

---

# Entrepreneurial Orientation in Mexican Microenterprises

***Héctor Montiel Campos\****, ***Luis S. Alvarado Acuña\*\****,  
***José Pablo Nuño de la Parra\*\*\****,  
***Francisco A. Aguilar Valenzuela\*\*\*\****

---

## **Abstract**

*Over the past 30 years research on Entrepreneurship Orientation (EO) has provided valuable information regarding strategy, entrepreneurship and aspects of performance at the firm-level. In the entrepreneurial universe, microenterprises play a very special role in the business context of the economy. However, they have not been relatively present in the EO research. This paper studies the EO-performance relationship in a group of microenterprises in Mexico and includes the Dominant Logic (DL) as a variable that moderates this relationship. The results indicate that risk taking, proactiveness and competitive aggressiveness variables from the EO influence the microenterprise performance. In addition, the external DL conceptualization moderates the EO-performance relationship. This paper shows the conclusions of the investigation as well as the limitations and identifies future research methods.*

**Keywords:** *entrepreneurial orientation, dominant logic, firm performance, microenterprises.*

---

## **Introduction**

In recent years enormous progress has been made in the field of Entrepreneurship, which has helped strengthen some of its paradigms. The cross-disciplinary nature of this research field causes an exchange of knowledge and that which occurs within the field of strategy is of particular interest for this research. This exchange recognizes that entrepreneurship can be studied not only individually but also organizationally (Dess, Lumpkin and McGee, 1999).

The concept that causes the rapprochement between the strategy and entrepreneurship disciplines is called Entrepreneurial Orientation (EO). This construct is based on different variables to identify the organization's

---

\* Héctor Montiel Campos, Ph.D., Universidad de las Américas Puebla, Sta. Catarina Mártir. Cholula, Puebla. C.P. 72810. México, hector.montiel@udlap.mx.

\*\* Luis S. Alvarado Acuña, Ph.D., Universidad Católica del Norte, lualvar@ucn.cl.

\*\*\* José Pablo Nuño de la Parra, Ph.D., Universidad Popular Autónoma del Estado de Puebla, pablo.nuno@upaep.mx.

\*\*\*\* Ph.D. student. Francisco A. Aguilar Valenzuela, Centro de Investigación en Alimentación y Desarrollo, aguilar@ciad.mx.

---

entrepreneurial behavior. EO has its origins in the literature on strategy and its importance lies in previous research which has shown that the greater the EO, the better the firm's performance (Rauch, Wiklund, Lumpkin and Freese, 2009). EO in a business is geared towards the recognition, evaluation and exploitation of business opportunities. However, research has shown that the EO-firm performance requires consideration of other variables. It is important to include contingent internal or external factors, to help a better understanding of the EO-firm performance relationship (Covin, Green and Slevin, 2006). In this regard, we have attempted to analyze the EO-performance relationship in microenterprises including Dominant Logic (DL) as an internal contingent variable to moderate the relationship.

This research is part of a project that studies the EO-performance relationship in Mexican companies. Regarding the DL, the relationship EO-DL-performance in new companies was initially investigated (Montiel, Nuño and Solé, 2012), i.e., EO had a positive impact on DL which, in turn, had a positive impact on firm performance. Now, on this occasion, the EO's and DL's combined effect on microenterprise performance, was investigated. To be more precise, this work's aim was to determine if in the Mexican microenterprises' context the EO-performance relationship is moderated by the DL. To achieve this goal, 302 microenterprises in central Mexico were investigated and, therefore, it is believed that this work makes three important contributions. First, it identifies whether the microenterprise's DL moderates the relationship that may exist between EO and its performance. Second, it contributes to the future development of a DL assessment scale, to better understand the strategic decision making style. Finally, the microenterprise, due to its size, is the type of organization that is not always of great interest as an object of study. Therefore, it is believed that this work helps to understand the competitive arena of these businesses.

The next section of this paper offers review of the literature and hypotheses that guide this work. The methodology section describes the various activities that took place during the research. The main results are also discussed as well as the limitations of this research. Future research is suggested and, finally, the conclusions of this work are developed.

