

# Impact of Entrepreneurial Intention on Entrepreneurial Orientation in SMEs: Mediating Role of Environmental Uncertainty

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**A** Entrepreneurial intention is an important concept for understanding and promoting entrepreneurship. It is a strong predictor of entrepreneurial behavior, and it can lead to a number of positive benefits for individuals, society, and the economy. This study aims to examine the impact of entrepreneurial intention (EI) on entrepreneurial orientation (EO). It also examines the intervening role of environmental uncertainty (EU). The data were collected from 150 entrepreneurs from active enterprises in the 3 major cities of Pakistan. The information was gathered through a closed-ended questionnaire. Partial least squares structural equation modeling was used to analyze the data. According to the findings, EI impacts positively on EO and EU. Furthermore, EU plays a significant intervening role between EI and EO. The results of this study offer valuable information that the owners of businesses and the Ministry of Commerce may use to support entrepreneurial activities in Pakistan. This may ensure the efficient operation and elimination of organizations' failure to appropriately launch their businesses.

**Keywords:** Entrepreneurship Intention, Entrepreneurial Orientation, Environmental Uncertainty, Small and Medium Enterprises.

## 1. Introduction

The ambition to launch a business or become an entrepreneur is known as entrepreneurial intention. It is seen as the most important predictor of entrepreneurial activity (X.-H. Wang et al., 2023), as people who have a strong desire to start a business are more likely to do so. It is a psychological state that directs focus toward particular corporate objectives in order to produce entrepreneurial results (Contreras, De Dreu, & Espinosa, 2017). When determining someone's entrepreneurial desire, it's common to ask them how likely it is that they will launch a firm in the next few years. EI can be influenced by a variety of circumstances, including personal traits, self-efficacy, and locus of control. Environmental elements, including the resources that are available, the level of entrepreneurship support, and the perceived success opportunities. Learning opportunities, such as being exposed to an entrepreneurship curriculum or having entrepreneurs as role models. EI is significant for a variety of reasons. It is necessary for economic progress, helps to eliminate poverty and inequality, and can aid in the resolution of social and environmental issues (Roper, 2012).

The idea of entrepreneurship can be utilized to understand why some individuals launch enterprises while others do not. Additionally, it can be utilized to create interventions that support boosting EI and behavior. Researchers have identified various elements that boost EI. These consist of thorough education and experience, knowledge and abilities, and a supportive environment. Individuals can acquire the information, abilities, and attitudes required to launch and manage a successful firm with the aid of entrepreneurial education. They can also build and implement business plans, as well as recognize and evaluate company prospects (Tran, Duong, Nguyen, Tran, & Vu, 2023). Entrepreneurial self-efficacy is the conviction that one can launch and manage a firm successfully. It is a significant predictor of entrepreneurial purpose and conduct (Lang & Liu, 2023). Family, friends, and other business owners can offer encouragement, direction, and resources that can help people launch and grow their businesses (Lang & Liu, 2023), and people can overcome the difficulties of launching a business with the use of resources including money, mentorship, and networking opportunities (Nakara, Laouiti, Chavez, & Gharbi, 2020). Along with these traditional components, there are a few new trends that can encourage entrepreneurship as well. For instance, the development of artificial intelligence (AI) is presenting new chances for business owners to create and introduce cutting-edge goods and services. Individuals can improve their chances of beginning and

operating their own enterprises by acquiring the essential information, abilities, and attitudes, as well as by getting access to the necessary tools and support.

