Relationship between Entrepreneurial Orientation and Innovation: the Mexican Small Business Context

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Abstract
An extremely turbulent environment such as the one in which enterprises participate, especially small and medium-sized ones (SMEs), is mostly characterized by radical changes regarding technology, the development of new products, management processes and systems in order to adapt as fast as possible products to the changing interests and preferences of clients and consumers as well as the demands of the market. In this regard, SMEs have to redirect or adopt and implement new business strategies that allow them to obtain the abilities and skills to survive in a highly globalized and competitive market. That is why the entrepreneurial orientation and innovation are two of the business strategies that are getting many followers in the current literature. Thus, the main objective of this research is to analyze the existing relation between entrepreneurial orientation and innovation. The results obtained show that there is a significant positive relation between entrepreneurial orientation and innovation.

Keywords: Entrepreneurial orientation, innovation, small and medium-sized enterprises.

1. Introduction
Innovation has become not only a business strategy but also an unavoidable activity for the survival of enterprises, especially small and medium-sized ones (SMEs), in an uncertain atmosphere of business along with a highly competitive market and a constant change of technology and information (Maatoofi & Tajeddini, 2011). Therefore, it is essential that enterprises take advantage of the opportunities given by a globalized market as well as knowing the preferences and needs required by the market so organizations develop new products or improve the existing ones needed by their clients and consumers so they can significantly increase their innovation activities and improve their competitive advantages (Tajeddini, Trueman & Larsen, 2006).

Additionally, enterprises also have to adopt and implement entrepreneurial orientation activities in all the functional areas and departments since it is precisely this entrepreneurial orientation which allows SMEs to significantly improve their abilities and creativity that produce higher possibilities to increase the level of innovation and competitive advantages (Atuahene-Gima & Ko, 2001; Tajeddini, 2010). Consequently, if SMEs have the knowledge about the preferences and needs of their clients and consumers, the entrepreneurial orientation will provide enterprises the necessary abilities for the development of new products or improve the existing products in the organization by increasing the innovation activities (Hamel & Prahalad, 1994). Similarly, the level of entrepreneurial orientation that organizations have will be essential not only for the creation of innovation abilities but also to improve and increase the existing skills as well as fulfilling the needs of clients and consumers (Atuahene-Gima & Ko, 2001). Thus, if enterprises (including SMEs) focus on knowing more deeply the needs of their clients and consumers then the entrepreneurial orientation will not only create more and better results than the ones obtained by their main competitors (Hamel & Prahalad, 1994; Slater & Narver, 1995; Atuahene-Gima & Ko, 2001) but they will also get a higher probability of creating and innovating products, processes and management systems (Hult, Hurley & Knight, 2004; Tajeddini, 2010).
In this regard, even when there are a considerable amount of published theoretical and empirical investigations in the literature of business sciences and management that link entrepreneurial orientation and innovation, most of them have focused on big enterprises and there are relatively few researches that have analyzed and discussed these two important constructs inside SMEs (Maatoofi & Tajeddini, 2011; Preda, 2013). Thus, the main contribution of this research paper is the analysis of the existing relation between entrepreneurial orientation and innovation in SMEs from an emerging country as it is the case of Mexico. The following parts of this paper have been organized in the following way: the second section reviews the theoretical framework and the hypotheses are stated; the third section presents the methodology, the sample and the variables used; the fourth section the obtained results are analyzed; the last sections present the main conclusions and the discussion of the paper.

2. Literature Review

In an extremely economic turbulent environment, characterized by radical changes in relatively short time, enterprises need to develop their abilities to adopt and implement different business strategies like entrepreneurial orientation and innovation (Preda, 2013). For this reason, in order to develop both strategies adequately, it is needed that organizations, especially small and medium-sized ones (SMEs), have a high level of proactivity, risk taking and innovation so these activities are completely synchronized with the constant changes related to the interests and preferences of clients and consumers as well as the behavior of the main competitors since this will enable enterprises to develop and innovate new products and improve their level of entrepreneurism (Preda, 2013). Thus, Shane and Venkatraman (2000) concluded that entrepreneurism can be considered as the process by which enterprises identify, evaluate, and take opportunities given by the market. Moreover, Shane and Venkatraman (2000) considered that entrepreneurism involves three main activities in enterprises: 1) Analysis of opportunities, 2) Knowledge processes, evaluation, and use of such opportunities, and 3) Abilities to take advantage of the opportunities. However, Fisher (2012) considered that entrepreneurism is not the creation of a do-it-yourself project in enterprises and take the results to the individual level of workers and employees. It is rather part of the entrepreneurial orientation that enterprises have that reflects their priority in the identification, implementation, and use of the opportunities provided by the market.

