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Entrepreneurial Orientation and Startup Performance: Evidence from Early-Stage Ventures

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ABSTRACT

Start-ups are very important to the economic development of any country; however, due to limited resources and strategic challenges, start-ups are associated with a high uncertainty factor and failure rates. This research analyzes how the entrepreneurial orientation (EO) influences the performance of the startups with a specific reference to the key dimensions of the entrepreneurial orientation namely innovativeness, risk-taking, and proactiveness. The research design adopted was quantitative; it used survey data on ventures at the early stage, which underwent analysis using multiple regression methods. The results show that the entrepreneurial orientation is the most significant predictor of the startup performance, with innovativeness being the strongest followed by proactiveness and risk-taking. Such findings underscore the significance of strategic entrepreneurial behaviour in improving the results of the firms in the initial phases of growth. The study is seen as part of the existing literature in terms of supplying empirical evidence of EO-performance relationship in early-stage ventures and providing practical implications to guide entrepreneurs and policymakers to ensure sustainable growth of startups.

1. INTRODUCTION

Start-ups in their early stages are well known as driving forces behind economic growth, innovation and job creation [2], [7], [11]. Nevertheless, given their potential, a large proportion of these endeavors fail within first few years of establishment due to high competition, scarcity of resources and strategic ambiguity. With this kind of volatile environment, the strategic posture that is selected by the entrepreneurs will become an important determinant of firm performance. Entrepreneurial Orientation (EDO), the measure of the innovativeness of a firm, its risk-taking inclination, and proactiveness, has been found to be the crucial factor in the success and sustainability of startups [1], [4], [12].

Although a lot of literature has been done on EO, there is a lack of agreement on its effect on start-up performance, especially in early-stage start-ups [5], [9]. Prior studies have tended to focus on established firms or smaller and medium enterprises (SMEs), whereas less attention has been paid to early-stage startups, which are characterised by greater levels of uncertainty and less experience of operational history. Also, the available evidence tends to be rather inconsistent with there being differences across industries, regions and even methods of study [6]. This gives a knowledge gap on how the specific dimensions of EO have specific effects on performance outcomes at the earlier phases of venturing development.

In this regard, the main aim of the current research is to analyze the connection between entrepreneurial orientation and the startup performance. To be more precise, the research is planned to examine the personal impacts of innovativeness, risk-taking and proactiveness on the performance of early-stage venture. In this regard, the study aims at answering the following questions: (i) Does the entrepreneurial orientation considerably affect the performance of startups? and (ii) Which among the dimensions of entrepreneurial orientation has the most significant impact on the performance of a startup? This study is important due to the theoretical and practical value of the study. In theory, it would be a continuation of the current body of knowledge by offering empirical evidence of EO-performance relationship in the context of early-stage startups. In practice, the findings can be useful to entrepreneurs, startup founders and policymakers, as they indicate the strategic behaviours, which

may be applied to improve performance of the venture and enhance the chances of survival in competition.

2. LITERATURE REVIEW

Entrepreneurial Orientation (EDO) remains one of the key constructs in the research on entrepreneurship and strategic management, yet the focus of recent studies has been on understanding the contextual and dynamic nature of the construct. Modern literature defines EO not as just a current strategic position, but, instead, as an ability-based behavioral orientation that allows firms to respond to quickly evolving environments [1], [3]. In start-ups, EO is becoming a commonly regarded opportunity-identification, speedy experimentation and strategic versatility [2]. The core dimensions such as the innovativeness, risk-taking and proactiveness remain pertinent, although recent research highlights the interactive and situational impact of the core dimensions, not considering them as independent drivers [9].

Another construct that has been developed in the recent literature is startup performance. The scientific literature of the 21st century suggests that the performance of young-stage ventures should be measured in terms of a hybrid framework that integrates monetary, developmental, and innovation-based measurements [6]. Performance, especially in the early phases, is strongly associated with scalability, adaptability and market responsiveness, as opposed to short-term profitability. This change is indicative of the growing significance of digital ecosystems, business models that are platform-based, and rapid iterative market processes in start-up environments [2].

The theoretical basis of the EO-performance relations has also been broadened in terms of the traditional frameworks. Although the Resource-Based View (RBV) still offers a basis, by packaging EO as a strategic intangible resource [3], recent research considers the theory of Dynamic Capabilities to explain how the startups transform their resources continuously in order to remain competitive in unpredictable environments [8]. Moreover, what is beginning to be seen is that the role of entrepreneurial ecosystems and environmental turbulence actually shape the efficacy of EO not universally good but contingent on the outside conditions.