The theory of planned behavior (TPB), a social-cognitive theory, explains how intentions affect behavior. It asserts that intentions are influenced by three factors: attitudes, subjective norms, and perceived behavioral control (Liñán & Fayolle, 2015; X.- H. Wang et al., 2023). The attitudes are an overall assessment of entrepreneurship, encompassing the advantages and disadvantages of starting a firm that are thought to exist. In contrast to perceived behavioral control, which is the individual's confidence in their capacity to effectively launch and manage a business, subjective norms are the perceived social pressure to launch or refrain from launching a business. In other words, the TPB contends that people are more likely to launch a firm if they have a pro-business outlook, feel confident, and think their peers anticipate them to do so. In other words, the TPB contends that people are more likely to launch a firm if they have a pro-business outlook, think their peers anticipate them to do so, and are confident in their capacity to do so. A helpful framework for comprehending and forecasting EI is the TPB. It can be utilized to create and put into action programs and interventions that will increase EI in both individuals and groups. Governments, policymakers, and individuals can contribute to the development of a more entrepreneurial society by tackling the three major elements that affect EI.

The ability to detect opportunities is said to have an impact on one's entrepreneurial intention, according to this notion. Understanding the variables that affect entrepreneurial behavior is made easier with the help of theories of entrepreneurial intention and orientation. We can create interventions that support the development of entrepreneurial intention and behavior by better understanding these elements. Entrepreneurial intention is an impact factor that positively influences entrepreneurial orientation at the individual level (Liñán & Fayolle, 2015). Previous studies have analyzed the impact of various factors that influence entrepreneurial intention; however, there is a lack of research on entrepreneurial intention and its impact on entrepreneurial orientation in developing countries. Therefore, this study emphasizes the impact and importance of EI on EO, with EU as a mediating variable and its influence on EI and EO.

The current study aims to investigate the impact of EI on EO and EU. It also investigates the mediating effect of EU between EI and EO. Four hypotheses are proposed to investigate the above phenomena. The next section is a literature review, followed by methodology, results, and discussion.

## 2. Literature Review

This section explains and discusses the various literatures on entrepreneurial intention, environmental orientation, and entrepreneurial orientation while explaining various theoretical and relational perspectives on the concept.

### Entrepreneurial Intention and Entrepreneurial Orientation

The term "entrepreneurial orientation" (EO) refers to a firm-level strategic orientation that encapsulates an organization's entrepreneurially oriented management philosophies, firm behaviors, and strategy-making processes. It is a multidimensional construct that has been theorized and assessed by several researchers in various ways. EO may be developed and refined over time utilizing a range of strategies, such as encouraging an inventive workplace culture, providing employees with the skills and resources they need, and rewarding them for taking the initiative and using their ideas. EO is an important concept for companies of all sizes, but it is especially important for companies that operate in dynamic and competitive environments. According to Rauch, Wiklund, Lumpkin, and Frese (2009), EO enhances business performance. Runyan, Droge, and Swinney (2008) found that EO was positively connected with business performance in a sample of small businesses. These studies suggest that EO is an important factor that can have an impact on a firm's success. It is critical to keep in mind that there is not always a direct correlation between EO and company success. These studies suggest that EO is an important factor that can have an impact on a firm's success. It is critical to keep in mind that there is not always a direct correlation between EO and company success. High EO levels can sometimes be detrimental to a company's performance. This is because a high EO level may cause careless risk-taking and a loss of attention.

Research on the connection between EO and EI is well established. EI is the desire or inclination to launch a firm, while EO is a set of ideals and principles that direct entrepreneurial

conduct. The connection between EI and EO is significant because it indicates that people who have a strong desire to launch a firm are more likely to acquire the abilities and traits required to be successful entrepreneurs. This is significant because entrepreneurs are essential to innovation and economic progress. EI and EO have a significant beneficial association, according to research. This indicates that those who have a strong desire to launch a business are more likely to display entrepreneurial traits, including initiative, risk-taking, and creativity (Liñán & Fayolle, 2015). EI and EO have a significant beneficial association, according to research. Accordingly, those who are highly motivated to launch a firm are more likely to display entrepreneurial traits like initiative, risk-taking, and creativity (X.-H. Wang et al., 2023). According to Rauch et al. (2009), EO enhances business performance. H.-K. Wang and Yen (2012) found that EO was positively connected with business performance in a sample of small businesses. These studies suggest that EO is an important factor that can have an impact on a firm's success. Consequently, the following hypothesis is proposed:

