

Entrepreneurial Orientation and Business Performance: An Empirical Study of SMEs in Nashik District of Maharashtra

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ABSTRACT

Purpose: Small and medium-sized enterprises (SMEs) act as a country's backbone for economic growth and employment generation. The ability of an organization to recognize and grab opportunities, create new products and services, and adapt to evolving market conditions is directly connected with its entrepreneurial mentality. The present study aims at finding the relationship between entrepreneurial orientation and business performance of SMEs. Further, the study also aims at identifying the key factors that influence the entrepreneurial orientation of the SMEs and the strategies that can be used by the SMEs to enhance their entrepreneurial orientation and accordingly their business performance. **Methodology:** In this study, the quantitative research design was followed and a cross-sectional survey was conducted to gather the data from a total of 69 SMEs from Nashik district. Stratified random sampling was utilized to select SMEs from various sectors proportionately. Descriptive and inferential statistical analyses were employed to analyze the collected data. **Findings:** The present study findings reveal that creativity and pro-activeness play crucial roles in SME success. The results suggest that SMEs should foster an innovative and proactive culture to enhance their business performance. Moreover, the study emphasizes the significance of entrepreneurial orientation in overall success, with a considerable number of SMEs recognizing its importance. However, the findings indicate that risk-taking and autonomy do not significantly correlate with company performance, implying that SMEs should focus on other factors to improve their performance. **Implications:** The present study provides valuable insights about the relationship that exists between entrepreneurial orientation and the performance of the SMEs' business at Nashik district, Maharashtra. The present study recommended the business people and decision-makers to emphasize on creativity in their business activities, nurture a work environment that boosts the entrepreneurial behavior among the employees, develop strategic alliances, form a risk management strategy and leverage technology. The present study is a first-of-its-kind attempt among the target audience in the Nashik district of Maharashtra.

Key words: Business performance, entrepreneurial orientation, innovation, Nashik district, proactiveness, small and medium-sized enterprises

JEL Classifications: L6, M1

INTRODUCTION

Entrepreneurship is becoming more and more important to organizations, but it is even more crucial in today's

complicated global economy to maintain a competitive advantage (Skordoulis et al., 2022). Due to globalization, small and medium-sized enterprises (SMEs) are under constant pressure as a result of competition from their

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global counterparts. It becomes apparent that the SMEs, when paired with the altering complexity of customers around the world, encounter heavy challenges in terms of performance management and enhancement over a period of time, unless the firms genuinely take measures to overcome the issues. To ensure their company's long-term survival, these firms are recommended to follow an entrepreneurial approach to recognize the opportunities and difficulties in the business environment (Qalati et al., 2022). It becomes even more clear that when economic and environmental upheaval occur, the firms encounter high volumes of market volatility as well as uncertainty in their business happenings (Gomez-Mejia et al., 2023). A solid level reaction is therefore necessary (Kraus et al., 2012).

As a result, it is critical for managers to recognize and handle environmental turbulence properly. The elements that might explain the disparities in business performance between enterprises that succeed in challenging environmental conditions and those that fail are equally crucial for scholars to pinpoint (Jelonek et al., 2022). According to the current school of thought, entrepreneurship is necessary for development, sustained competitive advantage, and excellence in various fields (Ha et al., 2021; Paulus and Hermanto, 2022), politics (Cong et al., 2017; Dayan et al., 2022), and popular science (Ardelean, 2021; Rubin and Callaghan, 2019). This is particularly true for companies operating in hostile (Sadalia et al., 2020), competitive, and rapidly changing settings (Mason and Brown, 2014; Majdouline et al., 2020; Aidara et al., 2021).

The term "Entrepreneurial Orientation" will be used throughout the current text to refer to an established firm's entrepreneurial operations. Entrepreneurial orientation details about the processes related to making decisions, practices, and behaviors which are followed when entering a new market or an established market with already offered goods/services (Wang, 2008; Covin and Miller, 2014; Kosa et al., 2018; Yin et al., 2021). Entrepreneurial orientation is a word used to describe a company's drive and aptitude to partake in entrepreneurial activities including innovation, risk-taking, proactivity, and opportunity-seeking. The ability of an organization to recognize and grab opportunities, create new products and services, and adapt to evolving market conditions is directly connected with its entrepreneurial mentality. An important region in India with a growing economy and a sizable concentration of SMEs is the Maharashtra state's Nashik district. SMEs in this region need to be aware of their entrepreneurial attitude and firm performance if they are to increase their growth prospects and help the regional economy. The aim of the present study is to investigate the relationship between

SMEs' entrepreneurial orientation and the performance of the firms, at Nashik district, Maharashtra. The following research questions are to be answered by the study outcomes.