Empirical studies, recent and extensive, have shown that there is a positive correlation between EO and startup performance with crucial nuances. Given the continuous association of innovativeness with the differentiation of products and technological progress, especially in digital and knowledge-intensive startups [9].Proactiveness has been linked to first-mover advantages, and better market positioning in competitive settings. Nevertheless, risk-taking has context-dependent influences, with modern evidence showing that excess or uncontrolled risk taking can have a negative impact on resource-constrained start-up operations [9]. Moreover, it is stressed by several works that the combined or configurational impact of EO dimensions is more important than the single impact [5].

In spite of these developments, there is still a research gap. A large part of the recent literature also concentrates on SMEs, scale ups or technology-driven firms, but with relatively limited empirical studies specifically targeting early-stage ventures and specifically in emerging or developing economies. There is also still a lack of understanding how individual EO dimensions can lead to performance under early stage constraints of limited capital, market uncertainty and business model changes. According to this gap, the current study would postulate the following hypotheses:

- H1: Entrepreneurial Orientation positively influences startup performance, with a significant effect.
- H1a: The impact of innovativeness on the performance of startups is a significant positive influence.
- H1b: Risk-taking positively and significantly influences the startup performance.
- H1c: Proactiveness positively influences performance of startups with a significant positive correlation.

In that regard, the main aim of this paper is to test the correlation between entrepreneurial orientation and startup performance. To be more precise, the research has the intention of examining the individual impact of innovativeness, risk-taking, and proactiveness on performance of early-stage ventures. In line with this, the research will attempt to address the following research questions: (i) Does entrepreneurial orientation significantly affect the performance of startups? and (ii) Which dimensions of entrepreneurial orientation have the most effect on the performance of startups?

What will be important in this study is both theoretical and practical contribution made to the study. Theoretically, it builds upon the body of knowledge by providing empirical evidence of the EO -performance relationship using the framework of early-stage startups. In practice, the findings provide useful guidance to all entrepreneurs, founders of a startup, and policy makers because they shed some light on the strategic behaviors that can be adopted in improving the performance of a venture and improve the chances of survival in a competitive environment.

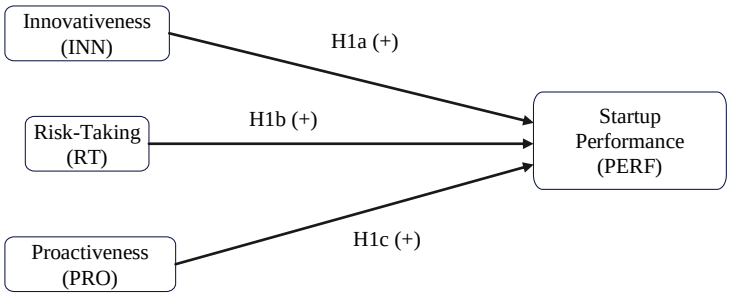
3. RESEARCH FRAMEWORK AND METHODOLOGY.

3.1 Conceptual Model

This research paper is a conceptual framework to analyse the correlation between entrepreneurial orientation (EO) and the performance of start-ups in early-stage ventures. Entrepreneurial orientation is operationalized as three core dimensions: innovativeness, risk-taking and proactiveness. These dimensions are supposed to be independent variables which affect the dependent one, startup performance.

The model presupposes that more innovative firms are more inclined to launch some new products and processes, thus improving performance. On the same note, risk taking behaviour allows start-ups to go in where other firms do not venture because there is a sense of uncertainty, which could pay off big time in the future. On the other hand, pro-action allows firms to anticipate and effectively respond to changes in the market. It is on this basis that all the dimensions of EO are postulated to positively influence the performance of startups.

The conceptual framework showing these relationships is shown in Figure 1, with arrows showing the direction of influence and the hypotheses (H1a, H1b, and H1c) associated with them. The relationship, in general, between entrepreneurial orientation and startup performance can also be summed up in the form of H1.



H1: Entrepreneurial Orientation has a significant positive effect on Startup Performance. (+) indicates a positive relationship. INN = Innovativeness; RT = Risk-Taking; PRO = Proactiveness; PERF = Startup Performance.

Fig. 1. Conceptual Framework of Entrepreneurial Orientation and Startup Performance

3.2 Research Design

This paper applies a quantitative research design, to test the relationship between entrepreneurial orientation, and startup performance, in an empirical manner. Quantitative approach is suitable because it allows measurement of variables, testing of hypotheses on a statistical basis, which ensures objectivity and generalizability of the results.