**H1:** EI positively influences EO.

### **Environmental Uncertainty and Entrepreneurship Intention**

The degree to which the future status of the environment is unexpected and cannot be reliably forecast is referred to as environmental uncertainty. It is a significant barrier for businesses and organizations since it makes informed judgments and planning for the future difficult (YahiaMarzouk & Jin, 2022). The degree of EU determines how difficult it will be to foresee and anticipate how the world will develop in the future. There are a variety of things that might contribute to environmental uncertainty, such as the fact that new technologies have the ability to both disrupt and create new markets. For instance, the growth of the internet has significantly impacted a variety of businesses, such as telecommunications, retail, and media. Environmental regulations can affect the cost of doing business. For example, a new trade agreement can open up new markets for businesses, while a new environmental regulation can increase their costs. The EU can have a significant impact on businesses. It can make it difficult to plan for the future, make decisions about investments, and compete effectively.

Numerous studies have been done on the intricate link between the EU and EI. EU has been observed in some research to have a detrimental effect on EI, although it has also been found in other studies to have a positive effect. EU was found to be adversely correlated with EI in a study by Krueger Jr, Reilly, and Carsrud (2000). They made the case that environmental unpredictability makes it more challenging for business owners to forecast the future and make wise decisions regarding their operations. This may cause tension and anxiety, which deters some people from beginning their own enterprises.

Other research, however, has shown that the EU can influence EI favorably (Shane, 2003). According to a study by Uddin and Bose (2012), environmental uncertainty has a detrimental effect on Bangladeshi university students' intentions to start their own businesses.

In conclusion, there are several variables that can affect the link between EU and EI. To fully comprehend this link, more investigation is required. Thus, the following hypothesis is proposed:

**H2:** EU positively influences EI

### **Environmental Uncertainty and Entrepreneurial Orientation**

In the entrepreneurship and strategic management literature, there has been a great deal of study on the connection between EU and EO. Environmental uncertainty and EO are positively correlated, meaning that businesses operating in more uncertain contexts typically have higher levels of EO. This link is typically characterized by the idea that, in order for businesses to survive and develop, environmental unpredictability forces them to be more creative, proactive, and risk-taking. Businesses must be able to quickly adjust to shifting market conditions in uncertain situations and create new products and services that satisfy consumer demand. Additionally, they must be risk-takers in order to investigate fresh possibilities. However, there are times when there is a negative correlation between EO and environmental uncertainty.

According to previous studies, the association between EI and EO is greater for small businesses than it is for big businesses. According to Kafetzopoulos (2021), EU was positively correlated with a firm's capacity for innovation. According to Yusuf (2002), small businesses have a higher connection between EU and EO than do large businesses.

M. W. Kraus, Piff, Mendoza-Denton, Rheinschmidt, and Keltner (2012), discovered that the national culture of the nation where the firm was based affected the association between the EU and EO. Overall, the research on the connection between entrepreneurial attitude and environmental uncertainty points to a favorable association between the two categories. To completely comprehend this link and to create strategies that work for businesses working in unpredictable situations, more research is required. Therefore, the following hypothesis is formulated:

**H3:** EU positively influences EO

The mediating role of the EU refers to the notion that environmental uncertainty can indirectly influence organizational outcomes (e.g., performance, innovation) by influencing other factors, such as organizational structure, strategy, or culture. Previous studies have also looked into the intermediary role of the EU in the relationship between EO and performance. For instance, Zhang, Wang, Gao, and Li (2020) discovered that environmental uncertainty acted as a moderator between competitive strategy and firm performance. H. Chen and Tian (2022) discovered that the EU mediated the relationship between organizational culture and firm performance. The study found that organizations with a more adaptable culture were more likely to perform well in uncertain environments, but organizational learning mediated this relationship. In other words, firms that were more adaptable were more likely to be receptive to new information and ideas, which allowed them to learn and adapt to a changing environment. Lumpkin and Dess (1996) discovered that there was a greater correlation between EO and success in certain businesses.