1. What is the relationship between entrepreneurial orientation and business performance of SMEs in Nashik District of Maharashtra?
2. What are the key factors that influence the entrepreneurial orientation of SMEs in Nashik District of Maharashtra?
3. What strategies can SMEs in Nashik District of Maharashtra adopt to enhance their entrepreneurial orientation and improve their business performance?

THEORETICAL FRAMEWORK

Entrepreneurship

The definition of "entrepreneurship" is still up for debate, despite the fact that the term has been around for some time (Petrella and Richez-Battesti, 2014). While there are many more opinions that may be found in the literature, the development of prosperity, company, creativity, evolution, jobs, creation of value, and expansion are among the subjects that tend to appear there (Szirmai et al., 2011; Ramayah et al., 2022). There have been numerous efforts made to develop a unified definition. For example, in their analysis of the descriptions of entrepreneurship found in the appropriate sources, Morris et al. (2010) found that 18 keywords were used at least five times in the literature that dealt with definitions regarding entrepreneurship. Because it included all of the crucial terms, the researcher had run across during their investigation, they used Krueger (2002) definition of entrepreneurship, that is, this phenomenon is a process in which the value creation occurs by collaging exclusive resources so as to leverage an opportunity.

Entrepreneurial Orientation

The degree to which business owners are hands-on is a significant factor in determining company success. The correlation between an entrepreneurial mindset and successful company outcomes has been the subject of extensive research. Before the year 2000, when the serious study of entrepreneurship began, the vast bulk of studies were conducted in this country. An entrepreneurial mindset is crucial to the growth and prosperity of any business. Miller (1983) defined entrepreneurial orientation as having three components: Creativity/originality, initiative, and willingness to take risks.

Proactivity denotes the availability of chances and the rivalry that exists among the firms to meet the potential demand by modifying and ensuring that their business environment is dynamic (Johari et al., 2023). On the other hand, creativity denotes the ability of a firm and the extent upto which a firm is ready to support creativity, novel ideas, and ready to experiment to develop new products and services (Aftab et al., 2022).

When a company takes risks, it commits to initiatives that have the potential for great returns but also a high failure rate (Adim and Bassey, 2022; Dickson, 2022). However, it is also generally accepted that risk-taking characterizes entrepreneurial actions, and that the most prosperous business owners tend to take calculated risks (Seloni et al, 2023). Gercans (2022) contended that a fundamental one-dimensional strategic orientation could be derived from these three EO elements.

Relation between Entrepreneurial Orientation and Business Performance

There are lot of researchers like (Kraus et al., 2012; Rezaei and Ortt, 2018; Kazemi et al., 2019; Linton, 2019; Kiss et al., 2022) adopted three-dimensional model developed by Miller (1983). According to the literature Hughes and Morgan (2007), the dimensions are free to change on their own and should be permitted to do so (Kreiser et al. (2002) and (Lumpkin and Dess, 1996)). However, only a handful of research scholars ensured that these dimensions can vary in this approach and accordingly, an EO model was created that is truly multidimensional in nature. The debate is not on whether or not the dimensions are independent of one another, but about the idea that entrepreneurial organization must show exemplary performance in all three areas (Covin et al., 2006). Being a critical concern, Lumpkin and Dess (1996) mentioned that not all the aspects of EO will have a noticeable impact on financial outcomes for businesses. Therefore, it is argued that there is a need to have independent evaluation of the relative outcomes of every dimension of the EO to have a complete understanding about the EO's significance.