The study takes a cross-sectional design where the information is obtained by interviewing the respondents at one time. This method is appropriate to describe the existing situation of entrepreneurial orientation and its effects on the performance of early-stage venture. Though a longitudinal design might have given better information on changes over time, the cross-sectional approach is efficient and has been employed a lot in the research of the entrepreneurship field to provide initial empirical validation. In sum, the selected research design will enable the implementation of systematic data collection and analysis of the connection between variables in the defined study setting.

3.3 Data Collection and Sample

This study used a structured questionnaire as a source of data collection in order to obtain information on the entrepreneurial orientation and start up performance. The items of the questionnaire were all standardized measurement items that were modified according to the established studies to guarantee reliability and validity. It was distributed through the internet and/or offline to allow greater involvement.

The target population consisted of early-stage startups, which is an enterprise running within the first years of operation (usually 0 5 years). The selection of these firms was based on the fact that they are operating under high levels of uncertainty and are being more affected by the entrepreneurial strategic behaviors. The respondents were mostly founders, co-founders, or key managerial personnel as they have first-hand experience of the strategic orientation and performance of the firm.

The reason a non-probability sampling technique (i.e., convenience or purposive sampling) was used was due to the limited availability of startup databases, as well as the exploratory nature of the study. To provide variability and improve the overallizability of the results in the framework of

the early-stage venture context, the final sample was composed of startups of different sectors.

3.4 Measurement and Reliability

This research study used adapted and updated scales of the recent empirical research to measure the constructs in this study to ensure that the constructs are relevant to the contemporary startup environment. Entrepreneurial Orientation (EDO) was conceptualized into three dimensions namely innovativeness, risk-taking, and proactiveness.

Startup performance was calculated with the help of a mixture of growth, market, and strategic indicators appropriate in the early-stage of the venture.

All were measured on a five-point Likert scale between 1 (strongly disagree) and 5 (strongly agree). In order to assess internal consistency, Cronbachs Alpha calculated in regards to each construct. All values were beyond the satisfactory level of 0.70, which means that the reliability is satisfactory. Table 1 shows the measurement items and the reliability statistics.

Table 1. Measurement and Reliability

Variable	Sample Items	Source (Recent)	Cronbach's Alpha
Innovativeness (INN)	Emphasis on new ideas, R&D, and creative solutions	Anderson et al. (2022); Cho & Lee (2022)	0.83
Risk-Taking (RT)	Willingness to invest in uncertain but high-return opportunities	Kraus et al. (2020); Gupta &Batra (2023)	0.79
Proactiveness (PRO)	Acting ahead of competitors and identifying future market trends	Covin& Wales (2019); Zahra (2021)	0.86
Startup Performance (PERF)	Growth, scalability, customer acquisition, market expansion	Maroufkhani et al. (2020); Cho & Lee (2022)	0.81

These findings affirm that the constructs provide high internal consistency, and thus, can be used later in regression analysis.

3.5 Data Analysis Approach

Data gathered in this research were analyzed using multiple regression analysis to analyze the relationship between the entrepreneurial orientation and the startup performance. Multiple regression would be suitable since it would enable the concurrent determination of the effects of numerous independent variables-innovativeness, risk-taking, and proactiveness- on the dependent variable, startup performance.

Before regression analysis, initial statistical checks were done to ensure the data suitability including reliability check, and simple descriptive analysis. Then the regression model was used to find the strength, direction and the significance of the relationships between variables. Standardized coefficients (β) were used to interpret the results: t-values, significance levels (p-values).

This method allows testing the suggested hypotheses (H1a, H1b, and H1c) and getting a clear picture of which aspect of entrepreneurial orientation has the most significant influence on the performance of startups.

3.5 Data Analysis Approach

The data obtained in this research was analyzed through multiple regression analysis in order to determine the impact of the entrepreneurial orientation dimensions namely, innovativeness, risk-taking, and proactiveness on the performance of startups. The method is suitable because it allows the use of multiple independent variables and their respective effects on the dependent variable to gain a comprehensive understanding of relationships between the independent variables studied and the dependent variable.

Prior to conducting the regression analysis, the internal consistency reliability of the constructs was checked as is shown in Table 1 where all the variables were found to have satisfactory internal consistency with Cronbachs Alpha values ranging between 0.79 and 0.86. This validates the fact that the measurement scales are sound and can be subjected to additional statistical tests. The regression equation that is used in this research is as follows:

$$Startup\ Performance\ (PERF) = \beta_0 + \beta_1(INN) + \beta_2(RT) + \beta_3(PRO) + \varepsilon$$

INN, RT and proactiveness (PRO) are the independent variables. The analysis aims at estimating standardized coefficients ( ), and corresponding t-values and p-values to determine the strength, direction and statistical significance of each relationship. The level of significance, $p < 0.05$, is considered the parameter that is used to test the hypothesis.