As a result of this, entrepreneurial orientation can be considered as the ability that enterprises have to innovate and adapt to the changes required by the market (Norman & Slevin, 1993). Innovation can be defined as the implementation of new ideas that allow the creation of value directly for companies and indirectly for clients and consumers by creating or improving products, processes and management systems (Weerawardena, 2003). Therefore, organizations have to identify constantly the opportunities provided by the markets in which they participate to adequately satisfy the needs of their clients and consumers, produce new ideas to create or improve their products and get market information to develop new processes or improve the existing processes and management systems (Preda, 2013). In this regard, entrepreneurial orientation reflects the level that enterprises have to take advantage of the opportunities provided by the market in a proactive or conservative way (Morris, Webb & Franklin, 2011). For that reason, Rauch, Wiklund, Lumpkin, and Frese (2009) concluded that entrepreneurial orientation can be considered as a strategic process of decision making that allows companies to create competitive advantages including innovation. Therefore, innovation is an essential activity that can be improved significantly by increasing the adoption and implementation of entrepreneurial orientation (Beekman, Steiner & Wasserman, 2012) since one important aspect of it is the development of new products, processes, and management systems (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003).

As a result, there are several published theoretical and empirical investigations in the current literature that have contributed to the presence of a significant positive relation between entrepreneurial orientation and different variable such as business return (Matsuno, Mentzer & Özsomer, 2002; Li, Ching-Yick-Tse & Yan-Gu, 2006; Zhang & Li, 2007); control systems (Morris et al., 2006); control staff (Zhang & Li, 2007); human resources management (Morris & Jones, 1999); the possibility of staff development and adequate opportunities for the development of staff creativity (Akbari, 2005); level of education, organizational position, age and job experience (Jafarzadeh, 2005); social capital (Ashna, 2005); organizational structure (Rahimi-FilAbadi, 2004); social status of the family (Mashayekh, 2004); national culture and business policies (Swierczek & Quang, 2004); strategic planning (Li et al., 2006); and, obviously, innovation (Elenurm, Ennulo & Laar, 2007; Maatoofi & Tajeddini, 2011; Beekman et al., 2012; Preda, 2013). Thus, entrepreneurial orientation focuses on the innovation of products, process, and management systems that the market requires by taking different risks in these projects.
The tendency of the level of entrepreneurial orientation of organizations should be a pioneer in the innovation activities in a way that allows them to offer better products than their main competitors (Miller, 1983). Moreover, entrepreneurial orientation also allows enterprises to increase their abilities and technical knowledge so they can focus the best they can to provide clients and consumers with technical solutions by developing new products and services or the improvement of products and current services (Workman, 1993; Gatignon & Xuereb, 1997) which can give enterprises different international advantages (Covin & Slevin, 1988). Additionally, entrepreneurial orientation has been analyzed commonly through three classical dimensions proposed by Miller (1983): innovation, risk taking, and proactivity. For practical purposes, innovation is considered as the creative ability that enterprises have to try new ideas and processes, the development and introduction of new products and services (Lumpkin & Dess, 1996). On the other hand, risk taking is considered as the perception that companies have to obtain better results if they take higher risks in an uncertain situation but with higher probabilities of success (Wiklund & Shepherd, 2003), whereas proactivity is regarded as the ability that enterprises have to identify new opportunities, to anticipate future needs and introduce new or improved products or services that their competitors do not have (Venkatraman, 1989).