According to earlier studies, people who are exposed to high levels of environmental uncertainty may be more likely to perceive entrepreneurial opportunities and be motivated to launch their own businesses in order to have more control over their own futures (S. Kraus, Rigtering, Hughes, & Hosman, 2012). Uncertainty in the environment can be advantageous for EO. This is due to the possibility that people who are subject to high levels of environmental uncertainty may need to be more proactive and creative in order to recognize and seize new opportunities as well as manage the risks connected to operating in an uncertain environment (Cai, Lysova, Khapova, & Bossink, 2019). The link between EI and EO can be mediated by the EU. This indicates that the degree of environmental uncertainty can help explain some of the effects of EI on EO. According to Gupta, Nain, Singh, Mishra, and Lata (2023), the association between EI and EO, for instance, may be higher in contexts with high degrees of ambiguity. Hence, the following hypothesis is formulated:

**H4:** EU mediates positively between EI and EO

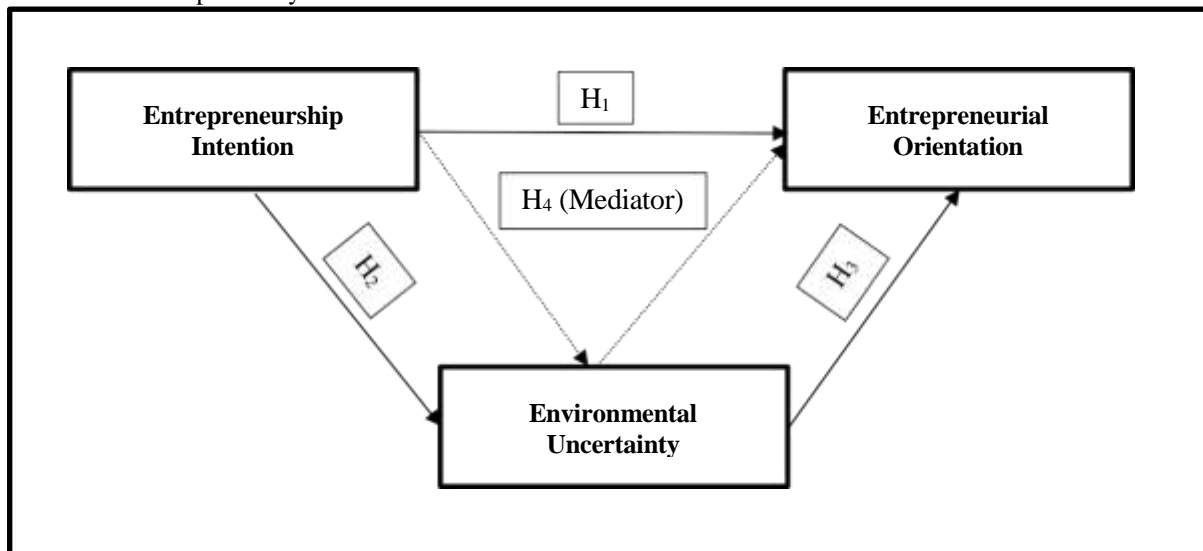


Figure 1. Conceptual Model

### 3. Methodology

#### Sample and Data Collection

The sample of the study consists of entrepreneurs in SME's from three major cities of Pakistan (Karachi, Lahore and Rawalpindi). Total 300 questionnaires were filled and received consent from all of them. The total received questionnaires in all aspects were 200 out of 300 respondents. 50

questionnaires were rejected due to incomplete information. Thus 150 completed questionnaires were used for data analysis in the study. Among 150 respondents 110 were males entrepreneurs and 40 were female entrepreneurs. The data was collected based on simple random sampling.