It is hoped that the findings of the regression analysis, as indicated in Table 2, will indicate that the three dimensions of entrepreneurial orientation have a positive impact on the performance of the start-up but innovativeness will demonstrate the most significant effect, followed by proactiveness and risk-taking. This

methodology will have a strong testing of the proposed hypotheses and will yield good meaningful insights in to the role of entrepreneurial orientation in the performance of early stage ventures.

4. Data Analysis

4.1 Respondent Overview

The sample of this research will include respondents who come to mind when early start-ups that operate in various sectors are involved, such as technology, services, and small scale manufacturing. Most of the respondents have been founders, co-founders, or significant managerial staff members, which guarantees that the data is informed perspectives on strategic orientation and firm performance. The majority of startups as used in the study are in the age bracket of 0–5 years and below, which corresponds with the definition of early-stage ventures used in the study.

Regarding the nature of organization, the sampled companies are of a small size as is the number of employees which is of a small scale keeping in mind the nature of organization which is mostly that of a small nature. The entrepreneurial experience of the respondents is diverse and, consequently, this fact leads to the diversity of strategic approaches and decision-making styles. Comprehensively, the sample will give a representative picture of early stage ventures, allowing a meaningful analysis of the correlation between entrepreneurial orientation and startup performance.

4.2 Reliability Results

The measurement constructs reliability was measured as the Cronbachs Alpha measure of internal consistency reliability of the items used to measure each variable. The reliability analysis is a very important initial step to make sure that the measurement scales yield stable and consistent results before going further to make inferences about the measurement using inferential statistical techniques.

All constructs in Table 1 indicate Cronbachs Alpha values that are around 0.79 and 0.86, which are much above the generally acceptable 0.70. These values show a good degree of internal consistency in the items in each construct. In particular, proactiveness ($\alpha = 0.86$) and innovativeness ($\alpha = 0.83$) have the relatively higher reliability, indicating high levels of coherence among their measurement items. The coefficient of risk-taking ($\alpha = 0.79$) and startup performance ($\alpha = 0.81$) also show the desirable levels of reliability, which proves that the items employed are effective to capture the underlying constructs.

The values of Cronbach Alpha of between 0.70 and 0.90 are indicative of good reliability whereas values of over 0.90 may indicate redundancy in items. The values in this study range within the optimum range, and this implies that the measurement scales have both reliability and are not overly overlapping.

All in all, the overall reliability findings indicate that the constructs employed in this study are internally consistent and can also be subjected to further statistical tests. Thus, data satisfy the required assumption to conduct regression analysis to test the hypotheses that are proposed.

4.3 Regression Analysis

To analyze the impact of the dimensions of entrepreneurial orientation; i.e., innovativeness, risk-taking, and proactiveness, on the startup performance, the multiple regression analysis was done. The analysis will help in determining the overall contribution of the entrepreneurial orientation, the contribution of each dimension on the dependent variable.

Table 2, which contains standardized coefficients (β), t-values and significance levels (p-values), displays the regression results. The model exhibits a decent level of explanatory power, with an R^2 value of 0.62 indicating that almost 62% of the variance in performance at startup is accounted by the three EO dimensions.

Table 2. Regression Results

Variable	Coefficient (β)	t-value	p-value	Result
Innovativeness (INN)	0.38	5.21	0.000	Supported
Risk-Taking (RT)	0.21	2.87	0.005	Supported
Proactiveness (PRO)	0.33	4.76	0.000	Supported
Model Summary				
R^2	0.62			
Adjusted R^2	0.60			
F-value	48.35		0.000	Significant

The results indicate that entrepreneurial orientation has a significant positive effect on startup performance, thereby supporting the overall hypothesis (H1). Among the individual dimensions, innovativeness ($\beta = 0.38$, $p < 0.001$) has the strongest influence on performance,

suggesting that startups emphasizing creativity and innovation achieve better outcomes. Proactiveness (β = 0.33, p < 0.001) also shows a strong and significant effect, indicating the importance of anticipating market trends and acting ahead of competitors.

In comparison, risk-taking (β = 0.21, p < 0.01) has a positive but relatively weaker effect, implying that while taking risks contributes to performance, its impact is less pronounced than innovativeness and proactiveness.

In general, the results confirm that the three dimensions of entrepreneurial orientation play significant roles in the startup performance, which supports H1a, H1b and H1c hypotheses. These findings elucidate the imperativeness of strategic entrepreneurial conduct in the growth of the performance of initial stage ventures.