One of the first to highlight the significance of innovation in entrepreneurship was Schumpeter (1950). He coined the term "creative destruction" to describe the process by which new forms of wealth are generated through the induction of novel services/goods that shake up the established markets and lead to a redistribution of existing resources. From this perspective, we can extrapolate that the EO viewpoint of the innovative nature is concerned with encouraging and

facilitating fresh pursuits, creativity, as well as the analysis of the hypotheses through experimentation (Lumpkin and Dess, 1996).

Proactivity is the second factor to consider and can be detailed as a process in which novel opportunities are sought after. These may either be related to the existing line of operations or not. Further, the new brands and products are introduced to stay ahead in the competitive market. Through this way, the existing goods/services that are almost mature or in the declining stages of the life cycle are strategically eliminated from the production process (Venkatraman, 1989). Certainly, initiative is a key component of becoming an entrepreneur, and this is what "proactivity" refers to. Predicting shifts in consumer demand can give a company a leg up in the marketplace (Lumpkin and Dess, 1996), and companies that actively design their own environments can gain an advantage over those that do nothing but react to external forces, as advocated by (Buss, 1987).

The uncertainty that results from entrepreneurial behavior is generally characterized by the third component, risk-taking. A hallmark of entrepreneurial conduct is the allocation of substantial resources to a venture with a high probability of failure. The risk-taking part has a value, that is, it aligns the organization in line with the absorption of uncertainty unlike its paralyzing fear. The emphasis is on regulated and measured risk-taking instead of its vice-versa, that is, uncontrolled and severe form of taking risks (Morris et al., 2010).

It was hypothesized by Lumpkin and Dess (1996) that every dimension of EO can shift on its own and that all of them may not always have a bearing on a company's success. Most research utilized a composite measure of risk taking, inventiveness, and proactivity to understand about the EO, despite Lumpkin and Dess (1996) warnings to the contrary. A meta-analysis by, Rauch et al. (2009), for instance, found that only 25% of the articles they included used a multidimensional model in which the EC dimensions differed from each other. As a result, the authors argue that the dimensions can be indexed into a single variable that measures the EO-performance relationship. This is supported by studies such as Covin et al. (2006) and Wang (2008); however, some research contradicts this conclusion. Proactivity and inventiveness on the EO scale, but not risk-taking, were found to be positively connected to company performance in a sample of Vietnamese and Thai businesses analyzed by (Hughes and Morgan, 2007; Swierczek and Ha, 2003). For instance, Swierczek and Ha (2003) found EO perspectives of proactiveness and innovative nature have a positive

association with the performance of the firms while risk-taking has no relationship with the above parameters among the businesses from Vietnam and Thailand. In the UK, [Kadariusman and Rosyafah \(2022\)](#) who are examining incubation businesses, demonstrate comparable results. Both taking risks and being inventive do not significantly affect customer performance in their sample.

A multidimensional model, incorporating all three of the aforementioned sub-dimensions, was put to the test in agreement with the outcomes achieved by [Covin et al. \(2006\)](#), who proposed that doing so could inspire the development of novel theoretical frameworks. According to general literature, there is an association between EO and increased business performance of the organizations ([Rauch et al., 2009](#)). There is a lack of clear-cut evidence to prove the impact of EO's sub-dimensions as separate entities rather than as a combination effect as a single EO construct. However, over a period of time, when an organization deployed EO, it is expected to have developed a set of skills like the ability for innovation so as to fulfill the emerging opportunities and overcome the threats, overcome the uncertainties experienced, capability to predict the changes in the market, and plan accordingly and finally the ability for risk tolerance. These skills tend to mould the entrepreneurship ability of a firm to enhance its business performance. All these three aspects are expected to have a favorable association with the performance of the SMEs, based on the literature on EO that dealt with individual dimensions and the notable correlations among the dimensions.

