of the business. Moreover, these results may bring us to conclusion that private healthcare businesses in Macedonia focus primarily on the medicine segment of their company, rather than on the business side of the same. This lack of business focus would certainly have negative impact over business development and performance on a long run, which may be a perfect avenue for some further empirical research.

Unfavorable entrepreneurial culture results in relation to previous studies

Previous studies have shown that national culture has an important moderating effect on entrepreneurial processes and performance relationship, Hofstede et al. (2002); Trompenaars and Hampden-Turner (1997); Runyan et al. (2012). The culture signifies a strong determinant of entrepreneurial growth, and is identified as one of the major elements in national entrepreneurial ecosystem. Adding the fact that cultural influence on entrepreneurial processes differs among countries strongly justifies our decision to include entrepreneurial culture as an eminent component of the theoretical framework for conducting of this study in a specific context of developing country's circumstances. In fact, results from this study regarding entrepreneurs' view on the surrounding entrepreneurial culture show consistency with previous literature explaining that entrepreneurial culture has a negative effect over entrepreneurial processes in developing countries. Often this negative influence has been evident at the just beginning of the business operations or at the obstacles for business startups as culture supports more state and safe employment. People's preference for employment in state institutions rather than being self-employed have widely been elaborated in the entrepreneurship literature, often together with the motivational factors for business start-up, Buttner and Moore (1997); Eijdenberg and Masurel (2013). Although previous literature is rich with studies confirming the importance of entrepreneurial culture for entrepreneurial processes and entrepreneurial growth, there is a lack of studies showing how entrepreneurial culture actually affects business processes and performance. In this sense, our study presents a perfect fill of the detected gap in the literature, introducing surprising and interesting results. Based on the literature review, therefore indicated in the theoretical framework of this study, entrepreneurial culture in developing countries is expected to have a negative influence over the businesses' risk-taking, innovative, proactive, autonomous and competitive aggressive activities. Nevertheless, our research has provided totally surprising results, pointing that the influence of entrepreneurial culture over entrepreneurial orientation dimensions has been almost irrelevant. A minor impact has been detected over the activities of competitive aggressiveness; however, all the sub-propositions predicting negative influence over the risk-taking, innovation, proactivity, autonomy and competitive aggressiveness have failed to reach replication of results among the six cases. Our findings failed to confirm the negative aspect of the entrepreneurial culture indicated in previous studies, mostly in terms of risk-taking and risk aversion, as well as entrepreneur's lack of motivation for innovation and absence of courage for proactive activities, Avramaska (2007); Lee and Peterson (2000). The evolving

process of the entrepreneurial culture is another important issue that should be specifically observed, since it is often implicit in the literature that national cultures evolve and change over time, just as transition processes change and advance in economic and entrepreneurial terms.

3: Entrepreneurial orientation impact on business success modified by the influence of immature market

Immature market position in theoretical framework and proposed prepositions

The immaturity of the market has been selected to be one of the four significant moderating factors to entrepreneurial orientation-performance relationship in developing countries' context. The influence it has over the success of entrepreneurial ventures might be observed in two different contexts. First, markets in developing countries are often small, fragmented and far from perfect. The reasons behind this poor market position are usually connected to lack of proper infrastructure, low per capita income, and misguided policies and institutional constraints. Additional burden for the SMEs operating in the developing countries is the possibility of political instability, transparency, peace and other institutional imperfections needed for proper functioning of the market, Naudé and Goedhuys (2011). On the other side, there are the increasing needs of the nation, since as the country develops and moves from developing country to industrialized nation, the needs for products and services changes dramatically. As illustrated in the literature, according to Martinez and Haddock (2007), population's basic needs pass through four stages during the transition processes of the countries: survival, quality, convenience, and customization. Passing to these phases of development, Macedonia has been positioned nearly the quality and convenience phases, meaning it holds a certainly immature market that opens various possibilities for entrepreneurial undertakings. In essence, this is the reason why the position of immature markets has been presented as positive factor in our analysis and positioned as a trigger for initiating innovation and starting and developing successful business' stories. In fact, the immature market influence over the entrepreneurial dimensions and consequently to the performance results of the businesses, has been illustrated through sub-propositions 3a-3e. The stated sub-propositions propose that at conditions of immature market, businesses take more risk, initiate more innovation, act more proactively, more autonomously and more competitive aggressively; and that all these actions

have positive impact over business success. Results of the provided research will be additionally discussed in the section that follows.

Immature market research results

Results from the analysis of the entrepreneurs' views on the market seem to bear the notion that all the founders of private health offices are fully aware of the increasing needs of the patients and immaturity of the market they are operating in. Although at some instances the initial market has been perceived highly developed and close to the level of more advanced countries with sound market offer and highly professional doctors that stand behind; this does not necessarily indicate that there is no opportunity for improvement. In fact, general view holds that people awareness about health and healthy lifestyle has shown a positive increasing trend. In fact, the reason behind this increased health services demand in the private health offices might be closely connected to the unsatisfactory service the patients receive at the state hospitals in the country. Moreover, the significantly increased internet literacy of the patients and the speed of dissemination of global information have certainly contributed to the present market position. Consequently, people in Macedonia have also shown increased demand for more convenient service and higher quality. It is worth noting that demographic trends in the country affect the position of the private health market as well. Moreover, aging population is a healthcare service indicator suitable for the global healthcare system, which is not exception in Macedonia. Additionally, the nation's aging trends as well as the great percentage of migration of younger members of the Macedonian families leads to inevitable need for sound and professional institutions that would take care of the elderly in need.

Since the general view on the market influence to businesses has been confirmed, we proceeded with discussion of the results revealing how the immature markets influence entrepreneurial dimensions and therefore business success. Moreover, findings from elaboration of the sub-propositions of the study have attributed a highly positive influence of the immature market on almost all the entrepreneurial orientation dimensions. There seem to be no disparity in confirmation of the positive immature market influence over the positions of risk taking, innovativeness, proactiveness and autonomy of the elaborated business. However, its influence has shown to be insignificant on the competitive aggressive actions in all of the cases. As results indicate, the immature market has motivated and encouraged private healthcare companies to get

involved in greater number of risky undertakings. Simply, the immaturity of the market, through the wide range of opportunities has motivated companies to explore and exploit more, therefore including risk at any of these actions. Findings show that the immature position of the market additionally encourages business constantly to initiate innovations and to look for new opportunities, to be first on the market with introduction of novel products and services. Moreover, their proactive stances have been also demonstrated through regular adaptation of services, therefore elimination of old methods and treatments as well as the one that involve complicated procedures and may be replaced by simpler and more sophisticated. The immature market potential to explore more possibilities, strategically plan new undertakings and the increased level of diversity in operations has significantly encouraged founders to build a team that would work responsibly and autonomously in order to follow company's mission and objectives. On the other side, results with regard to immature market influence over the competitive aggressiveness of the businesses failed to secure replication and consistency. The assumption behind these results may rely on the fact that the immaturity of the market means lack of highly competitive environment, so businesses are not forced to invest additional funds and efforts in activities to overcome competitors.

