

## **ENTREPRENEURIAL ORIENTATION IN PERCEPTION OF EMPLOYEES FROM SELECTED COUNTRIES – CASE STUDY**

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### **Abstract**

*The entrepreneurial orientation is a very important construct assuring the proper functioning of an organization and is perceived as one of the most important elements having a significant impact on the position of enterprises in their business environment. The goal of this article is to identify the importance of the entrepreneurial orientation for individuals from different countries in Europe and in Asia and also to check out if there are any differences in perception of this five-dimensional construct by employees working in different countries. In order to collect the necessary data, a qualitative study has been carried out, based on partially structured individual in-depth interviews with employees from Poland, France and China. Two representatives were selected from each country. Each interview consisted of two parts: the first part explained the purpose of the interview, while the second part was the substantive part of the interview. Each interview lasted about 60 minutes. The collected information helped us formulate the initial conclusions about the importance of the entrepreneurial orientation for employees from selected countries and also whether there are any differences in perception of this important construct depending on the country.*

**Keywords:** *Entrepreneurial Orientation, Organizational Culture, National Culture*

**JEL classification:** *J23*

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### **1. Introduction**

The entrepreneurial orientation (EO) is considered as one of the most important factors playing crucial role in positioning of enterprises in their

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business environment. Entrepreneurial activities undertaken by organizations push them to go beyond operating schemes, focus on activities concerning research and development, to take risk, to seize innovation opportunities and to have autonomy in action. The entrepreneurship cannot be planned, and what is more, it cannot be caught up in the pre-defined variants, nor can it be subordinated to the vision imposed by power or belief Bratnicki (2007).

Multidimensional construct such as the EO, is a strategic orientation of an organization that defines its strategic activities, its management philosophy and entrepreneurial behavior Anderson et al (2009). Entrepreneurially oriented organizations have the ability to discover and seize market opportunities Ferreira (2015).

A lot has already been said about the significant role of the EO in various organizations, which encouraged me to carry out an analysis of how the EO is perceived by employees in different countries. Such a comparison is rarely seen in managerial literature, and, from this perspective, this approach to research on the EO is valuable for the theory of organizational entrepreneurship.

We decided to focus on employees from Poland, France and China, since only very few researches in this area have been published. This article aims to identify the challenges and threats to the entrepreneurial orientation and analyses them from different points of view that depend on the country of residency of the given employee.

For this purpose, we chose the case study method. Individual, partially structured in-depth interviews were conducted with people employed at organizations with their HQ located in above mentioned countries. For the purpose of this article, the interviews were conducted with employees at the same level of the organization. The cross international dimension of this approach can be considered as innovative in the field of research on entrepreneurial orientation.

The article consists of four parts. To begin, the first part introduces the theoretical background, followed by the second part describing the research methods, the third part presents the obtained results, and the conclusions and discussion end the article.

## **2. Literature review**

### **Entrepreneurial orientation**

The middle level of the organization creates a connection between the highest level of the organization and the lowest level of the organization. Their

role is particularly significant. They are responsible for conveying the vision and strategy of the organization and communicate the right message to the employees about the expectations of the organization towards them. Their role is to manage the work of their subordinates in a way to mobilize them to undertake entrepreneurial activities during their daily duties Grzegorzewska-Mischka (2010).

In terms of the lowest level of the organization, their supervisors should not interfere in their undertaking entrepreneurial activities to avoid any administrative or formal barriers. Emotional support for undertaken initiatives and understanding of not always successful attempts, encourage entrepreneurial activities Francik (2009).

Some employees do not dispose of personal qualities that enable them to undertake entrepreneurial initiatives. In this case, some necessary education can help them develop these features and stimulate the entrepreneurial behavior e.g. at the stage of higher education. Once developed at the school stage, the entrepreneurial attitude can easily be transferred and implemented in their professional lives Okręglicka et al. (2017).