## **Literature review**

### **Entrepreneurial orientation and performance**

Although the literature in the field of entrepreneurship demonstrates the existence of multiple paradigms, none of them is dominant (Montiel, Solé and Palma, 2012). In past decades, the EO study has become a central theme in the literature on entrepreneurship and strategy, as several

authors consider entrepreneurship a phenomenon at the organizational level (Covin and Wales, 2012). The EO helps to characterize the company's behavior along a continuum that ranges from highly conservative to highly entrepreneurial and the company's position in this continuum describes its EO (Basso, Fayolle and Bouchard, 2009). This original construct can be found in Miller's work (1983), although he admits that he never used the EO term in his initial ideas (Miller, 2011). Originally, Miller (1983, p. 771) mentioned that, "An entrepreneurial firm is the 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". For Stevenson and Jarillo (1990), a company has entrepreneurial behavior if their actions and processes are oriented to the recognition and exploitation of entrepreneurial opportunities. From a more general approach, EO refers to the trends, processes and behaviors that lead a company to enter new markets, whether with new or with existing products (Lumpkin and Dess, 1996). On the other hand, there is interest in the EO because it is considered a predictive variable of company performance, i.e. if a company adopts EO and becomes more Entrepreneurially Oriented it will have a better performance (Rauch et al., 2009).

Miller's (1983) initial approaches were adopted in the academic literature, so that Covin and Slevin (1989) conceptualized the company's entrepreneurial behavior based on three variables: innovativeness, risk taking and proactiveness. These authors stated that these variables covaried and that the covariance source was a construct which they called entrepreneurial posture. At this point the Miller/Covin and Slevin's (1989) scale emerged. Subsequently, Lumpkin and Dess (1996) postulated that these variables are insufficient to explain entrepreneurship at the organizational level, as the business posture would require other dimensions. Lumpkin and Dess (1996) assured that the original variables could independently covariate among them, contradicting what had been established by Covin and Slevin (1989) and should be modeled in a combination of new variables called EO. In addition to the initial variables, the competitive aggressiveness and autonomy variables were included. To Lumpkin and Dess (1996), the innovativeness indicates the company's trend of supporting new ideas and fostering creative processes. Risk taking is the company's tendency to work on projects whose benefits are uncertain. Proactiveness is about taking initiatives and pursuing new business opportunities in emerging markets. Competitive aggressiveness is facing competition in order to enter new markets or to improve the competitive position. Finally, autonomy is the degree to which organizational factors (people and team) act independently, making decisions and pursuing opportunities.

The relationship between EO and firm performance has been studied for several years and has shown that companies that adopt an EO have better performance than those with a more conservative orientation (Rauch et al. 2009). Companies, as they are smaller in size, are more vulnerable because of their limited access to capital, debt capacity, market share, technology acquisition, among others (Autio, 1997). This may cause the company to adopt a more conservative posture. In addition to this, the aggressive competitiveness they might experience requires them to seek new business opportunities and make the necessary changes in order to stay in business. This leads us to consider that a microenterprise, i.e., the smaller business organization, can be an interesting scenario in which to analyze the EO effect on performance. Therefore, the following hypothesis is proposed:

H1: The more EO the microenterprises have, the better their performance.

### **Dominant logic**

In 1986, Prahalad and Bettis introduced the Dominant Logic (DL) concept and they refer to it as a way in which managers conceptualize the business and make important decisions based on the allocation of resources. Prahalad and Bettis mention that the way in which business managers make strategic decisions, depends heavily on cognitive orientation, i.e. previous experiences influence how managers solve dilemmas they face in the business. That is why many strategic initiatives fail because management has a rather rigid cognitive orientation and it cannot enrich its DL in order to impact new business opportunities or structural changes in the business (Prahalad and Bettis, 1986).

In a reflection on their original ideas, Bettis and Prahalad (1995) conceive the DL as a filter through which managers choose the information that is important for making decisions. This filtering mechanism influences the strategic development in the company's direction. Authors recommend that managers should enrich that filter or adjust it to a new pattern, given the changing environment in which the company competes. The DL concept provides an explanation of this phenomenon, and the reason why some firms are able to anticipate fundamental changes in their main line of business or why they are skillful in reacting to those changes earlier than other companies in the same industry, thus becoming more successful (Von Krogh, Erat and Macus, 2000). In this sense, the DL can also limit the company's ability to adapt to environmental changes (Cotê, Langley and Pasquero, 1999). When managers decide what strategies to follow in the future, DL acts as a lens that allows them to visualize the future and thus allows them to restrict the range of strategic options (Grant, 1988). If the results are positive, the DL's validity

is confirmed, otherwise, the DL is questioned and should be changed (Bettis and Prahalad, 1995).