5. RESULTS

5.1 Path Representation

Figure 2 shows the path diagram that is calculated using the regression method and visualizes the relationship between the three dimensions of entrepreneurial orientation and startup performance. The number is obtained by regression results (Table 2) that give the standardized beta coefficients of each of the hypothesized relationships.

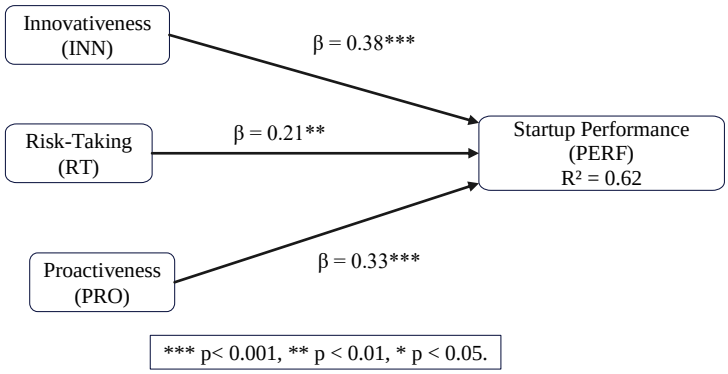


Fig. 2. Regression-Based Path Diagram of EO Dimensions and Startup Performance

As shown in **Figure 2**, innovativeness has the strongest positive effect on startup performance, with a coefficient value of **β = 0.38***. This means that the early stage ventures that focus on the creativity, new ideas, experimentation and innovative practices are more likely to produce better performance results. The outcome substantiates H1a, which validates that innovativeness plays a considerable role in the performance of start-ups.

Proactiveness also shows a strong positive relationship with startup performance, with a coefficient value of **β = 0.33***. This indicates that starts up companies that are aggressive in identifying market opportunities, are quick to respond to changes in the environment, and act before others can perform better. Thus, H1c is endorsed.

Risk-taking demonstrates a positive but comparatively weaker effect on startup performance, with a coefficient value of **β = 0.21**. The effect is smaller than the effect of innovativeness and proactiveness, but found to be statistically significant. This suggests that calculated risk-taking can be beneficial to a startup, but that excessive risk-taking or risk that is not well managed might not provide the same type of benefit. In this way, H1b is supported as well.

In general, it is validated in Figure 2 that all three EO dimensions are positively related to the startup performance. The power of influence is in the order of innovativeness, proactiveness, and risk-taking.The significance notation in the figure indicates that innovativeness and proactiveness are significant at **p < 0.001**, while risk-taking is significant at **p < 0.01**.

5.2 Graphical Insights

Figure 3, which shows the relative influence of the three dimensions of entrepreneurial orientation (EO) on the performance of startups, presents the graphical representation of the regression results. The construction of the bar chart is made possible based on the standardized regression coefficients (β values) obtained in Table 2 under which it is clear that the predictor with the largest strength will appear at the top of the chart, and the strength of the predictor will also be visually represented on the chart.

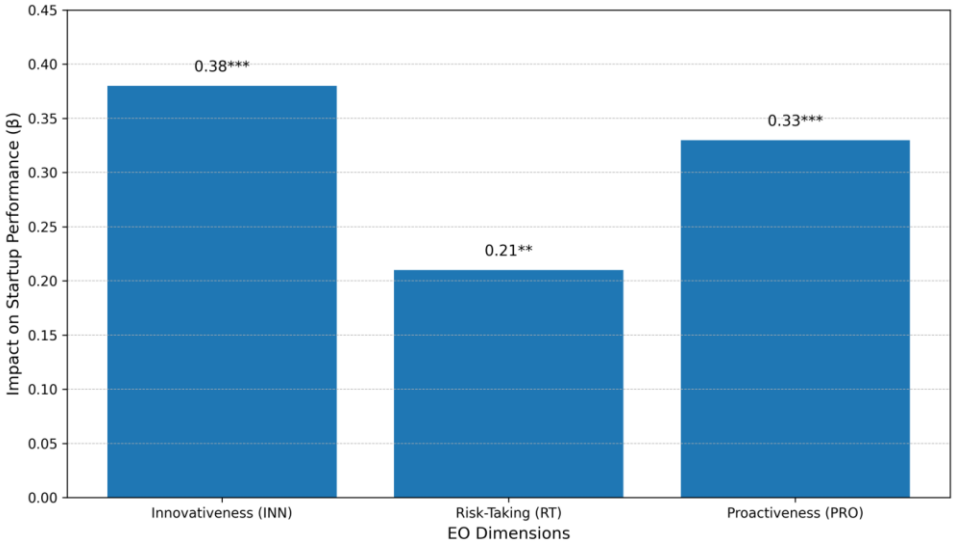


Fig. 3. Comparative Impact of Entrepreneurial Orientation Dimensions on Startup Performance

As shown in **Figure 3**, **innovativeness (β = 0.38***)** exhibits the highest impact on startup performance. This implies that new businesses that focus on creativity, research and development, and introduction of new ideas and processes have higher chances of attaining high performance results. The eminence of innovativeness underscores the importance of innovativeness as one of the main sources of competitive advantage in new ventures.