These three dimensions have been used by several researchers and scholars to measure entrepreneurial orientation in both big enterprises and SMEs (Miller, 1983; Covin & Slevin, 1989; Becherer & Maurer, 1997; Lee, Lee & Pennings, 2001; Thoumrungroje, 2010). Similarly, Morris et al. (2011) considered that these three dimensions are also essential to measure entrepreneurial orientation in non-profit enterprises, whereas Meyskens, Robb-Post, Stamp, Carsrud and Reynolds (2010) concluded in their research that the measurement of entrepreneurial orientation must be different for social and commercial enterprises even when they have similar processes, behavior and flow of resources. However, it is possible to find in the current literature of business sciences and management a scale with five dimensions to measure entrepreneurial orientation that is also commonly used by different researchers and scholars (Preda, 2013) which is the one that will be used in this investigation. Such dimensions are innovation, risk taking, proactivity, autonomy, and aggressive competitiveness (Lumpkin & Dess, 1996); the last two dimensions are additions to the scale proposed by Miller (1983). Similarly, autonomy refers to the degree of freedom that employees, workers or teams of SMEs have to act and carry out their working activities according to their beliefs, whereas aggressive competitiveness refers to the tendency of SMEs to change more intensively than their main competitors do so they obtain a better competitive position and a higher business development (Preda, 2013).

Within this context, the entrepreneurial orientation is generally considered as one of the most important resources that SMEs have to create a higher level of innovation that can lead them to get a significant increase in their enterprise return (Day, 1994a, 1994b; Kohli & Jaworski, 1990; Slater & Narver, 1995). Therefore, innovation activities allow enterprises to create and innovate ideas through collecting and sharing market information among all departments or functional areas (Foxall & Fawn, 1992). Moreover, a higher level of entrepreneurial orientation facilitates the development in enterprises not only innovating but also reacting rapidly to the changes demanded by the market and the business environment (Naman & Slevin, 1993). In this regard, Pérez-Luno, Wiklung and Valle-Cabrera (2011) came to the conclusion that entrepreneurial orientation creates a higher level of innovation in enterprises; that is why a high level of innovation is generally associated with a high level of proactivity, risk taking, innovation, autonomy and aggressive competitiveness. Thus, risk taking, proactivity, autonomy and aggressive competitiveness (entrepreneurial orientation) involves a constant analysis of the environment to identify market opportunities and implement a series of actions that facilitate the adaptation to the changes marked by the business environment (Preda, 2013). These actions are normally expressed in the introduction of new products or services, new processes or management services which are associated to a higher level of competitiveness (Pérez-Luno et al., 2011). Thus, considering the information presented above, it is possible to establish the following hypothesis:

**H1: Higher level of entrepreneurial orientation, higher level of innovation**

3. **Methodology**

In order to answer the hypothesis established in this research, the business directory of the Sistema de Información Empresarial de México 2014 (Business Information System of Mexico) for Aguascalientes was used, which had 6,194 registered enterprises in June 2014. Similarly, for practical purposes of this research, the only enterprises that were considered were the ones that had between 5 and 250 employees and for this reason, the directory was reduced to 1,260 SMEs and a sample of 300 enterprises was obtained.

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The questionnaire was designed to be answered by the managers and/or owners of SMEs and it was carried out as a personal interview to each of the 300 enterprises from January to March 2015 which was selected randomly with a sampling error of ±4.5% and a reliability level of 95%. Additionally, the scale proposed by Lumpkin and Dess (1996) was used to measure the entrepreneurial orientation. They considered that this orientation is possible to measure through five dimensions: proactivity, risk taking, innovation, autonomy, and aggressive competitiveness by means of a six-item scale for each dimension. A scale from the OECD (OECD, 2005) was considered for the measurement of innovation which establishes that innovation can be measured through three dimensions: innovation in products (measured by means of a two-item scale); innovation in processes (measured by means of a two-item scale); and innovation in management systems (measured by means of a three-item scale). All the items of the scales used were measured by means of a five-point Likert scale (from 1 = Totally agree to 5 = Totally disagree) as their limits.