The academic debate on DL concentrates on its difficulty to operationalize this construct. The different formulations that have been raised are linked to the way in which managers conceptualize the business and Von Krogh et al.'s (2000) proposal makes a good assessment of this. Von Krogh et al. (2000) writes about DL's internal and external conceptualization. The internal conceptualization examines the extent to which the manager's beliefs, values and assumptions have been impregnated throughout the organization. Included in the internal conceptualization are people, culture, as well as product and brand. The external conceptualization focuses on the manager's position to deal with the market's complexity in which the organization operates to stay competitive. The external conceptualization includes competitors, customers, consumers and technology. The Von Krogh et al. (2000) proposal is in the spirit of defining Prahalad and Bettis (1986) DL and is consistent with the Grant (1998) and Ginsberg (1990) proposed formulations.

Since the DL represents the manager's preferences, opinions and assumptions under which the manager runs the business, it is important to raise the possibility that the DL also influences firm performance. Under this approach, previous works show that firm's performance can be enhanced when key variables are properly aligned (Naman and Slevin, 1993). In the same perspective, the contingency theory states that the relationship between two variables can be improved with the intervention of a third variable (Rosenberg, 1968). The literature discusses different variables that influence the EO-performance relationship, such as the founder-director's psychology (Poon, Ainuddin and Junit, 2006), knowledge (Wiklund and Shepherd, 2003), learning (Wang, 2008), social networks (Walter, Auer and Ritter, 2005), strategic processes (Covin, Green and Slevin, 2006), access to financial resources (Wiklund and Shepherd, 2005) and the environment's influence (Zahra and Garvis, 2000; Marino, Stradholm, Steensma, and Weaver, 2002). However, in this series of studies the DL was not included as a contingent variable of EO-performance relationship, since decisions made by the founder-manager are essential due to the dominant effect it has on the company's performance. From the above, the following hypothesis is proposed:

H2: The relationship between the microenterprise's EO and their performance is moderated by the founder-manager DL.



## Methodology

### Sample and data collection

This research focused on the entrepreneurship study in the business sector with low growth potential, particularly those firms developed as income substitute firms (Kunkel, 2001). The main purpose of this kind of business is not to achieve rapid growth to reach the large corporations' level, but to generate an income comparable to what entrepreneurs involved in business could expect to earn if they worked as employees in an established company. The reason for this approach is that microenterprises in Mexico represent an important source of employment and wealth creation (Naranjo and Campos, 2011).

The sample from its design was considered as not probabilistic due to the purpose of the investigation to identify microenterprises located in the central region of Mexico. With the National Chamber of Commerce's support firms in the states of Mexico, Puebla, Tlaxcala and Hidalgo that met the following criteria were identified: 1. Having no more than 10 employees and a maximum of \$300,000 in annual sales, according to the classification of the Ministry of Economy in Mexico. 2. a firm more than five years old, for it is not considered as start-up. 3. a company that belongs to the commercial sector with at least one branch. 4. Not franchising.

Since the purpose of this study was to explore the relationship between variables, a survey was used for data collection. a pilot test was conducted to eliminate any doubts or confusion of the instrument, so that the final design incorporated the comments received. This resolved the validity of the external instrument. Initially 1,346 surveys were sent electronically and subsequently the process of obtaining information was reinforced through interviews. The final surveys were received between October 2011 and July 2012. Of a total of 317 surveys, 15 were rejected for not meeting any of the criteria, leaving a total of 302 surveys. The 302 microenterprises can be divided into the following business activities: grocery (21%), restaurant (15%), footwear (14%), furniture (13%), drugstore (11%), bakery (9%), clothing (7%), bookstore (5%), jewelry (3%), and other (2%).

### Measurements

The first independent variable was the EO. This work used the Lumpkin and Dess (1996) proposal to measure the EO. This scale measures the company's tendency towards innovation, risk taking, proactiveness, competitive aggressiveness and autonomy. Rauch et al. (2009) suggests that this scale represents a valid means to measure the decisions and actions at the organizational level. The scale contains 14 items, which are evaluated using

a 7 points Likert's scale and their average indicates the company trend towards the EO, therefore, the higher the average the greater the company's EO. In this scale the alpha coefficient was 0.82.

The DL was the second independent variable. For this job, the Krogh et al. (2000) proposal was used to develop a unique measuring scale. The measurement scale had an internal and external conceptualization, so it was decided to respect this difference and not to obtain an overall average. From this, a 3 items measurement scale was developed, which was assessed using a 7 points Likert's scale and their average assessed the internal conceptualization. Also a 4 items measurement scale was developed, which was also evaluated using a 7 points Likert's scale and their average assessed the external conceptualization. The greater the average, the greater DL use, either in internal or external conceptualization. The alpha coefficient was 0.72, which is enough to categorize this as a job of an exploratory nature (Wiklund and Shepherd, 2005).