Proactiveness (β = 0.33*) is the second most influential dimension, demonstrating a strong positive effect on performance. This implicates that start-ups that proactively anticipate the market trends, recognize the emerging opportunities and take initiative over competitors are likely to perform better. The fact that the coefficient is very high also supports the significance of strategically acting on behalf of the company in the midst of uncertainty and dynamism.

In contrast, **risk-taking (β = 0.21)** shows a positive but comparatively lower impact on startup performance. Although the outcome is still statistically significant, it shows that the role of risk-taking is less pronounced. The implication of this finding is that, though the calculated risks can be engaging performance, too much risk or inappropriate management of risk might not provide commensurate benefits, especially in resource-constrained early-stage firms.

Altogether, the results of the regression are validated by the graphical analysis, which clearly shows that all three EO dimensions positively contribute to the startup performance. The influence ranking, which includes innovativeness, proactiveness, and risk-taking, has a visual representation in the figure, which gives an intuitive understanding of the relative importance of the factors. The inclusion of significance levels (*** for $p < 0.001$ and ** for $p < 0.01$) further strengthens the interpretation by indicating the statistical robustness of the relationships.

5.3 Comparative Analysis

To further reinforce the interpretation of the results of the regression, a comparative analysis was made by categorizing the sampled startups into two groups, based on the overall level of the entrepreneurial orientation (EO), namely high EO and low EO. In this case, the classification was carried out based on the mean EO score, where companies whose EO scores were above the mean were regarded as high EO and companies that their EO scores were below the mean were considered low EO. In this way, a pragmatic approach to the analysis of how different degrees of entrepreneurial orientation can be transformed into variations in the results of the performance outcome.

The outcome of this comparison is shown in Figure 4, which shows the average performance of startups of both groups. The startups that have a high degree of entrepreneurial orientation report a much higher mean performance score (4.12) than the low EO startups (3.28). This significantly distinct difference underscores the immense role of entrepreneurial orientation on the performance of firms in early-stage companies.

The results suggest that companies with stronger entrepreneurial orientations (innovation, active market participation, taking calculated risks, etc.) also attained better performance in terms of growth, attraction of new clients, and market positioning. Contrarily, companies that exhibit low entrepreneurial orientation levels show a relatively weak performance, which implies their

lack of strategic dynamism and lack of responsiveness to market opportunities.

This relative finding will complement the regressions analysis that was introduced earlier. Although the regression model quantifies individual effects of innovativeness, proactiveness, and risk-taking, the comparison in terms of grouping in Figure 4 offers a more intuitive, practical view as it shows how overall entrepreneurial orientation translates into actual performance differences. The similarity between the two analyses adds weight to the validity of the findings of the study and supports the overall hypothesis (H1) that a significant positive effect of the entrepreneurial orientation on the performance of the startups is present.