Immature market results in relation to previous studies

Findings from this study clearly demonstrated that selected entrepreneurs have a clear view on market position in the direct entrepreneurial environment. Besides all the imperfections that the small market in a developing country holds, data from the six cases revealed the results that Macedonian entrepreneurs from the private healthcare sector are capable of overcoming the possible obstacles and concentrate and take advantage of the positive market attributes and business stimulations. Acknowledging the immaturity of the initial market as positive moderator to their entrepreneurial performance has certainly made positive contributions to their final business results which was also evident from the cases analysis. The importance of markets for entrepreneurial growth is far for new in the entrepreneurial literature. Whereas many studies have elaborated the markets giving them immense credits for entrepreneurial success or failure, Pan (2014); Naude and Goedhuys (2011); another plethora of authors have even built a market orientation as separate strategic orientation in management, Kohli and Jaworski (1990); Baker and Sinkula (2009); Dutta et al. (2016). Since all of the elaborated cases have attributed a high

importance to the role of the immature markets that surrounds them to their decisions on risk taking, innovativeness, proactiveness and autonomous activities, it leads to full consistency with the previous review of the entrepreneurial literature in this study. Furthermore, previous studies, taking into consideration the size and other imperfections of markets in developing countries, have revealed the assumption that in such small and uncertain markets entrepreneurs have no incentives to innovate, Naude and Goedhuys (2011); Olafsen and Cook (2016). Totally contrary to the results expected, findings from this study revealed the notion that under the stated market positions in developing country as Macedonia, the private healthcare businesses have found their way to initiate and introduce various innovations that have contributed positively to final business performance results. The issue of radical innovations is to be subject for further research.

Moreover, on the other side, this study has come to a conclusion that Macedonian patients have become progressively more demanding. Study has shown that patients have need of more healthcare services, but at the same time services with higher quality and expertise. The reasons behind these trends have been detected through people awareness of healthy needs and lifestyle, as well as their increased healthcare literacy resulting from internet and globalization trends. Moreover, findings are consistent with the literature explaining the development stages of countries in transitions and the four initial positions expected (survival, quality, convenience, and customization), Martinez and Haddock (2007). Results from this study clearly outlines that the healthcare sector in Macedonia is gradually processing from the phase of survival to the phases of quality and convenience.

4: Entrepreneurial orientation impact on business success modified by the influence of unexploited market opportunities

Unexploited market opportunities in theoretical framework and proposed prepositions

The best clues for the opportunities in the businesses' environment may come from the stage of development of the initial market. Therefore, our concept of the theoretical framework carefully connected the position of immature market to the perceived unexploited business opportunities. The importance of this moderating force to the entrepreneurial behavior of the businesses has been highly acknowledged among all of the interviewed founders in this study.

Moreover, the theoretical framework used as a core foundation for conducting of the study has positioned market opportunities as positive influencing factor for businesses in developing countries. Therefore, as the framework suggests, at position of unexploited market opportunities business take more risk, initiate more innovation, act more proactively, more autonomously and more competitive aggressively, and all these business actions contribute positively to business success. Since the importance of the opportunities for the business dynamics has been recognized and acknowledged, the results from the five sub-propositions (4a-4e) that examine their actual influence over entrepreneurial orientation and corresponding business success follow in the next section.

Unexploited market opportunities research results

First, results from the general views of the interviewed entrepreneurs regarding the perceived business environment will be addressed. As the results of this study indicate, the businesses in the private healthcare sector in Macedonia face many surrounding opportunities to act upon. Nevertheless, the findings confirmed increased opportunity position to be result of global trends' influences. This pool of open opportunities regarding transferring the global health trends on the Macedonian market is wide and numerous. Namely, results from the six elaborated cases pointed to two central channels of transferring these trends to Macedonian clients. In fact, this transfer has been generally achieved through acquisition of advanced technology and education and trainings abroad. Absorption of foreign knowledge has been outlined as extremely important factor for exploiting additional domestic opportunities. Namely, majority of the cases supported the notion that the transfer of knowledge and know-how is crucial in improving their position on the market as healthcare service providers. Results from our analysis have revealed that the private healthcare market in Macedonia is open for exploitation of new opportunities in the sphere of nutrition and cardiology; advanced assisted pregnancy procedures; more sophisticated oral health and beauty services; a more customized approach for elderly care in terms of centers for Alzheimer and dementia and hospices and daily centers; as well as advanced physiotherapy procedures.

Second, the analysis of the set of five sub-propositions regarding opportunities influence over businesses' entrepreneurial orientation and overall success will be elaborated. The position of unexploited business opportunities has apparently had great impact on the selected private healthcare companies' entrepreneurial performance. The surrounding business opportunities

have certainly encouraged businesses to exploit new prospects and initiate greater innovation, and at the same time feel more confident and less risk-averse. Moreover, results have shown that the proactive actions have been presented through constant search for new opportunities, being first to introduce new products and services on the market as well as replacing methods in the last phases of their life cycles and offer contemporary and sophisticated services to end clients. Furthermore, the favorable environment seemed to provide positive impact over organizations' autonomy. In that direction, the positive contribution of the unexploited market opportunities has been primarily noticed through the organizations' need to create healthy and responsible individuals and teams that are able to work hard and act upon the open opportunities on the market. The single entrepreneurial orientation dimension that have left untouched from the influence of the market opportunities is the competitive aggressiveness of the businesses. In fact, findings have revealed that these private healthcare companies lack competitively aggressive actions, and have totally eliminated this entrepreneurial orientation dimension. This might be result of the relatively immature position of the private healthcare market and the moderate level of competition.