### Measures

The data for the study were collected on the basis of standardized measures for said variables i.e. entrepreneurship intention, environmental uncertainty and entrepreneurial orientation.

#### Entrepreneurship Intention

Six questions make up the entrepreneurial intention scale, which was primarily created and validated by Linen and Chen (2006). Participants were asked to rate these topics on a five-point Likert scale, where "1" denoted strongly disagreeing and "5" denoted strongly agreeing.

#### Environmental Uncertainty

Lawrence and Borsch's (1967) method for measuring the uncertainty of an organization was a nine-item Likert scale with questions relating to three sub-scales and three sub-environments: marketing, manufacturing, and research. Each of the respondents is asked to answer three questions about each of the sub-environments, from which uncertainty scores for each sub-environment and a total uncertainty score can be calculated (Geoff et al., 1991). However, Lawrence and Lurch's scale was assessed by several researchers, who reported a few restrictions. According to Milliken (1987), the scale is unable to accurately evaluate the firm's whole environment.

#### Entrepreneurial Orientation

An eight-item questionnaire that has previously been tested with German and Chinese enterprises and shown to have acceptable reliability and validity was used to measure EO (Engle, 2010). We used a Likert-type scale rather than the forced-item statements frequently used in the U.S. setting (Coven & Levin, 1989), in line with numerous notable studies of EO in Asia (Kreisler, Marino, & Weaver, 2002; Tang, Tang, Marino, Zhang, & Li, 2008).

### Data Analysis and Findings

The researchers' method of choice for data analysis was partial least squares structural equation modeling (PLS-SEM). Hair, Risher, Sarstedt, and Ringle (2019) suggest that PLS-SEM is a more advantageous strategy than other traditional multivariate approaches. PLS-SEM is a statistical method that provides reliable analysis through the use of the bootstrapping method. In order to evaluate the significance of their findings, researchers can use this method to create standard errors for route coefficients (Hair, Ringle, & Sarstedt, 2013; Preacher & Hayes, 2008). Multicollinearity, normality, and common method variance were among the initial assumptions that were evaluated. Hair, Black, Babin, and Anderson (2010a) examined and interpreted the gathered data using a two-step process incorporating measurement and structural models.

Table 1. Respondents' Characteristics

Respondents characteristics	Frequency	Percent
Gender		
Men	110	73
Women	40	27
Total	150	100
Age group		
Under 25	22	15
26-35	75	50
36-45	36	24
Over 45	17	11
Total	150	100
Education		
Secondary or Basic	8	5
Undergraduate	60	40
Masters	80	53



PhD	2	2
Total	150	100
Position		
Sole Proprietors	10	7
Family Owned Businessman	110	73
Shop keepers	28	19
Owner/ CEO	2	1
Total	150	100

### Measurement Model Assessment

The reliability, internal consistency, convergent validity, and discriminant validity of each concept must be assessed in order to study the measurement model (Hair, Black, Babin, & Anderson, 2010b; Henseler, 2017). PLS-SEM was used in this work since it has received widespread acceptance and adoption from academics in a variety of academic domains (Iqbal, Li, Yang, & Sindhu, 2022). The new method this study used to set standards for thorough data analysis is what makes it appropriate (Hair et al., 2019). To assess the dependability of each individual item, the researchers used factor loading (Hair, Sarstedt, Ringle, & Mena, 2012). According to Hair et al. (2019), a minimum threshold of 0.7 or above is required. Table 2 shows that all factors loading in our investigation comply with the standards.