Similarly, in order to evaluate reliability and validity of the scales of entrepreneurial orientation and innovation, a Factorial Correspondence Analysis (FCA) was carried out by using the method of maximum likelihood with the software EQS 6.1 (Bentler, 2005; Brown, 2006; Byrne, 2006). The reliability of the scales was evaluated by means of Cronbach’s alpha and the Composite Reliability Index (CRI) suggested by Bagozzi and Yi (1988) and also considering the suggestions established by Chou, Bentler and Satorra (1991) as well as the ones of Hu, Bentler and Kano (1992) regarding the correction of the statistics of the theoretical model when it is considered that the normality of data is present. Robust statistics were also used in order to provide a better statistical adjustment of data of the scales used (Satorra & Bentler, 1988). The FCA results are shown in Table 1 and they show that the scales used have a good statistical adjustment of data ($S-BX^2 = 440.569; df = 340; p = 0.000; NFI = 0.896; NNFI = 0.969; CFI = 0.974; RMSEA = 0.031$). All the items of the factors related are significant (p < 0.01). The size of all the standardized factorial loads are above 0.60 (Bagozzi & Yi, 1988). Cronbach’s alpha and IFC have a value above 0.60, as suggested by Bagozzi and Yi (1988) and the Extracted Variance Index (EVI) has a value above 0.70 as suggested by Fornell and Larcker (1981). These values indicate that there is sufficient evidence of convergent validity and reliability which justifies the internal reliability of the two scales used (Nunally & Bernstein, 1994; Hair et al., 1995).
Table 1: Internal consistency and convergent validity of the theoretical model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Factorial Loading</th>
<th>Robust Value</th>
<th>t-Value</th>
<th>Cronbach’s Alpha</th>
<th>CRI</th>
<th>EVI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactivity (F1)</td>
<td>PR1</td>
<td>0.679***</td>
<td>1.000</td>
<td>10.955</td>
<td>0.841</td>
<td>0.843</td>
<td>0.518</td>
</tr>
<tr>
<td></td>
<td>PR2</td>
<td>0.716***</td>
<td>11.364</td>
<td>12.150</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>PR4</td>
<td>0.715***</td>
<td>11.472</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>PR5</td>
<td>0.733***</td>
<td>11.472</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>PR6</td>
<td>0.755***</td>
<td>12.150</td>
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<tr>
<td>Risk Taking (F2)</td>
<td>TR1</td>
<td>0.731***</td>
<td>1.000</td>
<td>8.382</td>
<td>0.814</td>
<td>0.815</td>
<td>0.526</td>
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<tr>
<td></td>
<td>TR4</td>
<td>0.784***</td>
<td>9.069</td>
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<tr>
<td></td>
<td>TR5</td>
<td>0.701***</td>
<td>8.600</td>
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</tr>
<tr>
<td>Innovativeness (F3)</td>
<td>IN1</td>
<td>0.722***</td>
<td>1.000</td>
<td>13.157</td>
<td>0.857</td>
<td>0.859</td>
<td>0.551</td>
</tr>
<tr>
<td></td>
<td>IN2</td>
<td>0.652***</td>
<td>13.300</td>
<td></td>
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<tr>
<td></td>
<td>IN3</td>
<td>0.791***</td>
<td>11.688</td>
<td></td>
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<tr>
<td></td>
<td>IN4</td>
<td>0.741***</td>
<td>15.277</td>
<td></td>
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</tr>
<tr>
<td>Autonomy (F4)</td>
<td>AU2</td>
<td>0.817***</td>
<td>1.000</td>
<td>17.650</td>
<td>0.885</td>
<td>0.885</td>
<td>0.606</td>
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<tr>
<td></td>
<td>AU3</td>
<td>0.795***</td>
<td>17.224</td>
<td></td>
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<tr>
<td></td>
<td>AU4</td>
<td>0.752***</td>
<td>13.319</td>
<td></td>
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<tr>
<td></td>
<td>AU5</td>
<td>0.757***</td>
<td>14.684</td>
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<tr>
<td>Aggressive Competitiveness (F5)</td>
<td>AC2</td>
<td>0.738***</td>
<td>1.000</td>
<td>8.197</td>
<td>0.774</td>
<td>0.776</td>
<td>0.537</td>
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<tr>
<td></td>
<td>AC3</td>
<td>0.740***</td>
<td>8.689</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>AC6</td>
<td>0.719***</td>
<td></td>
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</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>F1</td>
<td>0.700***</td>
<td>3.788</td>
<td>2.155</td>
<td>0.867</td>
<td>0.868</td>
<td>0.571</td>
</tr>
<tr>
<td></td>
<td>F2</td>
<td>0.644**</td>
<td>4.310</td>
<td></td>
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<tr>
<td></td>
<td>F3</td>
<td>0.894***</td>
<td>2.004</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>F4</td>
<td>0.671**</td>
<td>4.936</td>
<td></td>
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<tr>
<td>Product Innovation (F6)</td>
<td>IP1</td>
<td>0.870***</td>
<td>1.000</td>
<td>16.183</td>
<td>0.852</td>
<td>0.853</td>
<td>0.743</td>
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<tr>
<td></td>
<td>IP2</td>
<td>0.854***</td>
<td>13.634</td>
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<tr>
<td>Process Innovation (F7)</td>
<td>IR1</td>
<td>0.790***</td>
<td>1.000</td>
<td>15.287</td>
<td>0.898</td>
<td>0.898</td>
<td>0.740</td>
</tr>
<tr>
<td></td>
<td>IR2</td>
<td>0.820***</td>
<td>14.936</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Management Innovation (F8)</td>
<td>IG1</td>
<td>0.718***</td>
<td>1.000</td>
<td>9.939</td>
<td>0.890</td>
<td>0.891</td>
<td>0.734</td>
</tr>
<tr>
<td></td>
<td>IG2</td>
<td>0.939***</td>
<td>15.381</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IG3</td>
<td>0.922***</td>
<td>13.100</td>
<td></td>
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</tr>
<tr>
<td>Innovation</td>
<td>F6</td>
<td>0.838***</td>
<td></td>
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<tr>
<td></td>
<td>F7</td>
<td>0.946***</td>
<td></td>
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<tr>
<td></td>
<td>F8</td>
<td>0.777***</td>
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</tbody>
</table>