With respect to the dependent variable, firm performance was assessed using subjective measures which serve as good substitutes in the absence of hard data (Brush and Vanderwerf, 1992, Cooper, 1993). The surveys were applied to asking the founder-manager to assess their firm's performance compared to its main competitors over the previous three years (Wiklund and Shepherd, 2003). Performance criteria were: cash flow, return on capital employed and sales growth. Performance was calculated using the average of the three items measurement scale and if the average was greater, the firm's performance was better. The alpha coefficient was 0.84.

The firm's age and the environment hostility were included as control variables, since previous studies have shown to have an influence on firm's performance (Lumpkin and Dess, 2001; Miles, Covin and Heeley, 2000). The company's age was measured using the number of years since the company began commercial operations. Hostility was assessed using the Covin and Slevin (1990) 7-point semantic differential scale. The scale contains 3 items and as the average was greater, the company's competitive environment was more hostile. The 0.75 alpha coefficient was acceptable (Wiklund and Shepherd, 2005).

### **Data analysis**

The information analysis was carried out gradually in order to improve the investigation results. First, the appropriateness of the scales was analyzed for the type of firm being investigated. a principal components analysis was conducted using 24 items to assess the 8 variable identification by respondents (innovativeness, risk taking, proactiveness, competitive aggressiveness, autonomy, internal conceptualization, external conceptualization and

performance). Following this, a confirmatory factor analysis was conducted in order to determine whether the variables that comprised the EO and DL constructs represented different variables, otherwise to confirm the need to eliminate some variables to best fit the results. The model was evaluated using  $\chi^2/df$ , Goodness-of-Fit Index (GFI) (Jöreskog and Sörbom, 1996), and the Comparative Fit Index (CFI) (Bentler, 1992). The threshold for  $\chi^2/df$  should be less than three or less than two in a more restrictive sense (Premkumar and King, 1994). The GFI and CFI values should be above 0.90 (Jöreskog and Sörbom, 1996). The hypotheses were tested using the correlation analysis and multiple regression analysis.

### **Results and discussion**

The principal component analysis showed that innovativeness, risk taking, proactiveness, competitive aggressiveness, autonomy, internal conceptualization, external conceptualization and performance were identified by respondents. Moreover, the initial results of the confirmatory factorial analysis suggested that it was necessary to eliminate three variables, as they did not improve the final results and made the analysis more complex. This demonstrates that the measurement of these variables was already covered by other variables already in the model. The EO's variables innovativeness and autonomy were eliminated, as well as the DL's variable internal conceptualization. Once these variables were eliminated, the analysis to estimate the model size was done again. The results suggested that it was not necessary to remove more items to improve the fit of the model.

It is necessary to make some comments regarding the variables that were removed from the analysis. First, the autonomy and internal conceptualization variables were eliminated as it was clear that these two variables are irrelevant since the sample design is based on the founder-manager leading role in decision-making. That is, there is no room to share decision-making due to the small size of the organization being investigated. In relation to innovativeness, this is a variable that simply does not add anything to the strategic commitment of the microenterprise being investigated. This may indicate that the firm's competitiveness may be more obvious in its market share defense, hence, the firm must anticipate or react quickly to the activities and responses of competitors.

Regarding the EO, the model resulted in a good fit:  $\chi^2/df = 2.48$ , GFI = .901, CFI = 0.932. All the factor loadings are in acceptable ranges and significant at  $p = 0.001$ , ranging from 0.71 to 0.83 indicating convergent validity (Anderson and Gerbin, 1988). The average variance obtained for the measurement of EO was 0.72, which is slightly higher than the threshold suggested by Bagozzi



and Yi (1988). In relation to the DL, the model also showed a good fit:  $\chi^2/df = 2.95$ , GFI = .893, CFI = 0.911. All the factor loadings are in acceptable ranges and significant at  $p = 0.001$ , ranging from 0.63 to 0.79 indicating convergent validity and the average variance obtained for the measurement of DL was 0.67. Finally, the performance model also showed good fit:  $\chi^2/df = 2.66$ , GFI = .941, CFI = 0.922. All the factor loadings are ranging from 0.73 to 0.84 and the average variance obtained for the measurement of performance was 0.82.