### **3. Differences in perception of entrepreneurial orientation depending on the country in which the organization is located**

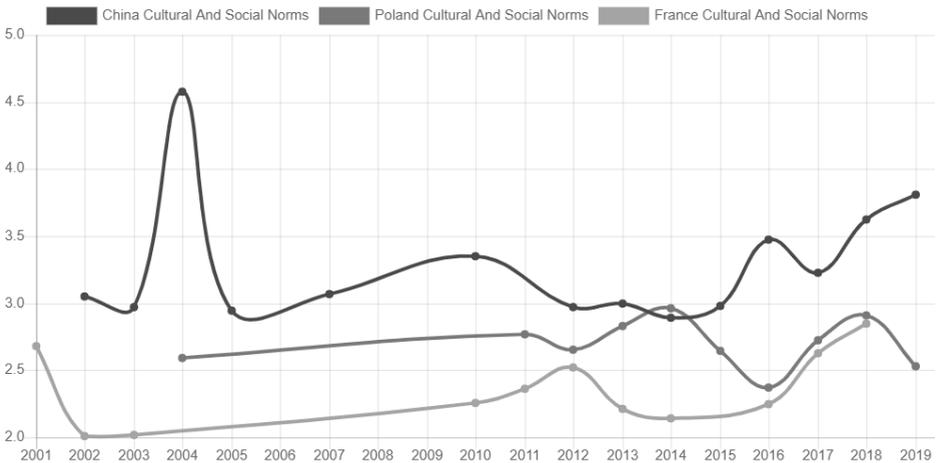
Entrepreneurial activity can vary depending on the countries in which this multi-dimensional construct is analyzed (McGrath, Macmillan, Scheinberg, 1992; Chrisman, Chua, Steir, 2002). Focusing on this fact, we can find, in available literature, lots of explanation of the differences that can appear in perception of the entrepreneurial orientation, such as the economic development, the institutional environment Lee, Peng, Barney (2007), and the cultural values Freytag, Thurik (2007).

Many scholars point out that the national culture is the factor shaping the entrepreneurship and its unique construction that consists of an attitude, a value and a behavior that can support or disturb entrepreneurial orientation Lee, Peterson (2000). Much of the behavior that we encounter in a given country mostly depends on the national culture. Observing behaviors of various nations, one can draw a conclusion that a behavior considered as a norm in a given country, may not be accepted in others, in other words, national cultures are responsible for shaping some specific behaviors that might not be universally accepted (Muller, Thomas, 2001; Havierníková, Lemańska-Majdzik, Mura, 2017).

Furthermore, after the paper of Hayton, George, Zahra (2002), the national culture, both at the individual and organizational level, has a serious influence on decisions concerning entrepreneurial activity. The cultures supporting entrepreneurship, attract people with entrepreneurial potential and influence the entrepreneurial orientation of organizations.

According to the website of GEM (Global Entrepreneurship Monitor) the social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income. Comparing Poland, France and China, the latter scores the highest rate out of the three countries, whereas France and Poland are almost at the same level. Unfortunately, there is no data for France in 2019.

**Figure 1: Entrepreneurial framework conditions. Cultural And Social Norms**



Source: <https://www.gemconsortium.org/data>

Based on the information from GEM Global report 2018/2019 and 2019/2020, we can find out some information describing entrepreneurship in selected countries.

### 3.1. China

The quality of entrepreneurial activities in China has improved but there are still areas that has to be enhanced such as business environment, R&D transfer, education and training. Chinese government takes all the necessary

measures to support the strategy of mass entrepreneurship and innovation, promotes the business environment and creates entrepreneurship-driven jobs. In September 2019, the Chinese government issued the guidelines to strengthen intellectual property rights which will certainly have a positive impact for institutional environment.