\[S-BX^2 (df = 340) = 440.569; p < 0.000; NFI = 0.896; NNFI = 0.969; CFI = 0.974; RMSEA = 0.031\]

\[a = \text{Parameters fixed to this value in the identification process}\]

\[** = p < 0.05; *** = p < 0.01\]

Similarly, two tests were considered relevant to evaluate the discriminate validity of both scales used: a reliability interval test that establishes that with an interval of 95% of reliability none of the individual latent elements of the matrix of correlation has a value of 1.0 (Anderson & Gerbing, 1988). In addition, the extracted variance test establishes that the EVI value of each pair of constructs must be higher than their corresponding square covariance (Fornell & Larcker, 1981). Table 2 shows the results obtained in detail and they indicate that both measurements provide enough evidence of discriminate validity of the scales of entrepreneurial orientation and innovation.
Table 2: Discriminant validity of the theoretical model

<table>
<thead>
<tr>
<th>Variables</th>
<th>Entrepreneurial Orientation</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Orientation</td>
<td>0.571</td>
<td>0.176</td>
</tr>
<tr>
<td>Innovation</td>
<td>0.329 – 0.509</td>
<td>0.734</td>
</tr>
</tbody>
</table>

The diagonal represents the Extracted Variance Index (EVI) while above diagonal the variance part is shown. Below diagonal is the correlation estimation of factors with a confidence interval of 95%.

4. Results

A model of structural equations was used in order to answer the hypothesis stated in this empirical research by using the software EQS 6.1 (Bentler, 2005; Brown, 2006; Byrne, 2006) which analyzed the nomological validity of the initial model of both scales used through the square Chi test.

It was mostly based on the comparison of the results obtained from the original model and the measurement model; the differences of square Chis between the two models were not significant which provides an explanation of the relations observed between the latent constructs of the scales used (Anderson & Gerbing, 1988; Hatcher, 1994). Table 3 shows these results in a more detailed way.

Table 3: Structural equation model results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Structural Relation</th>
<th>Standardized Coefficient</th>
<th>Robust t-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Higher level of entrepreneurial orientation, higher level of innovation.</td>
<td>Entrepreneurial O. → Innovation</td>
<td>0.427***</td>
<td>4.652</td>
</tr>
<tr>
<td>$SBX^2 (df = 330) = 421.360; p &lt; 0.000; NFI = 0.901; NNFI = 0.971; CFI = 0.976; RMSEA = 0.030$</td>
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</table>

*** = P < 0.01

Table 3 shows the results obtained from the statistical implementation of the model of structural equations. It was found that, regarding hypothesis H1, the results ($\beta = 0.427, p < 0.01$) indicate that entrepreneurial orientation has significant positive results in the innovation of SMEs. Therefore, so it is possible to conclude that entrepreneurial orientation is a good estimator of the innovation abilities in enterprises, especially in SMEs.