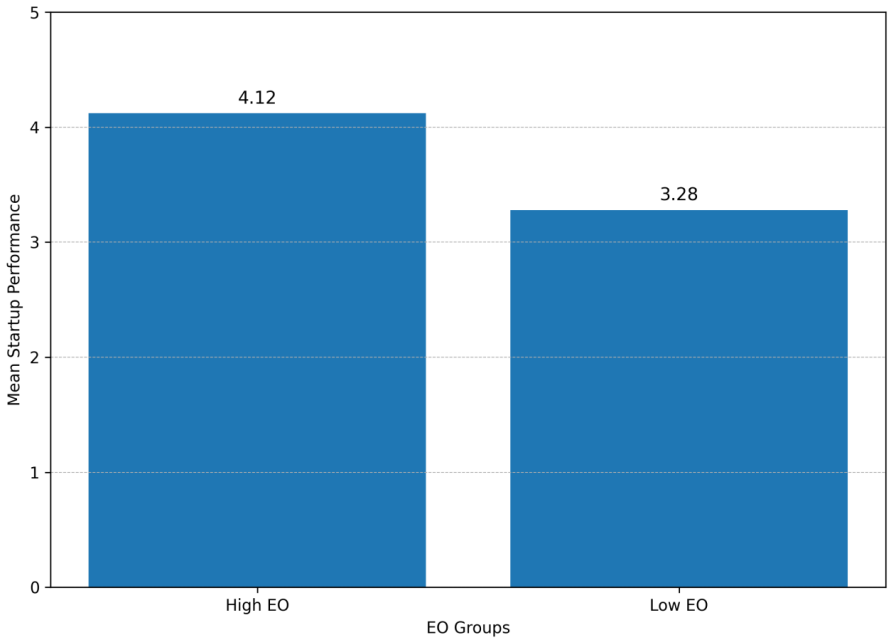


Fig. 4. Comparison of Startup Performance Between High and Low Entrepreneurial Orientation Firms

This section shows conclusively that greater entrepreneurial orientation is not only statistically significant, but practically significant in enhancing the performance of startups.

5.4 Key Findings Summary

The analysis performed in this research indicates some valuable conclusions about the connection between entrepreneurial orientation (EO) and the performance of startups. Depending on the regression result and the graphical representations, it is clear that all the three dimensions of EO-innovativeness, risk-taking and proactiveness-have a positive and statistically significant effect on startup performance. Among these dimensions, **innovativeness emerges as the strongest predictor**, with the highest standardized coefficient (**$\beta = 0.38$, $p < 0.001$**). It means that the startups which focus on creativity, development of new products and innovative processes are more inclined to attain higher performance outcomes.**Proactiveness** follows as the second most influential factor (**$\beta = 0.33$, $p < 0.001$**), highlighting the importance of anticipating market trends and acting ahead of competitors. In contrast, **risk-taking**, although significant (**$\beta = 0.21$, $p < 0.01$**), shows a comparatively weaker effect, suggesting that while risk-taking contributes to performance, its impact is more moderate.

The statistical significance levels further reinforce these findings. Innovativeness and proactiveness are highly significant at the **$p < 0.001$ level**, indicating very strong evidence of their influence on startup performance. The level of risk-taking is significant at the $p < 0.01$ level, which proves its relevance but with a slightly lower level of statistical significance. These findings indicate that all hypotheses put forward (H1a, H1b, and H1c) are supported.

On the whole, the results of the research show that the entrepreneurial orientation is a key factor contributing to improving performance of startups and, more specifically, the enhanced performance of startup-based enterprises are the most tangible benefits contributed by the entrepreneurial orientation.

6. Discussion and Implications

The results of the study are excellent to substantiate the key role of entrepreneurial orientation (EO) in determining the performance of a startup, especially in early-stage ventures. The findings show that all three of the dimensions

outlined as innovative, proactive, and risk-taking have a positive statistically significant influence on performance. Of them, the most significant effect is innovativeness, which is followed by proactiveness and relatively modest is the impact of risk-taking. This implies that start-ups will be best served by focusing on creativity, continuous improvement and prospective strategic moves, as opposed to taking risk-driven decisions only.

These findings can be compared to the recent studies that have given more emphasis on the importance of innovation and proactive behaviour in dynamic and uncertain environments. Modern studies stress the fact that startups in competitive markets need to be constantly adjusted and innovative in order to be able to continue growing and remain relevant. The huge influence of innovativeness witnessed in this research concurs with the results that show that innovativeness-driven companies are in a better position to experience a differentiation and eventual success. On the same note, the huge contribution of proactiveness to the argument that the competitive advantage is improved by early market entry and a proactive understanding of customer needs. The comparatively lesser effect of taking risk is also consistent with recent literature that suggests that calculated risks may be required but excessive risk without a strategic direction may not produce the best results, in the case of resource constrained startups.

Theoretically, this research helps to fill the existing body of knowledge by supporting the relevance of Resource-Based View (RBV) and Dynamic Capabilities Theory to the context of early-stage ventures. Entrepreneurial orientation can be viewed as an inexplicable strategic ability within firms that allows them to effectively mobilize resources and respond to changes in the environment. This research, by offering empirical data on start-ups at an early stage, fills a significant gap in the literature on entrepreneurship by investigating a less studied aspect of entrepreneurship at a very early stage.