Unexploited market opportunities results in relation to previous studies

The decision for selection of unexploited market opportunities as one of the four main influencers to the entrepreneurial orientation and performance relationship has been backed up by massive and wide set of literature. The significance of the opportunities has been outlined in almost all of the entrepreneurial theories. Referring back to the basic theories of entrepreneurship, opportunities hold a special place in entrepreneurship concept development, Drucker (1985); Stevenson (1983). According to authors' standpoint entrepreneurs do not cause but exploit the opportunities that change creates (in technology, consumer preferences etc.), which is absolutely consistent with our positioning of opportunities as moderators in developing counties with a varying stages of transition processes.

Furthermore, selected entrepreneurial literature provides full support to the results of this study indicating the exclusively positive attitudes of Macedonian entrepreneurs in the healthcare sector toward the opportunities that surrounds their businesses. In fact, our findings are completely consistent with the studies conducted by the Microfinance centre (2018), GEM (2014), which ranked the general perception for opportunities in Macedonia relatively high,

namely, highest among the countries in the region. According to the results of GEM, even 38% of the adult Macedonians have the opinion that there are present business opportunities in the environment where they live; 56% of Macedonians feel capable of starting a business; and 25% of the participants reported intent to start business within a period of three years. Whereas, these arguments certainly confirm the general positive view on opportunities in developing country, it is consistent with the positive unexploited opportunities' influence over entrepreneurial orientation dimensions and business success as well. Literature heavily acknowledges that opportunities in developing and opportunities in developed countries significantly differ. Findings from this study have reported that frequently ideas and innovations have been transferred from more advanced countries; however, these "copied" products and services have provided great positive impact on the business performance of the private healthcare units. This supports past studies that have shown that developing countries may advance in terms of innovation not only by heavy investments in research and development but also by imitation and transfer of technology and know-how from the more developed countries Barreira (2004); Olafsen and Cook (2016).

Summary

In sum, results from this study have shown to be significant, and surprisingly, part of them totally unexpected. The propositions of the conceptual framework of the study have proposed positive influence of immature markets and unexploited opportunities, which has been to great extent replicated among the six elaborated cases. More precisely, the study confirmed these positive forces' influence on the risk taking activities of the private healthcare businesses and their innovativeness; as well as on their more proactive approach on the market and greater autonomy within the organizations. Moreover, the study has revealed that all these business activities have actually contributed positively to the overall businesses' success. The immature private healthcare market is presented in this study through several dimensions. As it is evident from this study, people in Macedonia are becoming more conscious about the importance of their health and running a healthy lifestyle. Throughout the cases, clients have shown increasing interest for specialized nutrition programming and increased frequency in examinations for prevention; more serious approach to dentistry and asking for more convenient service and higher quality; greater interest in dermatological services and increased awareness of their ability

to improve people's health and beauty. The higher rate of women's involvement in the labour market, as well the increasing trend of migration of younger members of Macedonian families leads to inevitable need for professional institutions that would take care of the elderly. Moreover, the unhealthy lifestyle and long office hours have shifted the age limits for physiotherapeutic services downwards.

Consequently, all these increasing clients needs open increasing opportunities for the private healthcare businesses, which certainly act as positive driver for pursuing entrepreneurial orientation strategy and improving final results. However, replication of results failed to be reached for the dimension of competitive aggressiveness, meaning that the positive impact of immature markets and open opportunities have shown to be insignificant for the competitive activities of the private healthcare businesses, therefore failing to make contribution to final performance. Competitive aggressiveness is the dimension that has received least attention among the private healthcare businesses. While on one side, one may assume that operating on the small Macedonian market would necessarily ask for more aggressive approach toward competitors in order to assure sound position on the already "limited" market the findings of the empirical research may propose several reasons behind this position. First, as it revealed among the founders of the private healthcare businesses, they are primarily focused on the medicine aspect of their operations, leaving the business focus behind. As the findings from the six cases indicate, healthcare businesses focus primarily on the quality of service provided, care about patients, offering advanced and sophisticated technology and in this way their create their competitive advantage in the private healthcare industry. Moreover, this study may also conclude that Macedonian healthcare market is still developing and there is no intensive competition which makes these businesses to perform more relaxed in competitive direction. However, another concluding remark from this study introduce the fact that if they realize that their companies may improve on some of the stated entrepreneurial orientation dimensions they would invest time, efforts and resources to do work toward this improvement.

The surprising results come on the side of the predicted negative influence of the position of limited resources and the unfavourable entrepreneurial culture. However, while the results indicate that majority of the interviewed entrepreneurs expressed concern about the limited available resources and how they perceived the environmental support during the process of startup; the elaboration of the sub-propositions that elaborate how these two negative forces

influence entrepreneurial orientation and contribute negatively to firms' results, failed to confirm replication of any of the predicted patterns. In fact, contrary to the expected results, limitation of resources has not stopped founders to assure funding for their startups; nor has stopped them to invest additionally in different kinds of innovation or to move toward proactive market activities. Regarding, limitation of resources has not prevented businesses to achieve positive business results. The negative success consequences have been noticed among three of the cases, only in terms of inability to increase the number of employees. This might bring us to another conclusion that investing in people and investing in their qualifications and team work would certainly lead to further improvement of this success indicator. An enthusiastic remark to the limited resources influencing factor, might be the notion that the opportunities for improvement of this segment are various and there are number of alternative businesses financing options that might be transferred from more developed countries. The importance of financing options are outlined in this study, under the assumption that they present the starting point for any additional improvements, individuals' qualifications, products, services and innovations. Moreover, results with regard to the unfavorable entrepreneurial culture also outline that this position of cultural influence has not prevented doctors from starting their own companies in the healthcare industry in Macedonia. Following this argument, a reasonable answer to this issue would be further research among individuals in developing countries, so conclusions might be drawn if the unfavorable entrepreneurial culture actually prevents individuals to become entrepreneurs.

Overall, results from the study revealed that the limitation of resources and the entrepreneurial culture although identified as negative influencers to businesses in developing countries; have failed to confirm this role in the actual testing of their influence on businesses risk taking activities, innovativeness, proactiveness, autonomy and competitive aggressiveness of the businesses. The findings also suggest that these negative cultural perceptions toward entrepreneurship connected to risks and innovations might be more part of people's mindset and believes, rather than actual existing factor.

At the end, there seemed to be no significant disparity in results obtained from the six selected cases regardless of the number of employees in their teams. The only concluding remark derived from this point of observation, is that "number of employees" might be observed as part of success result, but at the same time as part of success sources. Therefore, as the findings

suggest, the companies that have invested in enlargement of their team have provided better performance results and have continued to run the vehicle of development.