Several investigations have found positive correlations between entrepreneurial orientation and performance ([Lee and Chu, 2017](#); [Rezaei and Ortt, 2018](#); [Santos and Marinho, 2018](#)). In addition, EO is linked to increased export performance ([Robb et al., 2020](#)), company size, and economic growth ([Ringo et al., 2022](#)). As per the literature, EO has a favorable impact on small business growth ([Kiyabo and Isaga, 2020](#)) and non-state firm profitability in China ([Tang et al., 2017](#)). On the other hand, the scholars conducted research investigations at Sweden ([Andersén and Samuelsson, 2016](#); [Linton and Kask, 2017](#)), Slovenia ([Vidic, 2018](#); [Šlogar et al., 2023](#)), South Africa ([Matchaba-Hove et al, 2015](#); [Tendai et al, 2019](#)), China ([Zhao et al., 2011](#); [Su et al., 2015](#); [Yang and Aumeboonsuke, 2022](#)), Greece ([Zampetakis et al., 2011](#); [Theriou and Chatzoudes, 2015](#)), Finland ([Bogatyreva et al., 2017](#); [Piirala, 2012](#); [Soininen et al., 2012](#)), Germany ([Engelen et al., 2014](#); [Gupta and Gupta, 2015](#); [Piirala, 2012](#)), Vietnam and Thailand ([Engelen et al., 2014](#); [Swierczek and Ha, 2003](#)), Netherlands ([Kraus et al., 2012](#); [Rezaei and Ortt, 2018](#)),

United Kingdom ([Hughes and Morgan, 2007](#); [Siampos, 2019](#)) and Turkey ([Gürbüz and Aykol, 2009](#); [Platin and Ergun, 2017](#)).

In line with the insights received earlier, the following hypotheses are framed.

- H1: There is a significant relationship between entrepreneurial orientation of innovativeness and SME performance.
- H2: There is a significant relationship between entrepreneurial orientation of pro-activeness and SME performance.
- H3: There is a significant relationship between entrepreneurial orientation of risk-taking and SME performance.

The impacts of EO on business performance have not always been clear-cut. Therefore, it is important to comprehend how entrepreneurial orientation and company performance are related, particularly in the context of SMEs in developing nations like India. However, research on this topic has been sparse. This motivates the researcher to carry out this study.

RESEARCH METHODS

Research Design

Quantitative research design was followed in this study to investigate the relationship between entrepreneurial orientation and performance of the SMEs at Nashik district, Maharashtra. A cross-sectional survey was conducted to gather the responses from the SMEs.

Sample and Sampling Technique

For this study, 69 SMEs were approached from the Nashik District of Maharashtra. The sampling technique used was stratified random sampling, where the population was stratified into various sectors, and a proportionate number of SMEs was selected from each sector to form the sample.

Data Collection

For this study, the researchers collected the data with the help of a structured survey questionnaire from either the owners or managers of the selected SMEs. The questionnaire had closed-ended questions to gather the quantitative data for the variables of interest.

Data Analysis

Once the data were gathered, it was analyzed for descriptive and inferential statistics. The analyzed data were summarized to get an overview of the sample characteristics and the variables of interest. The inferential statistics were utilized to analyze the research hypothesis and find the relationship that exists between the dependent and independent variables.

Ethical Considerations

The present study is conducted in compliance with the ethical principles while the participants’ anonymity and confidentiality are ensured. Before their participation, the study participants were informed about the purpose of the study, data confidentiality and their right to withdraw from the study at any point of time. Then, the informed consent was collected from all the study participants.

Limitations

One of the main limitations of this study is the potential for response bias from the participants. Being a limited sample size study, the findings of this research work may not be generally applied across the domain. Further, the cross-sectional design outcomes confine its ability to establish the causal relationships between the variables of interest. However, efforts were made to minimize these limitations and increase the validity and reliability of the study.

FINDINGS

Table 1 shows that most of the respondents were aged between 25 and 44 years, with 40.6% of respondents aged 25–34 and 43.5% of aged 35–44. The smallest age group is 55 and above, with only 2.9% of respondents falling into this category. With regards to gender, most of the study respondents were males, that is, 89.9% of the sample, while only 10.1% are female. In terms of education, the majority of respondents have a master’s degree, accounting for 58% of the sample. Bachelor’s degree holders make up 30.4% of the sample, while those with a high school diploma or equivalent make up 10.1%. Only 1.4% of respondents hold a doctoral degree.

According to Table 2 and Figure 1, most of the SMEs in the sample have been in business for 3–5 years (31.9%), followed by 6–10 years (23.2%) and more than 10 years (20.3%). A smaller proportion of SMEs has been in business for less than a year (7.2%) or 1–2 years (17.4%).