**Table 1.** Descriptive statistics and correlations

Variable	Mean	SD	1	2	3	4	5
1 Age	11.4	2.74	1.00				
2 Environmental hostility	5.11	1.95	-0.09**	1.00			
3 Dominant logic	3.43	1.08	0.24**	0.32**	1.00		
4 Entrepreneurial orientation	4.14	0.89	0.10***	0.07***	0.22**	1.00	
5 Firm performance	4.75	1.54	0.18**	-0.14**	0.19**	0.26*	1.00

N = 302

\*  $p < 0.10$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$

The averages, standard deviations and Pearson’s correlations between the firm’s performance, EO, DL and the control variables can be seen in Table 1. The correlation analysis can be used as a preliminary evaluation for the subsequent hypothesis confirmation, which requires a different type of analysis. Initially, it can be said that there is a positive relationship between EO and firm’s performance ( $\rho = 0.26$ ), and a slightly lower relationship between DL and firm’s performance ( $\rho = 0.19$ ). With respect to the age variable, there is a positive relationship ( $\rho = 0.18$ ), which may indicate that the older the company is, the better its performance; that is, it may be taking more risks and be more proactive than their competitors. Also, another interesting aspect to analyze is the relationship between EO and DL, which is significant ( $\rho = 0.22$ ). This may indicate that these two variables’ combined effect may represent a better firm performance, but this is yet to be confirmed. Finally, the positive relationship between environmental hostility and the DL ( $\rho = 0.32$ ), may reflect the sensitivity of the founder-manager to the actions of their main competitors.

A hierarchical moderated regression analysis was conducted to test the hypotheses (Cohen & Cohen, 1983), with a process centered on the independent and control variables’ mean in order to minimize multicollinearity (Aiken and West, 1991). The results indicate that multicollinearity was not a problem in the analysis. Table 2 shows the results for different regression

models. Model 1 shows only the control variables. Model 2 adds the effect of the EO and Model 3 adds the DL' direct effect. The Model 2 results are consistent with previous studies as they show a positive effect of EO on firm's performance ( $\beta = 0.26$ ,  $p < 0.01$ ). This proves hypothesis 1 proposed in this research. In Model 3, adding the DL's direct effect on the firm's performance results in a small change ( $\beta = 0.28$ ,  $p < 0.01$ ), which indicates that the DL has a direct influence on firm's performance, although this is not the intent of the investigation.

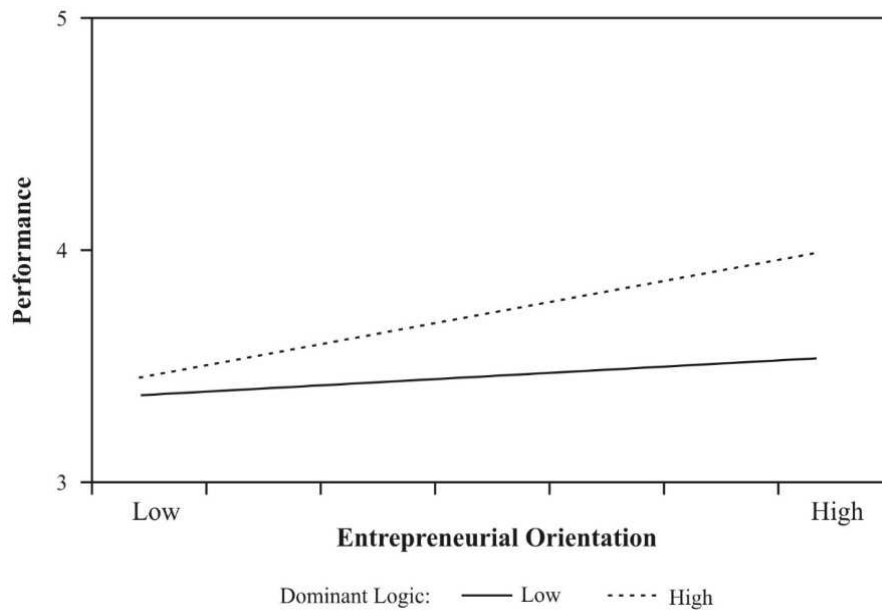
The second hypothesis of this study considered a DL's moderating effect on the relationship between EO and firm's performance. To test the hypothesis, the interaction's effect between EO and DL was added to the analysis. Model 4 shows a positive and significant interaction's effect of DL and EO on firm's performance ( $\beta = 0.31$ ,  $p < 0.01$ ), confirming the second research's hypothesis.

**Table 2.** Regression results

Independent variable	Model 1	Model 2	Model 3	Model 4
Control variables:				
Age	0.217**	0.194*	0.121*	0.138*
Environmental hostility	-0.131**	-0.154**	-0.101**	0.140*
Main effects:				
H1: Entrepreneurial orientation		0.263***	0.213**	0.205***
Dominant logic			0.281***	0.247***
Interaction effect:				
H2: Entrepreneurial orientation x dominant logic				0.314***
F	3.018***	3.844***	4.622***	5.128***
R-square	0.101	0.172	0.184	0.225
R-square adjusted	0.098**	0.159**	0.173	0.203
Estimate Standard Error	1.334	1.011	0.988	0.921

\*  $p < 0.10$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$

The regression equations are strong and explain between 16% and 20% of the variation in the dependent variables, which is acceptable. Moreover, to better understand the interaction nature, the EO's effect on firm's performance was plotted for both low and high DL (Aiken and West, 1991), as shown in Figure 1. The graph suggests that when the DL is low, a good firm performance is not obtained, but when the DL is high, there is a better firm performance.