5.2 Theoretical contributions and practical implications

This study makes several contributions to the research on entrepreneurial orientation. First, the study has applied a qualitative research approach and was devoted to in depth analysis of six comprehensive case studies. Following the argument that entrepreneurial orientation research has been widely criticized for focusing on rapid surveys that miss comprehensiveness and insightfulness, this study presents a perfect way to complete this gap in the entrepreneurial orientation literature so far. Second, this study shed light on the research of entrepreneurial orientation strategy in context of developing countries. The four influential forces presented by the entrepreneurial culture, limitation of resources, market immaturity and position of unexploited market opportunities, have more precisely defined the developing countries boundaries. In fact, no previous study have done any attempt to specify the concept of developing countries as a separated field for observation of entrepreneurial orientation dimensions' impact on business performance.

Moreover, the study has revealed some important and interesting findings regarding the initial theoretical framework conceptualized for the purpose of this research. Namely, the twenty elaborated propositions of this study have reflected the moderating effects of the entrepreneurial culture, position of limited resources, market immaturity and unexploited market opportunities over the entrepreneurial orientation strategic dimensions and business performance correspondingly. The study has provided support for part of the stated theories, but also contrasting findings to other. In fact, while the theoretical background suggests that the entrepreneurial culture in developing countries negatively affects the entrepreneurial activities and consequently the business performance results, this study breaks this pattern and reveals that entrepreneur's risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness have completely eliminated the negative effects of the surrounding entrepreneurial culture. Besides, even though the core competences of the businesses have been considered as significant and important for pursuing of the entrepreneurial orientation strategy, the limitation of available resources has failed to confirm its negative effect over entrepreneurial orientation strategic activities, therefore over the overall business performance and results. In this

sense, the RBV framework should be more intensively examined in context of developing countries incorporating the current deficiencies of its position, but also all the supporting factors that the circumstances of developing countries offer in order to improve RBV position. Valuable contribution for RBV improvement might come from the varied funds for financing, supported education for managers, subsidizing of innovative projects for operation processes, as well as innovation in new products and new services. Considering this, the initial theoretical assumption that resources in developing countries present unpleasant factor for entrepreneurial processes may in fact be upgraded for all the connecting supporting elements and presented as managerial position accessible for development. Moreover, the “opportunity based theory” is in full appliance with the theoretical background for the study, as well as with the findings generated from the same. Relying on the traditional theories of entrepreneurial definition, we have provided own view of the concept of entrepreneurship in developing countries, highly valuing the unexploited opportunities perspective. The derived entrepreneurship theory is customized as following: *“Entrepreneurship perspectives in developing countries rely mostly on unexploited business opportunities that are waiting for entrepreneurs to take actions with high level of uncertainty and act as agents of change in their society”*. The research processes of this study has certainly confirmed the validity of the stated definition of entrepreneurship in developing countries underlying the importance of the available business opportunities, but as well the importance of risk taking and innovativeness elements as eminent part of entrepreneurial orientation strategic concept.

Regarding healthcare managerial practices, the study provides some practical context-specific implications that might guide managers in structuring entrepreneurial strategies and better accommodate to local conditions. The observed increasing needs for private healthcare services in the country certainly adds value of these practical recommendations. The first implication for entrepreneurs in the private healthcare sector is to break the cultural stigmas toward the entrepreneurship in developing countries and revise its impact on their businesses. It is evident in the study that although almost all of the participants have outlined entrepreneurial culture as incredibly unfavourable and business-unsupportive, still, the consequences of this position to business activities and corresponding business outcomes have shown to be insignificant. Entrepreneurs should eliminate the inherited cultural norms and believes and more carefully monitor the current position of the culture that surrounds them. In fact, entrepreneurs

should also been aware of the evolving nature of the culture during the process of transition and development of the country. Moreover, the second factor that should also be reconsidered is the position of the influence of the limited resources and to what extent they prevent certain business actions to happen. More precisely, the study underlines that companies in the private healthcare sector in Macedonia, besides the consideration that the lack of available resources is evident, have not been prevented from acting innovatively on the market, initiating risky activities, approach proactive market stances or delegate autonomy within their organizations. Moreover, the success results through the selected indicators of profitability, market share and number of employees, have confirmed that the performed activities almost always have shown positive trends. However, aiming to improve resource position of the businesses, entrepreneurs should widen their horizons and search for more adequate financing options for their business activities available in the country. First, there are many alternative financing options that are not present in Macedonia, but are widely used in the developed countries in forms of equity markets, angel investors or crowd funding. Considering the evident ongoing transition process, one should devote time and effort to analysis these options and transfer them to Macedonian market in the appropriate accommodated format. Entrepreneurs should be aware that the good idea and superior innovation would always find financing support to reach market position. Special support for innovative processes which are tightly connected to the other entrepreneurial dimensions might be found in the Fund for innovation which supports original ideas and covers to 100% of the project financing. There is surprisingly increasing trend of the Fund in Macedonia in the recent years, by supporting foundation for more than 280 enterprises. Another implication for assuring easier access to adequate resources is through collaboration with information technology partners and participating as implementing partner in their innovative health-related projects. This way may make superior technology easily accessible at no cost. Inclusion to different international healthcare networks might contribute positively to business overall development through exchange of medical experience, screening of innovative medical practices or even affordable practical education in some of the more developed countries. Furthermore, study results indicate that businesses with lower number of employees are frequently overwhelmed with everyday medical clients' demands and no space has been left for entrepreneurial focus and undertakings. Nonetheless, founders should be aware that investment in people and enlargement of their teams is predominant for their further development. Screening

the market and observing unmet business opportunities certainly asks for time, effort and practical knowledge. Background and vocational diversity in their teams would also be highly appreciated, allowing for screening business opportunities from different perspectives and making smart decisions for risky actions. Our study have shown that although some entrepreneurial activities as risk taking, innovativeness, proactiveness and autonomy have been regularly practiced by the healthcare businesses; the dimension of competitive aggressiveness has been totally neglected. Besides the obvious reasons for this position that Macedonian healthcare market is still developing and there is no intensive competition, entrepreneurs should be aware that the market passes through developing processes and they should be strategically prepared for entrepreneurial situations that follow on long-run. Connected to this, another recommendation comes from the observed medical focus of healthcare businesses, and refers to introduction and focus on business aspect of the operations in order to assure long term sustainability. Taking into considerations that founders of private healthcare companies are primarily doctors, additions business educational options are necessary. In fact, doctors who have decided to manage own private companies must inevitably widen own operative horizons and build comprehensive set of healthcare and business relation. Business educational programs in terms of specific courses or organized seminars would support founders' position in successful management of their healthcare businesses. Focus on the entrepreneurial orientation strategy of these businesses would certainly assist in delivering development plans and providing risk taking, innovative, proactive, autonomous and competitive aggressive activities better prepared and with higher confidence. Overall, entrepreneurs in the private healthcare sector should eliminate cultural stigmas, open horizons for new patterns for financing entrepreneurial activities, invest in people and enrich the teams to be better able to screen and pursue unmet opportunities on the immature surrounding market. Moreover, investment in business education and courses and developing aggressively competitive skills would always be an excellent option.