The policy of the Chinese government is currently focused on promoting, already at the school stage, the entrepreneurial education, the commercialization of technology and the development of professional services, which will allow to support the three lowest-rated conditions for the development of entrepreneurship in this country:

- entrepreneurial orientation at the school stage,
- R&D transfer
- commercial and legal infrastructure.

### **3.2. France**

We can see in the report published in 2018, that the entrepreneurial dynamism has increased in France. The most probable reason for this change is the decision of the government to grant the same rights to entrepreneurs as to wageworkers. As a result, French citizens are more open to new business opportunities and entrepreneurial activities. This policy might help to fill the gap between entrepreneurial intention and action in France.

### **3.3. Poland**

Historically, the perception of the entrepreneurship in Poland has been quite low, but in recent years it has started to improve significantly. Most Poles see business opportunities in their environment and are less and less afraid of failure.

However, there are framework conditions that require further remedial steps to stimulate further growth of entrepreneurship in Poland in the following areas:

- entrepreneurship education,
- emphasis on vocational training and self-education,
- legal regulations and stabilization of the legal process

#### **4. Methodology of empirical research**

The aim of this article is to identify challenges and threats to the entrepreneurial orientation, perceived by the employees of organizations located in selected countries. To this end, we carried out a qualitative study based on partially structured individual in-depth interviews with employees from China, France and Poland. Two representatives were selected from each country. All the representatives work for Small and Medium- sized enterprises representing the wide-ranging children's industry. All the interviewees work on managerial positions within their organizations and have a proven track of 3-5 years of experience within the company. The author of the article presumes that this strict selection of representatives, will help reveal the differences, depending on the country of origin, in the perception of the entrepreneurial attitude and of each dimension of the concept.

Each interview consisted of two parts: the first part explained the purpose of the interview, while the second part was the substantive part of the interview. Each interview lasted about 60 minutes.

The research questions were related to the selected issue, and the interviewees were asked the following questions:

**Table 1: Questions in the interview questionnaire**

<b>EO dimension</b>	<b>Question</b>
<b>Autonomy</b>	<ol style="list-style-type: none"><li>1. Do you know what is the role of the autonomy as a component of the entrepreneurship orientation?</li><li>2. How do you assess the approach of the company to suggestions and ideas of change submitted by employees? Should employees at all levels submit their ideas?</li><li>3. How the company supports independent actions of the employees, leading to the development of new products or services?</li><li>4. Can you evaluate, how many ideas of changes submitted by the employees have a chance to be implemented?</li></ol>
<b>Innovation</b>	<ol style="list-style-type: none"><li>1. Does the company take into account innovative ideas of its employees which have an impact on research, development and innovation? If yes / no, why?</li><li>2. What new products have been introduced to the market during the last 3 years. Have they let the company remain innovative in comparison with the competitors? How many of them were proposed by the employees?</li></ol>

	<p>3. What changes proposed by the employees have been implemented to the products, in order to make them innovative on the market?</p> <p>4. Do you think that the implementation of innovative ideas, research and development is important for your company?</p>
<b>Proactivity</b>	<p>1. Do you think that it is important for the employees at all levels to be proactive? If yes / no, why?</p> <p>2. What are the recent activities, undertaken by the employees, that you consider as proactive?</p> <p>3. Do you think that the company tends to copy the solutions already available on the market or is the company more breakthrough-oriented to become a precursor of the industry? Please explain your answer.</p> <p>4. What is your company's attitude towards competitors?</p>
<b>Risks-taking</b>	<p>1. How do you assess the risk-taking capacity of the employees at your organizational level?</p> <p>2. Can any activity recently undertaken by the employees of a given organizational level be considered risky? If so, why?</p>
<b>Competitive aggressiveness</b>	<p>1. What actions should be taken at a given hierarchical level to strengthen the competitive position of the company on the market?</p> <p>2. Please specify whether the actions taken towards other competitors can be considered as aggressive. If so, please list these actions and provide arguments.</p>

Source: Own study

## **5. Results of empirical research**

The employees from all studied countries mentioned the entrepreneurial orientation as important for the company. However, each of the five dimensions was assessed as more or less important depending on the represented country. Some of the questions remained unanswered because the employees did not know the answer.