**Figure 1.** Moderating effect of dominant logic on the entrepreneurial orientation-performance relationship

### Limitations and future research

The results of this research should be seen in the light of their limitations. First, there is no reason to believe that the results can be extended to firms with other features, including other contexts. For the enterprise's type (micro) and context (Mexico), the environmental hostility was significant, which may not necessarily occur in other research designs. Another limitation is the evaluation of the scales, as those were only made by the founder-manager. This may make sense for small size firms, in which, despite being in operation for several years, the founder-manager's dominant logic prevails (Hofstede, 2001). However, the debate continues over the use of multiple answers to ensure the validity of the results. The validation could come from those who are closely monitoring the operation and firm's performance internally, and those outside the company who are familiar with the firm's performance.

One more limitation of this work is the lack of previous studies that have used a scale to assess the DL. This paper proposes a scale based on the Von Krogh et al. (2000), proposal; however, the confirmatory factor analysis gave the pattern to eliminate internal conceptualization. In the scope of this work it is difficult to confirm if the DL can be understood just with the external conceptualization.

The limitations discussed here can be overcome in future research. Development of a DL rating scale is necessary. The results achieved in this work can be useful in this regard, considering the aspects of internal character

and major importance. a research paper focused exclusively on the DL scale development is in its own an important contribution to knowledge creation. This is evidenced by research papers that have developed scales to assess other constructs, such as entrepreneurial passion (Cardon, Gregoire, Stevens and Patel, 2013), business' alert (Tan, Kacmar and Busenitz, 2012), and even the reflection that exists on EO's assessment scales (Covin and Wales, 2012).

The DL is a construct with a highly cognitive content; however, future research could consider studying it in combination with other constructs, such as personality or intelligence. This combination could help to better understand the style, conduct and behavior of strategic decision makers in an organization.

Comparative work can also contribute to a better understanding of the EO in an organization. It would be interesting to know how the organizational culture type influences the decision making style (Hofstede, 2001). Finally, whenever possible, it is necessary to include quantitative variables to measure the firm's performance. In a microenterprise, the founder-manager has to perform several tasks at the same time that cannot be delegated. Given this, financial firm's control is virtually impossible, since it is well known that strategic planning of this nature in firms is also nonexistent.

## **Conclusion**

This work result leads us to believe that the microenterprise's performance is slightly better when it involves an analysis of the external environment surrounding the firm. In other words, the external conceptualization of the DL helps improve the relationship between EO and firm performance. This result confirms that the relationship between EO and performance improves when considering other variables involved in this relationship (Covin, Green and Slevin, 2006, Wiklund and Shepherd, 2003). In the same perspective, the results support the idea that the context in which the company operates also influences the relationship between EO and performance (Walter, Auer and Ritter, 2006). This conclusion can be seen in the influence that environmental hostility has as a control variable on EO and performance relationship, shown in previous works (Parida, Westerberg, Ylinenpää and Roininen, 2010, Wiklund and Shepherd, 2003).

Due to the firms' size discussed in this paper, it is interesting to comment on the dimensions that were eliminated from both the EO and the DL, which were identified after performing confirmatory factor analysis. With respect to EO, innovativeness is not a necessary condition for maintaining competitiveness. In this case, autonomy, as EO's dimension, is irrelevant due



to the decision-making centralization. We believe that the same occurs with the DL's internal conceptualization.

From the above, we believe that the position of the microenterprises is based on good external analysis and risky and timely decision making. The company must take risks constantly and that makes it a proactive firm. The environmental hostility, as a control variable, was shown to have a negative relationship with performance, which is also related to competitive aggressiveness.

These results lead us to conclude that the firm's own characteristics, such as size, limited resources and market share, make its environment more competitive, even hostile, so that firms can decide to use aggressive practices. It is important to add that, through the founder-manager relationship, DL is emphasized among the competition, customers and consumers.

Finally, the results of this work contribute to the proposition that the relationship between two variables can be improved when incorporating a third contingent variable. In this case, the DL falls directly on the founder-manager relationship, so that their skills directly influence the firm's performance.