5.3 Limitations of the study and identified avenues for future research

Naturally, the study comes with certain limitations. For instance, data for research come from single developing country; therefore attention should be paid on generalization of the findings across other countries. Logical outcome of this consideration would be replication of the study in other developing countries, so that research process would confirm or reject if the position of

immature markets and unexploited opportunities really act as positive drivers for entrepreneurial orientation-performance relationship; and if the negative influence of the entrepreneurial culture and limitation of resources is actually overestimated in the theoretical assumptions. Furthermore, this study is focused on businesses in the private healthcare sector exclusively, leaving behind the four moderating forces influence over the businesses in the other sectors in developing countries. Considering the fact that the sample is context specific, incorporating only businesses from the private healthcare sectors may limit generality. A new avenue for future research might be identified in examining the stated propositions in other sectors and analyze if the same insights would pass the empirical test. Expectation would be to confirm the findings of this study of the healthcare sector in other sectors with growing potential, referring to private educational providers, hospitality or insurance sector. The next limitation of this study sheds light on the moderating factors selected in the research process. In this regard, the limitation is presented in two directions. The first critique includes the selection of mostly environmental factors for examining the entrepreneurial orientation-success relationship while slightly eliminating the strength and power that come from the internal core competences of the businesses. Nevertheless, the second remark indicates elimination of many other influential factors from the entrepreneurial ecosystem in the country. Future research might select different moderating forces important for defining the business processes in developing countries and examine how they affect the entrepreneurial orientation dimensions' activities and the success of the businesses correspondingly. Examining the entrepreneurial orientation dimensions in the specific context of developing countries' position, applies for several necessities for more detailed elaboration of certain insight. Innovation is one of the most outstanding dimensions that highly transform its meaning when analyzed in developing and developed countries' context. Therefore, the questions that have arisen regarding this issues as "what is considered as innovation in developing countries" or "what stops entrepreneurs in developing countries to be leaders in global innovativeness processes" should certainly find its place in the avenues for future research regarding the entrepreneurship processes in developing countries.

This study has relied on literal replication while analyzing data from the six case studies, which was provided for part of the analyzed propositions. Additional research efforts would be necessary to generate a theoretical replication of the studied phenomenon by analyzing new ways

of cases with contrasting propositions. The extent of the literature covered and the massive amount of elaborated data prevented this theoretical replication to take part of the same study.

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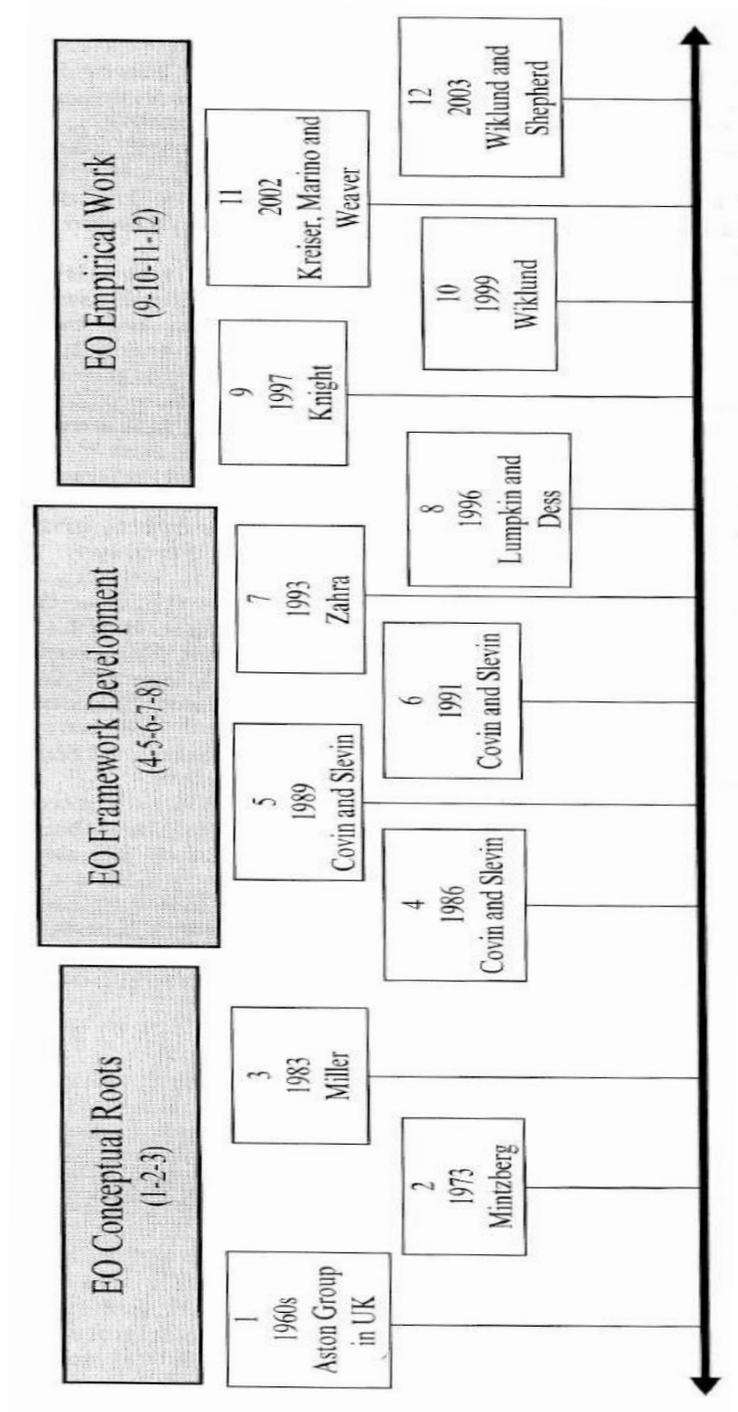
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Appendixes