Table 2. Factor loadings and variance inflated factor

Construct	Item	Loading	VIF
Entrepreneurship Intention(EI)			
	EI1	0.832	2.287
	EI2	0.865	3.090
	EI3	0.852	2.586
	EI4	0.831	2.351
	EI5	0.805	2.165
	EI6	0.812	2.451
Entrepreneurial Orientation(EO)			
	EO1	0.758	1.854
	EO2	0.788	2.358
	EO3	0.769	2.184
	EO4	0.785	2.102
	EO5	0.807	2.219
	EO6	0.797	2.245
	EO7	0.841	2.911
	EO8	0.775	2.259
Environmental Uncertainty(EU)			
	EU1	0.774	2.076
	EU2	0.805	2.306
	EU3	0.752	1.960
	EU4	0.767	2.081
	EU5	0.749	2.060

	EU6	0.845	2.881
	EU7	0.805	2.397
	EU8	0.830	2.623
	EU9	0.789	2.282

\*Note: VIF = Variance Inflated Factor

### Internal Consistency

Cranach's alpha and composite reliability are commonly used by researchers to assess an instrument's internal consistency. According to various studies (Hair, Ringle, & Sarstedt, 2011; Hair et al., 2019), the measurements frequently use a minimum threshold of 0.70. A statistical tool for assessing the presence of technique bias and collinearity effects is the variance inflated factor (VIF). Ringle, Wende, and Becker (2015) state that it is typically recommended to take into account a threshold of 5 or lower for the VIF, as shown in Table 2.

The average variance extracted (AVE), as suggested by Fornell and Larcker (1981), is used to measure convergent and discriminant validity. A minimum criterion of 0.5 or above is frequently used to establish convergent validity (Chin, 1998). Table 3 presents the convergent validity research outcomes. Table 3 shows that every latent variable had average variance extracted (AVE) values greater than the set cutoff. Table 4 shows that the average extracted variance (AVE) square root was found to be bigger than the correlations among the latent components. Acceptable discriminant validity is shown in the present investigation across all dimensions.

Table 3. Mean, SD, CA, CR, and AVE

Constructs	Mean	SD	CA	CR	AVE
Entrepreneurship Intention	3.15	0.88	0.929	0.941	0.667
Environmental Uncertainty	3.16	0.89	0.831	0.886	0.661
Entrepreneurial Orientation	3.19	0.86	0.934	0.943	0.602

SD: standard deviation; CA: Cronbach Alpha; CR: Composite Reliability; AVE: Average Variance Extracted.

Table 4. Discriminant validity

Constructs	EI	EO	EU
EI	0.833		
EO	0.638	0.790	
EU	0.615	0.676	0.791

### Structural Model Assessment

The model's ability to predict outcomes is gauged by the R<sup>2</sup> coefficient. An R<sup>2</sup> value of 0.60 is classified as excellent, 0.33 as moderate, and 0.19 as weak by Chin (1998), who also recommended particular parameters for evaluating the R<sup>2</sup> number. The R<sup>2</sup> and Q<sup>2</sup> values for the EI and EO variables are shown in Table 5. For the EI variable, the coefficient of determination (R<sup>2</sup>) is 0.324, whereas for the EO, it is 0.232. EI's Q<sup>2</sup> value was determined to be 0.324, whereas EO's Q<sup>2</sup> value was determined to be 0.232. The F<sup>2</sup> values for the EU (0.609) and EO (0.171) construct demonstrate the validity of our study model.

Table 5. Predictive Relevance and Model Fit

Constructs	Q <sup>2</sup>	R <sup>2</sup>	F <sup>2</sup>
EI	0.324		
EO	0.232	0.537	0.171
EU		0.379	0.609