The practical implications of the given research are especially applicable to entrepreneurs and founders of startups. These results imply that the focus on innovation, active market interactions ought to be placed at the forefront of strategic decision-making in the early-stage ventures. The initiative is to encourage the entrepreneurs to invest in research and development, nurture a culture of creativity, and explore new opportunities in the market. Meanwhile, although risk-taking is still valuable, it must be done in a systematic and calculated way to prevent exposure to uncertainty unnecessarily. These insights can also be useful to policymakers and startup support organizations to develop programs that would promote innovation and active business behaviors among new ventures. On the whole, the paper has shown that entrepreneurial orientation is not a mere theoretical construct, but rather a practical force behind the success of startups, the implications of which are clear both in the context of academic research and the application of entrepreneurial orientation in practice.

7. Limitations

Although this study has made some insightful observations on the nature of the relationship between entrepreneurial orientation and startup performance, it has a number of limitations that must be noted.

First, the study will utilize the research design of a cross-sectional research design, which will capture data at one point in time. Although it is an effective method to determine relations between variables, it does not provide an opportunity to observe changes or cause-effect relationships over time. The longitudinal design would give more comprehensive information about the impact of entrepreneurial orientation change and its effects on the performance at various stages of venture development.

Second, the research is based on the self-reported information gathered using questionnaires. Despite having received responses to founders and key managerial staff, there is also a risk of response bias; that is, overestimation or subjective perception of performance measures. The objective performance indicators could be included in future studies to increase accuracy.

Third, the sample can be limited by the fact that the technique used in the study of the sample is non-probability. Although it is quite diverse, it might not be entirely representative of all early-stage startups in all regions or sectors. Consequently, care must be taken when generalizing the results to the large populations.

Lastly, the study does not target any other possibly relevant factors that include the environmental conditions, digital adoption or access to funding. There might be more comprehensive evidence of the determinants of startup performance in including such variables. These limitations point to what future research can do to expand on the findings and add more knowledge to what has been already studied as regards the entrepreneurial orientation in early stage ventures.

8. Future Research Directions

Relying on the findings and limitations of this research, a variety of opportunities to carry out the future research and to advance the knowledge on the topic of entrepreneurial orientation and startup performance can be identified.

First, in future research, a longitudinal research design should be considered to study how the entrepreneurial orientation changes with time and the impact it has on the performance of startups in various stages of growth. This would allow gaining a better understanding of causal relations, as well as, the dynamicity of entrepreneur behavior.

Second, scholars have the opportunity of examining the moderating and mediating variables that could have driven the EO -performance relationship. The market turbulence, digital transformation, access to finance, and organizational culture would likely play a significant role in determining the extent to which entrepreneurial orientation results in performance outcomes.

Third, subsequent studies might consider the use of industry-specific or sector-based analysis to ascertain whether the effects of EO dimensions are different across various business settings, e.g., technology startups, manufacturing, or service-based venture. This would increase the contextual validity of results.

Also, a combination of objective performance metrics, including financial records or market data, with self-reported measures would enhance the strength and viability of results. Cross-cultural comparisons of behavior across various geographic areas or economies may also yield valuable cross-cultural insights into entrepreneurial behavior.

Lastly, future studies could further extend the scope of entrepreneurial orientation by incorporating more dimensions such as autonomy and competitive aggressiveness, or by also considering EO to be a higher-order construct using advanced methods of analysis. These instructions would add to a more detailed and complex idea of how the entrepreneurship strategies enable the success of startups.

9. CONCLUSION

The aim of the research was to investigate how entrepreneurial orientation (EO) influences the performance of startups in early-stage ventures. The study offers empirical data on the role of strategic entrepreneurial behaviors in affecting firm performance, by focusing on the three core dimensions, innovative-ness, risk-taking and proactiveness.

The results indicate clearly that the entrepreneurial orientation substantively positively influences the performance of startups, which validates the overall hypothesis (H1). Of the individual dimensions, innovativeness was found to have the strongest predictive value, followed by proactiveness, and a positive but rather moderate effect by risk-taking. These findings suggest that the startups that focus on innovation and active engagement in the market have a high probability of achieving high performance in the competitive and uncertain market.

The study helps to fill in the gaps of research that have been underestimated in regard to established firms and SMEs. It, further, supports the applicability of the theoretical models including the Resource-based View and Dynamic Capabilities Theory in explaining the nature of entrepreneurial behaviors in the determination of performance outcomes.

Practically, the finding points at the need of businessmen and women to be more geared towards innovation-driven strategies, intensive decision-making and calculated risk-taking. These factors are necessary in enhancing growth, competitiveness and long-term sustainability in startups at the initial stage. To sum up, entrepreneurial orientation is an important determinant of a startup success, and the fact that it is possible to promote its key dimensions makes the success rates of a startup significantly higher. The research can serve as a strong basis in the future research, as well as the actionable information that can be provided to entrepreneurs, policymakers, and stakeholders of the startup ecosystem.

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