Table 1: Demographic characteristics of respondents

Respondents	Frequency	Percent
Age		
18–24	3	4.3
25–34	28	40.6
35–44	30	43.5
45–54	6	8.7
55 and above	2	2.9
Gender		
Male	62	89.9
Female	7	10.1
Highest level of education		
High school diploma or equivalent	7	10.1
Bachelor’s degree	21	30.4
Master’s degree	40	58.0
Doctoral degree	1	1.4

Table 2: Duration involved in entrepreneurship or small business ownership

Duration	Frequency	Percent
Less than a year	5	7.2
1–2 years	12	17.4
3–5 years	22	31.9
6–10 years	16	23.2
More than 10 years	14	20.3
Total	69	100.0

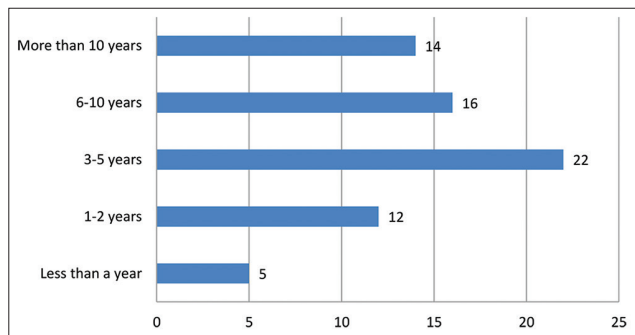


Figure 1: Duration involved in entrepreneurship or small business ownership

These findings indicate a mix of relatively established businesses and those in the early stages of development within the sample.

Duration Involved in Entrepreneurship or Small Business Ownership

As per the Table 3 and Figure 2, majority of the SMEs in the sample have a neutral approach towards risk-taking, accounting for 53.6% of the businesses. Approximately one-fifth of the SMEs exhibit a somewhat aggressive approach to risk-taking (21.7%), while a similar proportion is somewhat conservative (13.0%). A smaller proportion of businesses is categorized as either extremely conservative (5.8%) or extremely aggressive (5.8%).

These findings suggest a diverse range of risk-taking attitudes among the SMEs studied. The majority of businesses maintain a neutral stance, indicating a balanced approach to risk management.

Business’s Level of Risk-taking

Most of the SMEs in the sample have a moderate focus on growth and expansion, accounting for 46.4% of the businesses, as shown in Table 4 and Figure 3. A significant proportion of SMEs has a very much focus on growth and expansion (30.4%), while a smaller proportion has a slight focus (11.6%). In addition, a notable percentage of businesses have a complete focus on growth and expansion (10.1%).

These findings suggest that a substantial number of SMEs in the sample prioritize growth and expansion to various degrees.

Table 3: Business’s level of risk-taking		
Level	Frequency	Percent
Extremely conservative	4	5.8
Somewhat conservative	9	13.0
Neutral	37	53.6
Somewhat aggressive	15	21.7
Extremely aggressive	4	5.8
Total	69	100.0

Table 4: Extent to which business focus on growth and expansion		
Growth and Expansion	Frequency	Percent
Not at all	1	1.4
Slightly	8	11.6
Moderately	32	46.4
Very much	21	30.4
Completely	7	10.1

Extent to Which Business Focus on Growth and Expansion

Most of the SMEs in the sample reported good overall performance over the past year, accounting for 53.6% of the businesses, as shown in Table 5 and Figure 4. A significant proportion of SMEs indicated very good performance (20.3%), followed by excellent performance (14.5%). A smaller proportion of businesses reported fair performance (10.1%), while only one SME reported poor performance (1.4%).

These findings indicate that the majority of SMEs in the sample have experienced positive performance outcomes over the past year.