As the firm's structure becomes larger, the founder-manager's DL influence decreases, due to the incorporation of new positions, new visions and then the new DL is more inclusive and participatory. However, previous studies have also highlighted the fact that the EO is not the only variable that can explain the firm's performance. In this work, the EO only explains about 16% of the firm's performance and its combination with DL about 20%.

## References

- Aiken, L. S., West, S. G. (1991). *Multiple regression: Testing and interpreting interactions*. Newbury Park, CA: Sage.
- Anderson, J. C., Gerbing, D. W. (1988). Structural equation modeling in practice: a review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423.
- Autio, E. (1997). New Technology-based firms in innovation networks symplectic and generative impacts. *Research Policy*, 26(3), 263-281.
- Bagozzi, R. P.; Yi, Y. (1988). On the Evaluation of Structural Equation Models. *Journal of the Academy of Marketing Science*, 16(1), 74-94.
- Basso, O., Fayolle, A., Bouchard, V. (2009). Entrepreneurial Orientation: The making of a concept. *Entrepreneurship and Innovation*, 10(4), 313-321.
- Bentler, P. M., (1992). *EQS Structural Equations Program Manual*. Los Angeles: BMDP Statistical Software.
- Bettis, R. A., Prahalad, C. K. (1995). The Dominant Logic: Retrospective and extension. *Strategic Management Journal*, 16(1), 5-14.

- Brush, C. G., Vanderwerf, P. A. (1992). a comparison of methods and sources for obtaining estimates of new venture performance. *Journal of Business Venturing*, 7(2), 157-170.
- Cardon, M. S., Gregoire, D. A., Stevens, C. E., Patel, P.C. (2013). Measuring entrepreneurial passion: Conceptual foundations and scale validation. *Journal of Business Venturing*, 28(3), 373-396.
- Cohen, J., Cohen, P. (1983). *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*. Hillsdale, NJ: Erlbaum.
- Cooper, A. C. (1993). Challenges in predicting new firm performance. *Journal of Business Venturing*, 8(3), 241-254.
- Cotê, L., Langley, A., Pasquero, J. (1999). Acquisition strategy and dominant logic in an engineering firm. *Journal of Management Journal*, 36(7), 919-952.
- Covin, J. G., Slevin, D. P. (1989). Strategic management of small firms in hostile and benning environments. *Strategic Management Journal*, 10(1), 75-87.
- Covin, J. G., Slevin, D. P. (1990). New venture strategic posture, structure, and performance: An industry life cycle analysis. *Journal of Business Venturing*, 5(2), 123-135.
- Covin, J. G., Green, K., Slevin, D. P. (2006). Strategic Process effects on the entrepreneurial orientation-sales growth rate relationship. *Entrepreneurship Theory and Practice*, 30(1), 57-81.
- Covin, J. G., Wales, W. J. (2012). The Measurement of entrepreneurial orientation. *Entrepreneurship Theory and Practice*, 36(4), 677-702.
- Dess, G. G., Lumpkin, G. T., McGee, J. E. (1999). Linking corporate entrepreneurship to strategy, structure, and process: suggested research directions. *Entrepreneurship Theory and Practice*, 23(3), 85-102.
- Grant, R. M. (1988). "On Dominant Logic", Relatedness and the link between diversity and performance. *Strategic Management Journal*, 9(6), 639-642.
- Ginsberg, A. (1990). Connecting diversification to performance: a sociocognitive approach. *Academy of Management Review*, 15(3), 514-535.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. 2nd Ed. Thousand Oaks, CA: Sage
- Jöreskog, K. G., Sörbom, D. (1996). *LISREL 8: The Simples Command Languages*. Chicago: Scientific Software International.
- Kunkel, S. W. (2001). Toward a typology of entrepreneurial activities. *Academy of Entrepreneurship Journal*, 7(1), 75-90.
- Lumpkin, G. T., Dess, G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-173.