To determine the statistical significance of the hypothesis, the study used the bootstrapping approach, with 5,000 bootstrap samples (Hair et al., 2010b; Hair et al., 2011). Hypothesis 1 (H1), which asserts a strong and favorable correlation between EI and EO ( $\beta = 0.357$ ,  $t = 4.725$ ,  $p = 0.000$ ), is supported empirically by the findings from Table 6 and Figure 2. As a result, hypothesis H1 has been verified. The study's findings showed a statistically significant correlation between EI and EU ( $\beta = 0.615$ ,  $t = 11.720$ ,  $p = 0.000$ ), which supported Hypothesis 2. The third hypothesis is supported by the

coefficients  $\beta = 0.456$ ,  $t = 5.849$ , and  $p = 0.000$ . The study's findings confirmed that EU mediates the relationship between EI and EO. The results of the analysis produced a statistically significant result ( $\beta = 0.281$ ,  $t = 5.724$ ,  $p = 0.000$ ), validating partial mediation as hypothesized by Baron and Kenny (1986).

Table 6. Structural model

Hypothesis	Relationship	Beta	SE	t-Value	p-Value	Decision
H1	EI $\rightarrow$ EO	0.357	0.076	4.725	0.000	Supported
H2	EI $\rightarrow$ EU	0.615	0.053	11.720	0.000	Supported
H3	EU $\rightarrow$ EO	0.456	0.078	5.849	0.000	Supported
H4	EI $\rightarrow$ EU $\rightarrow$ EO	0.281	0.049	5.724	0.000	Supported

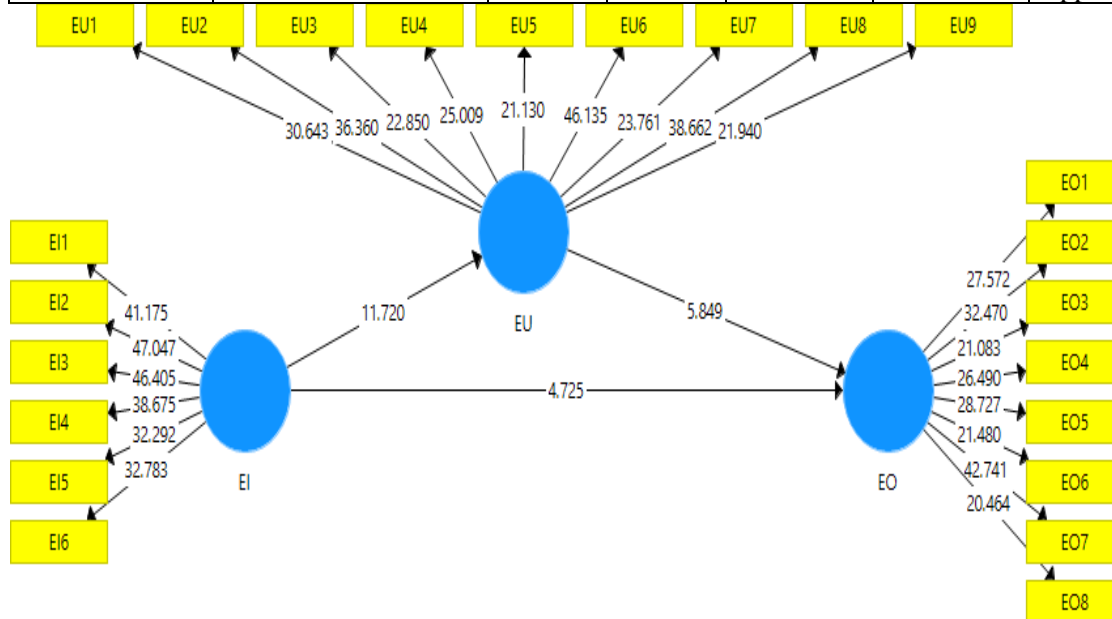


Figure 2. Hypothesis results.