5. Conclusions and Discussion

The results obtained in this empirical research allow us to give some conclusions on two important aspects. On one side, the higher the entrepreneurial orientation of SMEs the higher the level of innovation they will have in products, processes and management systems since it is precisely the entrepreneurial orientation the business strategy that has more significant positive results in the innovation activities in enterprises. Therefore, organizations will have to adopt and implement the entrepreneurial orientation in all the functional areas and in their everyday activities, that is, managers will not be the only entrepreneurial agents but also employees and workers of the enterprise because this will increase the probabilities of getting a higher level of innovation.

Secondly, it is also possible to conclude that if a SME attempts to be entrepreneurial it is not enough to simply wish for it; the company has to create the necessary conditions and an adequate working environment so workers and employees can develop their abilities and creativity to obtain new products, processes and management systems. Additionally, it will be necessary to change the prevailing organizational culture in SMEs since entrepreneurship needs the participation of all the personnel of the organization to contribute with possible solutions to the main problems affecting the company as well the production of new ideas to carry out everyday activities, to work as a team, to adopt new ways of work. In a few words, to adopt an innovating culture in which the enterprise is more proactive rather than reactive to the opportunities provided by markets.

Similarly, these results also create a series of implications in SMEs that are willing to adopt and implement entrepreneurial orientation not just as part of their business strategy but rather as a usual activity. Therefore, one of the first implications of these results, and perhaps the most important one, is that managers of SMEs have to work hard to change the attitude of their workers and employees so they are not afraid of change, to do things in differently from what they are used to do them, to propose new ways of working for the sake of all the organization, to modify behaviors and working habits, to be proactive rather than passive in their conventional activities, to be more entrepreneurial since only in this way they will create the necessary changes and working environment in the organization for the adoption and implementation of the entrepreneurial orientation.
If there is not a real change in the mentality of managers and the attitude of workers and employees then it will be very complicated for SMEs to be able to adopt and implement the entrepreneurial orientation efficiently which could create serious difficulties for managers to obtain a significant increase in the level of innovation in products, processes and management systems. Therefore, the organizational culture plays a central role not only in the adoption and implementation of entrepreneurial orientation but also in the innovation activities; that is why managers of SMEs have to carry out all the relevant activities that allow them to modify or change the current culture in which all the organization will have to be entrepreneurial and proactive rather than reactive to the changes demanded by the market and the business environment.

In a similar trend, a second implication derived from the results obtained in this research is that managers of SMEs will have to be the first ones in acknowledging the different advantages and benefits that the adoption and implementation of entrepreneurial orientation activities can create for all the organization. If this is not accomplished, workers and employees will not believe in the advantages offered by the entrepreneurial orientation.

That is why it is essential and mandatory that managers have a lot of knowledge on entrepreneurial orientation: what it is, what is its role and how it must be viewed. The more knowledge the manager has about the effects produced by this important business strategy the higher the possibilities the enterprise will have to implement it efficiently and effectively in order to obtain the desired results. In this regard, managers will have to be the first ones in becoming entrepreneurial and motivate their workers and employees to embrace a similar attitude. For this, managers will have to create a working atmosphere and the necessary conditions that promote the creation and development of new ideas and ways of doing things, collaborative work, sharing experiences, abilities, knowledge, and skills among all the personnel of the enterprise. In order to achieve this, managers will have to promote activities that involve different workers and employees to provide solutions; they will have to carry out changes or improvements in products, processes and management systems either current or new since all this will create an optimal environment for the development of innovation activities.

Finally, a third implication derived from the results obtained in this research is that managers of SMEs will have to design and implement training and preparation programs needed by their workers and employees so this kind of programs increase their creative abilities significantly, develop their working skills as a team as well as share their knowledge, experiences and abilities with their colleagues. This will allow not only the development of workers individually but also of the whole personnel which will facilitate the adoption and implementation of entrepreneurial orientation, product innovation, processes and management systems as well as the acquisition of more and better competitive advantages, a higher level of growth and development of SMEs, competitiveness and business return when compared with their main competitors.

References


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