- Lumpkin, G. T., Dess, G. (2001). Linking Two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5), 429-451.
- Marino, L., Stradholm, K., Steensma, H. K., Weaver, K. M. (2002). The moderating effect of national culture on the relationship between entrepreneurial orientation and strategic alliance portfolio extensiveness. *Entrepreneurship Theory and Practice*, 26(4), 145-160.
- Montiel, C. H., Nuño, P. J. P., Solé, P. F. (2012). The entrepreneurial orientation-dominant logic-performance relationship in new ventures: an exploratory quantitative study. *Brazilian Administration Review*, 9(special issue), 60-77.
- Montiel, C. H., Solé, P. F., Palma, Y. (2012). Mapping the intellectual structure of entrepreneurship research: Revisiting the invisible college. *Revista Brasileira de Gestao de Negócios*, 14(42), 41-58.
- Miles, M. P., Covin, J. G., Heeley, M. B. (2000). The relationship between environmental dynamism and small firm structure, strategy, and performance. *Journal of Marketing Theory and Practice*, 8(2), 63-74.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770-791.
- Miller, D. (2011). Miller (1983) Revisited: a reflection on EO research and some suggestions for the future. *Entrepreneurship Theory and Practice*, 35(5), 837-894.
- Naman, J. L., Slevin, D. P. (1993). Entrepreneurship and the concept of fit: a model and empirical test. *Strategic Management Journal*, 14(2), 137-153.
- Naranjo, E., Campos, M. (2011). *GEM Mexico 2011 Report*. United States: Global Entrepreneurship Monitor.
- Parida, V., Westerberg, M., Ylinenpää, H., Roininen, S. (2010). Exploring the effects of network configurations on entrepreneurial orientation and firm performance: An empirical study of new ventures and small firms. *Annals of Innovation and Entrepreneurship*, 1(1), 1-13.
- Poon, J. M. L., Ainuddin, R. H., Junit, S. A. (2006). Effects of self-concept traits and entrepreneurial orientation on firm performance. *International Small Business Journal*, 24(1), 61-82.
- Prahalad, C. K., Bettis, R. A. (1986). The dominant logic: a new linkage between diversity and performance. *Strategic Management Journal*, 7(6), 485-501.
- Premkumar, G., King, W. R. (1994). Organizational characteristics and information systems planning: An empirical study. *Information Systems Research*, 5(2), 75-109.
- Rauch, A., Wiklund, J., Lumpkin, G. T., Freese, M. (2009). Entrepreneurial orientation and business performance: Cumulative empirical evidence. *Entrepreneurship Theory and Practice*, 33(3), 761-788.
- Rosenberg, M., (1968). *The Logic of Survey Analysis*. New York: Basic Books.

- Stevenson, H. H., Jarrillo, J. C. (1990). a paradigm of entrepreneurship: Entrepreneurial management. *Strategic Management Journal*, 11(4), 17-27.
- Tan, J., Kacmar, K. M., Busenitz, L. (2012). Entrepreneurial alertness in the pursuit of new opportunities. *Journal of Business Venturing*, 27(1), 77-94.
- Von Krogh, G., Erat, P., Macus, M. (2000). Exploring the link between dominant logic and company performance. *Creativity and Innovation Management Journal*, 9(2), 82-83.
- Walter, A., Auer, M., Ritter, T. (2006). The impact of network capabilities and entrepreneurial orientation on university spin-off performance. *Journal of Business Venturing*, 21(4), 541-567.
- Wang, C. L. (2008). Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship Theory and Practice*, 32(4), 635-657.
- Wiklund, J., Shepherd, D. (2003). Knowledge-Based resources, entrepreneurial orientation, and the performance of small and medium-sized business. *Strategic Management Journal*, 24(13), 1307-1314.
- Wiklund, J., Shepherd, D. (2005). Entrepreneurial orientation and small business performance: a configurational approach. *Journal of Business Venturing*, 20(1), 71-91.
- Zahra, S. A., Garvis, D. M. (2000). international corporate entrepreneurship and firm performance. the moderating effect of international environmental hostility. *Journal of Business Venturing*, 15(5-6), 469-492.

### **Abstrakt (in Polish)**

Przez ostatnie 30 lat badania nad Orientacją Przedsiębiorczą (OP) dostarczyły wielu cennych informacji dotyczących strategii, przedsiębiorczości oraz wydajności na poziomie firmy. W świecie przedsiębiorczości, mikroprzedsiębiorstwa odgrywają szczególną rolę w biznesowym kontekście gospodarki. Nie były one jednak dotychczas wystarczająco obecne w badaniach nad OP. Artykuł bada relację między OP a wydajnością w grupie mikro-przedsiębiorstw meksykańskich i obejmuje Dominującą Logikę (DL) jako zmienną moderującą tę relację. Wyniki wykazują, iż zmienne dotyczące podejmowania ryzyka, proaktywności, oraz agresywnej konkurencji z OP wpływają na wydajność mikro-przedsiębiorstw. Ponadto, zewnętrzna conceptualizacja DL moderuje relację między OP i wydajnością. Artykuł pokazuje wnioski płynące z badania, jak również ograniczenia i przyszłe metody prowadzenia badań nad tym tematem.

**Słowa kluczowe:** orientacja przedsiębiorcza, dominująca logika, wydajność firmy, mikro-przedsiębiorstwa.