#### 4. Results and Discussion

According to the study's findings, EO is significantly predicted by EI. The results support the claim made in earlier studies that EI increases an organization's capacity to accomplish its business operations (C. C. Chen, Greene, & Crick, 1998; Kolvereid & Isaksen, 2006; Krueger Jr et al., 2000). A high correlation between EI and EO is also suggested by earlier research by Ismail, Romle, and Azmar (2015). The findings of the current study showed a substantial association between EU and EI in SME's when it comes to starting their enterprises. Studies by Schmitt, Rosing, Zhang, and Leatherbee (2018) and Uddin and Bose (2012), demonstrate that a fruitful partnership exists between the EU and EI. Furthermore, according to a number of scholars, the link between the EU and EI in terms of developed and emerging nations is complicated. While poor countries have a negative relationship with the EU in terms of environmental uncertainty, developed nations have a good relationship with EI. The EU and EO have a good working relationship with businesses, especially small ones. A high connection between EU and EO was expected by Rauch et al. (2009) and Engel, Kaandorp, and Elfring (2017).

#### 5. Conclusion

Initiation of business mainly depends on EI and EO. Firms having strong EO through various reward system and encouragement to its employees while appreciating their innovation, risk taking and proactive approach while thinking out of the box. The EU playing a mediating role impacts both EI and EU. The various factors that contribute to EU, are advance and latest technologies having the ability to both disrupt and create new markets. For instance, the growth of the internet has significantly impacted a variety of businesses, such as telecommunications, retail, and media. Further economic and political change and environmental regulations can adversely impact firm's progress and entrepreneurship intentions to initiate businesses further can also influence entrepreneur's ability to



run their firms.

Despite the fact EI impacts EO and EU positively the firms still lack maximum output. This explains that firms' success depends much more on EO and EU factors implemented in firms policies. Several studies show that innovation, risk taking and reactivity significantly impact firm's performance along intention and their outputs. EI whole solely depends on proper implementation of EO factors for launching businesses successfully. Most of previous studies showed positive association between EI with EO and EU in terms of developed countries and size of firms. Therefore present study shows positive association between EI, EO and EU while including EO and EU under research in firms Entrepreneurship intention. Governments and policymakers may support EI by fostering a supportive climate for business owners. This can involve lowering legislative hurdles to launching and operating a firm as well as granting access to resources like finance and mentorship. People can also take action to increase their own EI. They can, for instance, educate themselves about entrepreneurship and business acumen, and they can network with other businesspeople. They might also look for mentors who can offer advice and assistance.

The current study was conducted to assess the impact of EI on EO while assessing EU as mediating role between EI and EO among firms at Pakistani SMEs. The results show that EI has a positive and significant impact on firms EO and EU to launch and run their businesses successfully. The findings are relevant to Pakistan's government policies as well the Ministry of Commerce in designing policies that would enhance firms' performance of doing business while adopting and promoting innovation, reactivity and risk-taking.

### **Theoretical and Practical Significance**

Since the study has emphasized the significance of EI in predicting EO through the mediating role of the EU, it has implications for organizations. EO and EI go hand in hand since businesses with excellent EO are more motivated to start their own businesses. Numerous factors have both positive and negative effects on the link between EO and EI. As a result, the study holds theoretical as well as practical significance for practitioners who want to reward and encourage EO to produce great performance outcomes and effectively launch their enterprises. Innovation, risk-taking, proactive behaviors, and other qualities might encourage businesses to start their own businesses with purpose and determination. Organizations can reward risk while promoting EO. Organizations may support EO by promoting creativity and risk-taking, providing the resources and direction needed for businesses to succeed, and recognizing people for thinking outside the box. This encourages EO by supporting innovation, expansion, and success. Organizations that support advancing the firm's success and launching new projects, which is a benefit to organizations and generates competitive advantage, should adopt advancement and reward-related activities. The results of the current study cannot be applied to other organizations because they only included a small number of SME companies. Additionally, the study makes no mention of gender disparities and offers no information regarding how demographic characteristics may affect outcome parameters.

### **Limitations**

Primarily, not all of the cities have been chosen for this study; there are still some SMEs from outlying places. More responses from various cities can provide more precise information that is generally applicable. The study might be broadened either institutionally, regionally, or both in various organizational contexts.

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