Appendix I

Timetable: Key thinkers in entrepreneurial orientation research



Appendix II

Miller/Covin and Slevin's entrepreneurial orientation scale (1989)

Innovativeness items		
In general, the top managers of my firm favor	1 2 3 4 5 6 7	A strong emphasis on R&D, technological leadership, and innovations
A strong emphasis on the marketing of tried-and-true products or services	1 2 3 4 5 6 7	How many new lines of products or services has your firm marketed in the past five years (or since its establishment)?
No new lines of products or services	1 2 3 4 5 6 7	Very many new lines of products or services
Changes in product or service lines have been mostly of a minor nature	1 2 3 4 5 6 7	Changes in product or service lines have usually been quite dramatic
Proactiveness items		
In dealing with its competitors, my firm . . .	1 2 3 4 5 6 7	Typically initiates actions to which competitors then respond
Typically responds to actions which competitors initiate	1 2 3 4 5 6 7	Is very seldom the first business to introduce new products/services, administrative techniques, operating technologies, etc.
Is very seldom the first business to introduce new products/services, administrative techniques, operating technologies, etc.	1 2 3 4 5 6 7	Typically adopts a very competitive, "undo-the-competitors" posture
Typically seeks to avoid competitive clashes, preferring a "live-and-let-live" posture	1 2 3 4 5 6 7	
Risk-taking items		
In general, the top managers of my firm have . . .	1 2 3 4 5 6 7	A strong proclivity for high-risk projects (with chances of and certain rates of return)
A strong proclivity for low-risk projects (with normal and certain rates of return)	1 2 3 4 5 6 7	Owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives
In general, the top managers of my firm believe that . . .	1 2 3 4 5 6 7	When confronted with decision-making situations involving uncertainty, my firm . . .
Owing to the nature of the environment, it is best to explore it gradually via cautious, incremental behavior	1 2 3 4 5 6 7	Typically adopts a cautious, "wait-and-see" posture in order to minimize the probability of making costly decisions
When confronted with decision-making situations involving uncertainty, my firm . . .	1 2 3 4 5 6 7	Typically adopts a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities

Appendix III

Lumpkin and Dess 2001 – Competitive aggressiveness items

Competitive Aggressiveness Items

My firm is very aggressive and intensely competitive	1 2 3 4 5 6 7		My firm makes no special effort to take business from the competition
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In dealing with its competitors, my firm . . .

Typically seeks to avoid competitive clashes, preferring a “live-and-let-live” posture	1 2 3 4 5 6 7		Typically adopts a very competitive “undo-the-competitors” posture
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Appendix IV

Lumpkin and Dess 2009 – Proposed autonomy items

My firm:

Supports the efforts of individuals and/or teams that work autonomously

1 2 3 4

Requires individuals or teams to rely on senior managers to guide their work.

5 6 7

In general, the top managers of my firm believe that:

The best results occur when individuals and/or teams decide for themselves what business opportunities to pursue.

1 2 3 4

The best results occur when the CEO and top managers provide the primary impetus for pursuing business opportunities.

5 6 7

In my firm:

Individuals and/or teams pursuing business opportunities make decisions on their own without constantly referring to their supervisor(s).

1 2 3 4

Individuals and/or teams pursuing business opportunities are expected to obtain approval from their supervisor(s) before making decisions.

5 6 7

In my firm:

The CEO and top management team play a major role in identifying and selecting the entrepreneurial opportunities my firm pursues.

Employee initiatives and input play a major role in identifying and selecting the entrepreneurial opportunities my firm pursues.

Appendix V: Interview protocol

**Entrepreneurial Orientation Influence on the Success of SMEs in Specific Context of
Developing Countries
-The case of private healthcare sector in Macedonia**

Interview protocol

Name of the company: _____

Interviewee (Title and Name): _____

Interviewer: _____

Interview conducted on behalf of the research supported by:

Survey Section Used:

A: *Warm up questions*: open general questions regarding business conditions in Macedonia (as case of developing country)

B: Questions covering the entrepreneurial orientation dimensions

C: Questions that access business performance in last 5 years

D: *Closing question*: to access interviewee's willingness to improve EO position, if possible.

Other Topics Discussed: _____

Documents Obtained: _____

Post Interview Comments or Leads:

Introductory Protocol

To facilitate our note-taking, we would like to audio tape our conversations today. Please sign the release form. For your information, only researchers on the project will be privy to the tapes which will be eventually destroyed after they are transcribed. In addition, you must sign a form devised to meet our human subject requirements. Essentially, this document states that: (1) all information will be held confidential, (2) your participation is voluntary and you may stop at any time if you feel uncomfortable, and (3) we do not intend to inflict any harm. Thank you for your agreeing to participate.

We have planned this interview to last no longer than one hour. During this time, we have several questions that we would like to cover. If time begins to run short, it may be necessary to interrupt you in order to push ahead and complete this line of questioning.

Introduction

You have been selected to speak with us today because you have been identified as someone who has a great deal to share about business practices and responses to certain opportunities and threats on the market.

Our research as a whole focuses on the entrepreneurial orientation of the SMEs in developing countries. More precisely, we try to assess firm's abilities to act proactively on the market, to introduce innovations, to take risks, act autonomously, and defend their market position through the use of competitive aggressive actions. What is more specific in our research is that we examine these actions and their contribution to firm's performance under the conditions of developing countries, meaning, under the constraints of limited resource availability, unfavorable entrepreneurial culture, but as well, the advantage of immature market stage with increasing customers needs, and wide range of unexploited business opportunities.

Through this interview, we are trying to learn more about your experience in the private healthcare sector in Macedonia and hopefully learn about entrepreneurial practices you have applied in your operations and how they contributed to performance.

Appendix VI: Interview questionnaire

A: *Warm up questions*: open general questions regarding business conditions in Macedonia (as case of developing country) SELF CREATED QUESTIONS

1. Would you describe clients changing needs as you have experienced in the past three years?

Probe: Would you characterize them as increasing, higher quality demanding or more sophisticated?

2. How do you think your organization can benefit from the open opportunities in the undeveloped market?

Probe: Would you like to share some example?

3. Do you feel like if you had more resources to use or invest, you would take more advantage of the offered opportunities on the market?

Probe: How do you usually finance your business? Reinvestments of external sources?

4. When you first started your business, did you find people around you supporting or skeptical about your undertaking?

Probe: How do you find the entrepreneurial culture in Macedonia? Do you think people are open to tolerate honorable failure?