### **Autonomy**

All respondents confirmed to understand the meaning of the autonomy and the way it should be implemented within an organization. The differences

appeared when they had to judge the level of support, provided by their organization, in their autonomous activities and the number of autonomous ideas implemented into life.

For Polish and Chinese workers, the % of the autonomous ideas that are implemented into life, varies from 15% up to 80 % whereas French employees do not feel that their ideas are considered as important.

After a thorough study of the interviews, one can clearly perceive that both Polish and French employees find autonomy in action very important, but unfortunately, they do not feel supported by their organization. A growing sentiment of discouragement and reluctance to take autonomous action arises, because after submitting an idea the employees are either left alone with the implementation process or, what is worst in my opinion, their ideas are completely ignored. Unfortunately, this leads to discouragement and resignation from taking autonomous activities, which certainly does not affect positively the entire organization

### **Innovation**

Almost all respondents replied that the organization does not take into account the innovative ideas of its employees which have an impact on research, development and innovation. Mainly because innovative activities are cost-intensive and are mostly initiated by the top management. Moreover, some respondents underlined that innovative activities are not the core of their organization model.

However, both Chinese and Polish employees replied that innovation is a very important factor in their organization because it stimulates the development of the organization and makes it more competitive. On the other hand, the French employees emphasized that innovation is cost-consuming and its importance is substantially diminished in strategic decisions. One of the French respondents replied that his company is not focused on innovation but they do all their best to constantly improve the quality of their service.

### **Proactivity**

All respondents replied that proactive activities on every level of an organization are very important for developing and improving the whole organization. The most important element for all of them, is to feel supported by the organization in all their activities and to be taken into consideration. Only this kind of support from the organization can develop proactive attitude in their

daily tasks. One of the Chinese respondents said that if *“the employee is proactive the whole organization is playing proactively”*. Worth-mentioning is the answer of the Chinese employee who responded that *“we cannot expect from everyone to be proactive because every single person has a different knowledge and a different life-style”*.

In this part of the questionnaire, I asked whether the organizations they work for, focus on being precursors in the industry or copying solutions available on the market. The French respondents answered that their companies are not precursors in their field and are mostly copying available solutions. Polish employees answered that *“their organization is a precursor but often the market is not ready for the innovative solutions they propose and it will need additional activities to educate the consumers and help them adopt the solutions.”* The Chinese workers said that: *“it is more breakthrough-oriented to become a precursor of the industry, because every company prefers to have its own strengths and become unique in order to stay longer in that industry. If an organization decides to copy solutions already available on the market, then it can be easily replaced by other competitors”*. It is necessary to find balance between copying the available solutions and becoming a precursor if you have an innovative idea.

### **Risk- taking**

When it comes to risky activities undertaken by employees, most of the respondents were not able to determine whether the activities undertaken by them at their organizational level could be considered as risky activities.

One of the respondents from Poland stated that being a precursor in the industry makes the undertaken actions naturally riskier due to the fact that there is no possibility to predict how the new solutions will be received by the market participants and target customers. *“The level of taking risky actions is very high, because we are a precursor in the industry and we are not able to predict the behavior of our clients. We are only able to study them post factum”*.

On the contrary, one Chinese respondent stated that *“we should train the employees to develop such behavior sooner or later because it is helpful for both, the employee and the company.”*

On the other hand, the respondent from France emphasized that *“the level of risk and responsibility depends on the level occupied in the hierarchy of the organization. The higher the level in the organization, the riskier and more responsible actions are taken”*.

### **Competitive aggressiveness**

The Polish employees clearly indicated that they undertake actions of an aggressive nature towards the competition, in a way that other players present on the market feel their negative effects, both financial and business. However, they emphasize that they also focus on activities such as designing new products or sales processes that let them avoid confrontation /aggression in the fields where the competition has an established position.