Overall Performance of Your Business Over the Past Year

A significant number of the SMEs in the sample perceive their entrepreneurial orientation as contributing to their overall success to varying degrees, as shown in Table 6

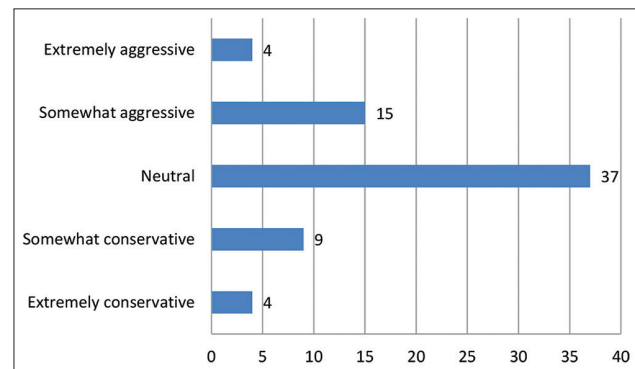


Figure 2: Business’s level of risk-taking

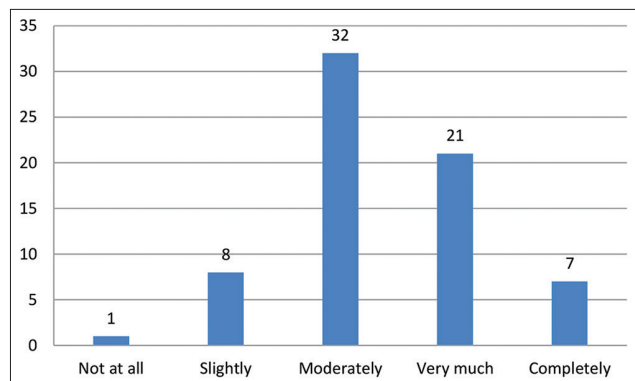


Figure 3: Extent to which business focus on growth and expansion

Table 5: Overall performance of your business over the past year

Performance level	Frequency	Percent
Poor	1	1.4
Fair	7	10.1
Good	37	53.6
Very good	14	20.3
Excellent	10	14.5
Total	69	100.0

Table 6: Extent to which business's entrepreneurial orientation has contributed to its overall success

Performance level	Frequency	Percent
Not at all	2	2.9
Slightly	9	13.0
Moderately	30	43.5
Very much	19	27.5
Completely	9	13.0
Total	69	100.0

and Figure 5. The majority of businesses report a moderate level of contribution (43.5%), followed by a very much contribution (27.5%). In addition, a notable percentage of SMEs indicate a complete contribution of their entrepreneurial orientation (13.0%). A smaller proportion of businesses perceives a slight contribution (13.0%), while only a few report that entrepreneurial orientation has not contributed at all to their overall success (2.9%).

These findings suggest that a significant number of SMEs recognize the importance of entrepreneurial orientation in driving their overall success.

Contribution of Business's Entrepreneurial Orientation toward the Overall Success of the Firm

The correlation table infers the values of Pearson correlation coefficients for the variables considered for the study. The following interpretations can be arrived at from Table 7.

Risk-taking

The correlation coefficient between risk-taking and business performance is 0.108. However, there is no statistically significant correlation found in this variable ($P > 0.05$). The inference is the absence of a strong linear

Table 7: Correlation between entrepreneurial orientation and business performance

Contribution	Business performance
Risk-taking	
Pearson correlation	0.108
Sig. (2-tailed)	0.376
Autonomy	
Pearson correlation	0.069
Sig. (2-tailed)	0.572
Innovation	
Pearson correlation	0.254*
Sig. (2-tailed)	0.035
Pro-activeness	
Pearson correlation	0.481**
Sig. (2-tailed)	0.000

*Correlation is significant at the 0.05 level (2-tailed).