B: Questions covering the entrepreneurial orientation dimensions

As employed in our research, risk-taking refers to a *willingness to commit resources to projects, ideas, or processes whose outcomes are uncertain and for which the cost of failure would be high*. In this regard... HUGHES AND MORGAN 2007

1. Would you say that the term “risk taker” is considered a positive attribute for people in your company?

Probe: Would you share some example when you have initiated a risky activity?

2. Do you feel people in your company are encouraged to take calculated risks with new ideas?

Probe: What are the established or spontaneous mechanisms to motivate such actions?

3. Would you rate your operations as high in exploration and exploitation of opportunities?

Probe: Could you say something more based on your experience?

As employed in our research, innovativeness refers to a the *exhibition of experimentation, exploration, and creative acts as reflected in, for example, new products/services, new process technologies, new methods of operation, and new business strategies*. In this direction... HUGHES AND MORGAN 2007

1. How would you describe the improvement and innovations in your business?

Probe: Would you evaluate your company as active in this field?

2. Tell me about the ways in which your business tries to do things differently?

Probe: Have you employed some new methods of operations, new technology?

3. Could you say that your company has introduced large number of new lines of products and services in the past three years? COVIN

Probe: Would you clarify them more specifically?

As employed in our research, proactiveness refers to *engaging in forward-looking actions targeted at the exploitation of opportunity in anticipation of future circumstances, as would be typical of firms that lead and/or pre-empt the actions of others (e.g., market pioneers, early adopters of new technologies)*. In this direction... MORGAN AND STRONG 2003

1. Could you say that your company is constantly seeking new opportunities related to present operations? MORGAN AND STRONG 2003

-
-
2. Are you usually the first one to introduce new brands or products in the market? Please share some examples, if applicable.

-
-
3. What do you think about elimination of operations in later stages of the life cycle?
-
-

Probe: Do you have any practical example of such an action.

As employed in our research, autonomy refers to “*the independent action of an individual or a team in expressing an idea or a vision and carrying it through to completion*”. In this direction...LUMPKIN AND DESS 2009

1. Do you believe that the best results occur when individuals and teams decide for themselves what business opportunity to pursue?

2. Are that employee’ initiatives and input or CEO’s attitude that play a major role in identifying and selecting entrepreneurial opportunities your company pursues?

Probe: Would you share some examples, if applicable.

3. Do you find your company supporting to individuals to work autonomously?

Probe: Could you share some protocols or mechanisms for this to occur?

As employed in our research, competitive aggressiveness refers to “*how firm relates to competitors and how it reacts to trends already existing on the market, including entering a market that other business has identified, or aggressively lowering prices as response to competitor’s actions, invest heavily in marketing...*” In this direction... LUMPKIN AND DESS 2001

1. Would you rate your business as “intensively competitive” or “avoiding competitive clashes”?

Probe: Would you state some reasons behind this choice?

2. Have you experienced you firm to take aggressive competitive actions to take business from competitors?

Probe: Please specify some details.

C: Questions that access business performance in last 5 years

1. Please specify if your company has experienced increase or decrease of the following performance indicators during the last 3 years?
 - a. Market share_____
 - b. Profitability_____
 - c. Number of employees_____

D: *Closing question:* to assess interviewee's willingness to improve EO position, if possible.

1. If you feel that your company may improve on some of the stated entrepreneurial orientation dimensions, would you invest time, efforts and resources to do so?

Appendix VII : Basic reforms in the Macedonian healthcare system (1991-present)

Postsocialist transition period (1991–1999)	
1991	Establishment of the right to health in the Constitution of the newly independent state
1991	Law on Health Care Liberalization of health service provision; transformation of state into public capital; re-establishment of professional associations and chambers
1993	Law on Pension and Disability Insurance Re-establishment of the solidarity-based retirement and disability system
Promarket period of reforms (2000 to present)	
2000	Law on Health Insurance Introduction of third-party payer system; establishment of semi-autonomous health care financing institution (Health Insurance Fund)
2002–2004	Regulation of existing public health functions through new legislation (Law on Ionizing Radiation Protection and Safety, Law on Population Protection against Communicable Diseases, etc.)
2004–2007	Amendment of Law on Health Care: Primary care reforms Transformation of primary care based on concession and blended capitation model (general practitioners, paediatricians, gynaecologists, pharmacies, occupational health specialists)
2006	Health care reforms: <ul style="list-style-type: none"> • Renovation and purchase of equipment in public health facilities using state budget and loans from international institutions • Introduction of the public–private partnership concept • Electronic health data management system • Regulating availability and accessibility of pharmaceuticals
2006	Law on Mental Health Introduction of new concept in and preventive approach to mental health, regulation of the rights of persons with mental health conditions
2006	Law on Sanitary and Health Inspection Establishment of supervisory and regulatory control mechanisms for health services
2007	Law on Medicines and Medical Devices Reformulation of pharmaceutical policies, in particular quality standards of production, registration and distribution of medicines and medical device
2007	Reestablishment of certain public health functions through new legislations: Law on Occupational Safety and Health, Law on Preventing Harmful Noise, etc.
2008	Law on Protection of Patients' Rights Compilation of existing rights of patients into single legislation and introduction of new rights (right to privacy and confidentiality of medical records, right to second medical opinion, right to personalized treatment, etc.)

2009	<p>Law on Health Statistics</p> <p>Introduction of new concept in health statistics in the country, including level and scope of health records and data to be collected; increase of registries in various fields to 35 registries</p>
2009	<p>Amendment of the Law on Health Insurance</p> <p>Adding new ground for insurance based on citizenship (Universal Health Coverage approach)</p>
2009	<p>Introduction of Diagnosis-Related Groups (DRG) payment model for hospitals</p>
2010	<p>Law on Public Health</p> <p>Introduction of new dimension of existing public health functions, aligned with the International Health Regulations; establishment of Public Health Committee under the auspices of the government to coordinate intersectoral cooperation on public health issues</p>
2010	<p>Law on Protection against harmful effects of Smoking (smoking ban)</p> <p>Introduction of complete smoking ban in public and commercial premises</p>
2011	<p>Law on Blood Safety</p> <p>Restructuring of blood safety and transfusion system, aligned with the EU directives</p>
2011	<p>Law on Extraction and Transplantation of Parts of Human Body for Treatment Purposes</p>
2012	<p>New Law on Health Care</p> <p>Establishment of Health Network of all health care providers; Health Council under Ministry of Health; regionalization of care; registry of health providers; accreditation system for quality of care</p>
2012	<p>Introduction of P4P payment method for providers at secondary and tertiary levels of care</p>
2012	<p>Law on Voluntary Health Insurance</p> <p>Establishment of basis for voluntary (additional and private) health insurance (not yet in full implementation)</p>
2013	<p>Nationwide roll-out of MyAppointment, integrated electronic health system (upon piloting during 2011–2012)</p>
2014	<p>Establishment of the Agency for Medicines and Medical Devices (MALMED) as successor of the Drug Bureau</p> <p>Establishment of Agency for Quality and Accreditation of health institutions</p>
2015	<p>Establishment of the Directorate for e-Health</p>
2014–2016	<p>Development and endorsement of the first overarching National Health Strategy with action plans until 2020</p> <p>Development and endorsement of Strategic Framework for Public Health with Action Plan until 2020</p> <p>Development of Strategic Framework for Environment and Health with Action Plan until 2030; and Strategic Framework for Non-communicable diseases with Action Plan until 2020</p>