The French respondents were not able to clearly define how important this dimension is for them. One of the respondents stated that actions of an aggressive nature are undertaken by expanding their territorial range to conduct their business, often entering areas already occupied by competition.

When it comes to the Chinese workers, they agree that aggressive behavior is not the path that companies should follow, because competitors provide an incentive for further self-development. Organizations should focus on studying the strengths and weaknesses of their competitors and develop themselves in a way to naturally outperform the competition. They believe that in their business environment the competition is rather friendly, and organizations are more focused on healthy development, on promoting employment and improving the living standards.

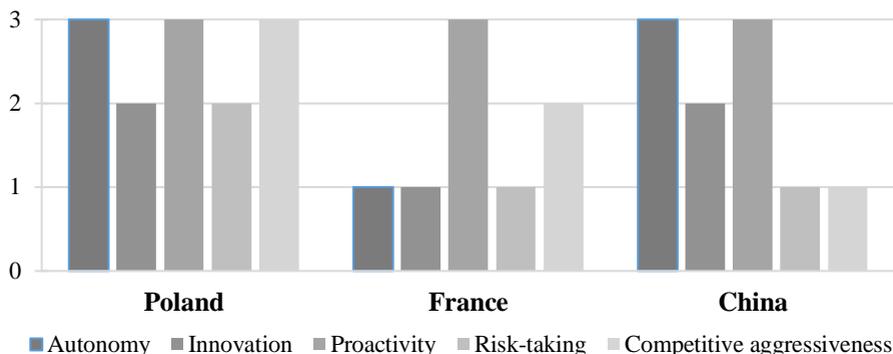
**Table 2: Perception of the entrepreneurial orientation by employees at selected countries**

<b>EO dimension</b>	<b>Poland</b>	<b>France</b>	<b>China</b>
<b>Autonomy</b>	+++	+	+++
<b>Innovation</b>	++	+	++
<b>Proactivity</b>	+++	+++	+++
<b>Risk-taking</b>	++	+	+
<b>Competitive aggressiveness</b>	+++	++	+

„+” – weak ; „++” – moderate; „+++” – strong

Source: Own study

**Figure 2: Perception of the entrepreneurial orientation by employees at selected countries**



„1” – weak ; „2” – moderate; „3” – strong

Source: Own study

## 6. Conclusion

The entrepreneurial orientation is one of the most important parameters influencing a success of an organization. It is one of the key factors leading the organization to a success in its industry and encouraging it to be more competitive with its competitors. The aim of the article was to compare the perception of this construct, important for the organization, by employees working in selected countries.

According to the conducted interviews, some differences could be observed but more importantly, these interviews revealed a high level of discouragement emerging from French workers. Obviously, they do know the importance of the entrepreneurial orientation but since they do not feel supported by their respective organizations they progressively become passive participants of processes taking place in the organization. The passive attitude is a result of a feeling that their contribution to the organization is not of any importance.

In contrast to the French employees, it is a surprise to observe the entrepreneurial orientation of the Chinese employees, who understand the importance of an entrepreneurial attitude at every stage of their work, that leads to the growth of the entire organization.

When it comes to the Polish employees, they are aware of the importance of being entrepreneurial, while organizations should increase their efforts to support their employees and thus encourage them to undertake entrepreneurial actions, as it is done in Chinese enterprises.

We would like to emphasize that this article has some limitations. The research was conducted within three selected countries and each country was represented by only two members, and the respondents' answers may be affected by an error. This is why it should be treated as an initial study. The provided answers may not be fully consistent with the actual perception of the examined issue due to the willingness of the respondents to embellish the reality. The study contributes to increasing the knowledge resources in the field of the entrepreneurship and encourages the authors of the article to further studies on the perception of entrepreneurial orientation.

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