**Correlation is significant at the 0.01 level (2-tailed).

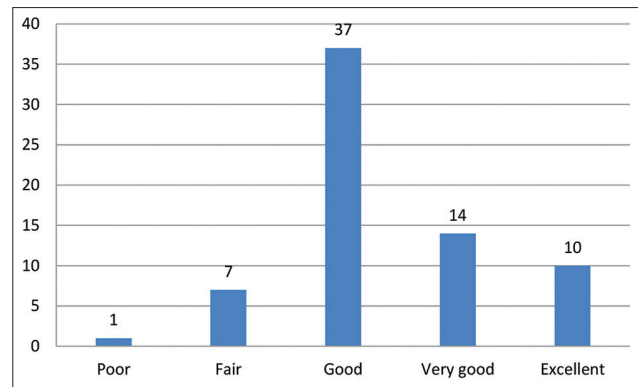


Figure 4: Overall performance of your business over the past year

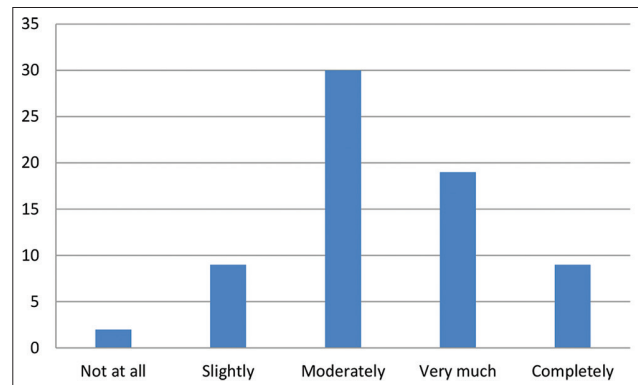


Figure 5: Extent to which business's entrepreneurial orientation has contributed to its overall success.

relationship between risk-taking and business performance in the sample.

Autonomy

The correlation coefficient between autonomy and business performance is 0.069. Similar to risk-taking, this correlation is also not statistically significant ($P > 0.05$). Hence, no linear relationship was found between autonomy and business performance in the sample.

Innovation

The correlation coefficient between innovation and business performance is 0.254. This correlation is statistically significant at the 0.05 level ($P = 0.035$). Therefore, there is some evidence of a positive and moderately strong linear relationship between innovation and business performance. The positive correlation suggests that as innovation increases, business performance tends to improve.

Pro-activeness

The correlation coefficient between pro-activeness and business performance is 0.481. The correlation was found to be highly statistically significant at 0.01 level ($P < 0.01$). It indicates a strong positive linear relationship between pro-activeness and business performance. The positive correlation infers the high-level association between pro-activeness and better business performance.

In summary, the results indicate that among the variables examined, innovation and pro-activeness show significant correlations with business performance. Higher levels of innovation and pro-activeness have an association with good business outcomes. However, there is an absence of a significant correlation between risk-taking and autonomy and business performance.

Table 8 shows the regression analysis outcomes which infer the association that exists between the entrepreneurial orientation variables (risk-taking, autonomy, innovation, and pro-activeness) and the business performance.

The model summary indicates that the overall model, which includes the four entrepreneurial orientation variables, explains a significant proportion of the variance in business performance ($R^2 = 0.424$). This means that approximately 42.4% of the variation in business performance is due to the combined effects of risk-taking, autonomy, innovation, and pro-activeness.

Examining the unstandardized coefficients (B) for each independent variable, we can assess their individual contributions to business performance.

Risk-taking

The unstandardized coefficient for risk-taking is -0.019 . In other terms, a one-unit increase in risk-taking on an average has an association with a reduction of 0.019 units in business performance. However, the coefficient is not statistically significant ($P > 0.05$) which infers the absence of a significant effect of risk-taking on the business performance in this model.

Autonomy

The unstandardized coefficient for autonomy is -0.030 . In other terms, when one-unit increase occurs in the autonomy on an average, it has an association up to 0.030 units reduction in the business performance. However, like risk-taking, the coefficient for autonomy is not statistically significant ($P > 0.05$). This infers the absence of a significant effect by the autonomy on the business performance in this model.

Innovation

The unstandardized coefficient for innovation is 0.050. In other terms, when one-unit increase occurs in innovation on an average, it has an association with 0.050 units increase in the business performance. The coefficient is statistically significant ($P < 0.05$), suggesting that innovation has a positive and remarkable impact on the business performance in this model.

Table 8: Association between entrepreneurial orientation and business performance

Model	Unstandardized coefficients		R ²	F value	P value
	B	Standard error			
(Constant)	1.280	0.424	0.233	4.861	0.002
Risk-taking	-0.019	0.145			
Autonomy	-0.030	0.122			
Innovation	0.050	0.164			
Pro-activeness	0.521	0.140			

Dependent Variable: Business performance

Pro-activeness

The unstandardized coefficient for pro-activeness is 0.521. In other terms, when one-unit increase occurs in pro-activeness on an average, it has an association up to 0.521 units increase in the business performance. Being a highly statistically significant ($P < 0.01$) coefficient, pro-activeness has a strong positive and significant effect on business performance in this model.