Appendix VIII : Detailed view on supporting evidence for the four main propositions

CASE						
Moderating variable	C1	C2	C3	C4	C5	C6
Limited resources	They believe that having more resources would mean deeper exploitation of the market opportunities and satisfying more of the demanding service requests	A more available resources or appealing financing options may bring decision for many problems, but certainly would assist in improving business position in innovation and technology, competitive position on the market, and therefore proactive market approach.	The lack of financial resources for investment in additional education presents a main issue in the private dentistry business development. This financial inability further might make a difference in the quality of service provided. The lack of financial resources prevents realization of new ideas.	To be able to transfer the world dermatological trends on a local level, huge investment is necessary in acquisition of high tech equipment. Furthermore, to be able to operate it successfully and to advance and introduce new dermatological methods of operations additional trainings and education abroad is essential. Special credit lines for acquisition of equipment and technology or suitable leasing options would also assist in business elevation.	Having more available resources on request would certainly make a difference in their performance on the market, especially in innovation and proactiveness activities.	The founder claims that in absence of additional resources for investment in trainings, education, staff and equipment they are not able to use their full potential and exploit additional opportunities.

<p>They have experienced certain skepticism and warning during the startup process, mainly from close friends who has previously experienced business failures themselves.</p>	<p>Macedonia may not be proud of its entrepreneurial culture. A greatest percentage of people prefers employment in state institutions rather than being self employed and take risk while acting. Dr. Lozankovski points to Macedonian entrepreneurial culture as highly risk averse</p>	<p>At the stage of launching the business, people in the founder's environment have shown great support and encouragement. The doctor evaluates Macedonian entrepreneurial culture relatively positive. Some of the colleges have warned him to be careful and cautious at the infancy period following start up, since businesses are most vulnerable at that stage.</p>	<p>Entrepreneurial culture in the country has never been seen as supporting factor in the business development process. On the contrary, people in Macedonia are still very skeptical for investments and are generally petrified to take risks. The reasons behind this statement are closely connected to the economic instability in the country and the apathetic political situation. Reflecting on this, people have no courage to take risk and prefer employment in the state administration.</p>	<p>Entrepreneurial culture has documented an improving trend. The founder declares that people have learned to accept risk and many new forms of businesses have emerged, including social enterprises. What people also have to learn is that entrepreneurship is complex phenomenon and building business success takes time and patience.</p>	<p>Regarding Macedonian entrepreneurial culture, the founder holds that people are not ready to accept someone's failure and are not positively responsive to second chances.</p>
<p style="text-align: center;">Entrepreneurial culture</p>					

<p>Globalization and increased internet literacy have made our patients progressively more demanding in a sense of asking for products available in advanced countries to be accessible on a local level.</p> <p>Unexploited opportunities</p>	<p>In fact, even more than 50% of young couples face sterility problems or related issues, so in this direction the need for more sophisticated assisted pregnancies procedure has mounted in recent years. However, the mentioned opportunities have usually been exploited by large private hospitals due to the availabilities of funds for investments, counting in millions of Euros.</p>	<p>Internet accessibility has made them aware of the leading world dentistry trends and great percentage of the clients asks for services in that direction. The doctor claims that it is not the need of the patients that have changed, mainly the basic is good oral health; but the demand regarding oral health and beauty have increased and become more sophisticated.</p>	<p>There are several ways in which the private dermatological practice may benefit from this pool of open opportunities, however, most of those need financial strength in order to succeed. The core possibilities are import of new technology and education abroad.</p>	<p>There is a stream of clients who are looking for more customized approach, especially when they ask for care for elderly with dementia and Alzheimer, due to their specific needs that necessitate more dedicated and professional approach. The opportunities in this sector in Macedonia are varied, since there is no specialized hospice, and</p>	<p>It becomes fairly evident that the population is aging and people tend to become even more demanding for physic therapy, besides the basic physical therapy, patients are becoming more aware of additional opportunities regarding their physical health; therefore, often they are willing to try some of the new methods the office offers.</p>
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<p>Immature market</p>	<p>The needs connected to patients' diseases remain constant or has slightly increased, however, a dramatically increase has been noticed in the demand for specialized nutrition programming and increased frequency in examinations for diseases prevention, pointing to the fact that people awareness about health and healthy lifestyle has shown a positive increasing trend.</p>	<p>Through the fourteen years of operations on the Macedonian healthcare market, the doctor may recognize increasing patients' needs in his sphere of gynecological private practice.</p>	<p>The needs of the patients regarding the dentistry services have documented a sharp increasing trend during the past ten years. Clients take more serious approach to dentistry and ask for more convenient service and higher quality. The dentistry sector has been perceived highly developed and close to the level of more advanced countries. The doctor explains that there is sound market offer and highly professional doctors that stand behind</p>	<p>This increased patients' demand for private dermatological practice is seen as a result of greater patients' information about dermatological services and their ability to improve people's health and beauty, as well as the unsatisfactory level of service provided by the state hospitals.</p>	<p>The higher rate of women's involvement in the labor market, as well as the increasing trend of migration of younger members of Macedonian families leads to inevitable need for sound and professional institutions that would take care of the elderly with the greatest degree of dignity and quality in services provided.</p>	<p>The founder points that there is a <u>substantial</u> grounds to believe that people's needs regarding physiotherapy have continually been growing during the past ten years. This is reflected in the facts that clients' unhealthy lifestyle and long office hours have shifted the age limits downwards. The increase in the demand for the private physical therapy services has also been affected by the unsatisfactory service patients receive in the public hospitals and the long waiting lists for receiving a</p>
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