

Linking Two Dimensions of Entrepreneurial Orientation to Firm Performance: The Moderating Effect of Government's Role

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Abstract — Entrepreneurial Orientation (EO) has been defined as a strategic orientation method, which employed by firms to identify ways and in creating a specific set of opportunities through various decision-making skills and entrepreneurial practices. Hence, this study was conducted based on the phenomenon experienced by a number of manufacturing firms in Sabah, Malaysia, within the context of Small and Medium-Sized Enterprises (SMEs). The EO, moreover, was deemed as a multidimensional construct encompassing two dimensions, namely competitive aggressiveness and pro-activeness. The study took place in Sandakan which is situated in Sabah. Based on the attributes of EO consisting of competitive aggressiveness and pro-activeness, the results were statistically demonstrated a significant relationships with firm performance. Whereas the government, which usually plays an important role, as the moderator, portrayed an insignificant and non-influential role in strengthening the relationships between these two EO dimensions and firm performance.

Keywords – Entrepreneurial Orientation, Firm Performance, Government's Role, SMEs

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