In summary, the regression analysis outcomes infer that innovation and pro-activeness have significant effects on business performance, while risk-taking and autonomy do not have significant effects. These findings imply that a higher level of innovation and pro-activeness are associated with better business performance.

DISCUSSION

The present study findings infer that entrepreneurial orientation exerts a remarkable influence on the business performance of SMEs in Nashik District of Maharashtra. Specifically, higher levels of innovation and pro-activeness were found to be positively correlated with better business performance. This is consistent with previous research that has shown that entrepreneurial orientation, particularly innovation, is a key driver of SME success (Morris et al., 2010).

However, the study did not find a significant correlation between risk-taking and autonomy and business performance. This suggests that while risk-taking and autonomy are important aspects of entrepreneurial orientation, they may not be as critical for SME success in this context. This finding adheres to the outcomes found earlier (Al-Mamary and Alshallaqi, 2022; Al Mamun et al., 2017; Zhang and Xing, 2023), which emphasizes that the impact of risk-taking on SME performance may be context-dependent.

In terms of the key factors that influence the entrepreneurial orientation of SMEs in Nashik District of Maharashtra, the study did not provide a clear answer. Further research should be conducted to find out the unique characteristics that impact the entrepreneurial orientation in this context.

To improve their entrepreneurial orientation and business performance, the SMEs at the study location must start focusing on enhancing their innovation and pro-activeness. This may involve investing in research and development, as well as exploring new opportunities for growth and expansion. In addition, SMEs could consider partnering

with other organizations or seeking out mentorship and guidance from experienced entrepreneurs to improve their overall business strategies and performance (Lechner and Gudmundsson, 2014; Rezaei and Ortt, 2018).

In conclusion, the present study outcomes emphasize the crucial nature of entrepreneurial orientation for SME success in Nashik District of Maharashtra. By focusing on innovation and pro-activeness, SMEs in this context may be able to improve their overall performance and achieve greater success in the marketplace. However, further investigations should be conducted to get an overview of the factors that influence entrepreneurial orientation in this context and to develop more targeted strategies for SMEs looking to enhance their entrepreneurial capabilities.

CONCLUSION

According to the results, creativity and pro-activeness are essential components for the success of SMEs. The findings imply that SMEs should concentrate on encouraging an innovative and proactive culture to improve their business success. The survey also emphasizes the significance of entrepreneurial orientation in achieving overall success, with a large proportion of SMEs acknowledging its function. Risk-taking or autonomy, however, does not significantly correlate with company performance, suggesting that SMEs should concentrate on other aspects to enhance their performance. In general, the study offers insightful information about the elements that lead to SME success, which can guide businesspeople and decision-makers.

The following suggestions might be made for SMEs in Maharashtra's Nashik District based on the study's findings:

- Place an emphasis on creativity and initiative: According to the study, more innovation and initiative are linked to improved business performance. SMEs should place a high priority on spending money on R&D, looking into new markets and prospects, and actively seeking customer input to enhance their goods and services.
- Create a work environment that supports entrepreneurial behavior among employees: SMEs should foster a culture of entrepreneurial orientation. Giving staff the freedom to make decisions, giving training and growth opportunities, and rewarding creative and proactive thinking are ways to do this.
- Seek strategic alliances: Working with other companies or organizations can provide SMEs access to resources and knowledge they might not otherwise have. Strategic alliances can aid SMEs in growing their customer base and breaking into new markets.

- Create a risk management strategy: Despite the fact that the study revealed no conclusive link between taking risks and business performance, SMEs should nonetheless have a strategy in place to handle potential hazards. SMEs should identify potential risks, evaluate their impact and likelihood, and create methods to reduce or eliminate them.
- Take advantage of technology to help SMEs increase production, efficiency, and customer satisfaction. To improve their operations and streamline them, SMEs should look into chances to use new technologies such as automation, machine learning, and artificial intelligence.

AUTHOR'S CONTRIBUTION

The both authors of this research paper have made substantial contributions to the study, collaborating closely to ensure its completion.

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CONFLICTS OF INTEREST

This is to bring to your kind consideration that this research work has no conflicts of interest.

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