

ENTREPRENEURIAL ORIENTATION IN THE NEW ECONOMIC REALITY

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Purpose: In the face of dynamic market changes, economic uncertainty, and increasing competition, businesses must demonstrate the ability to adapt and respond swiftly to evolving conditions. Entrepreneurial orientation—encompassing innovation, risk-taking, and the pursuit of new market opportunities—serves as a key factor supporting small and medium-sized enterprises (SMEs) in achieving sustainable success. This study aims to identify how entrepreneurial orientation influences companies' ability to adapt, manage risk, and seize emerging opportunities within a rapidly changing economic environment. The analysis offers valuable insights into strategies that can foster business growth in the context of the new market reality.

Design/methodology/approach: The study was conducted on a sample of 53 SMEs using survey questionnaires designed to assess four variables: entrepreneurial orientation, adaptability, resilience to market uncertainty, and the ability to seize new market opportunities. The data were analyzed statistically, including the calculation of means, standard deviations, and examination of relationships between variables.

Findings: The results indicate a high level of entrepreneurial orientation (mean = 3.85) among the surveyed firms, reflecting their readiness to innovate, take risks, and explore new opportunities. Adaptability scored an average of 4.05, suggesting that these firms are flexible in responding to changing market conditions. Resilience to market uncertainty had a mean of 3.88, indicating a moderate capacity to manage risk. The ability to seize new market opportunities received the highest average score (4.17), demonstrating strong competitiveness among the participating firms.

Originality/value: This study contributes significantly to the understanding of the role entrepreneurial orientation plays in enhancing the adaptability and opportunity exploitation capabilities of SMEs amid dynamic economic shifts. The findings offer valuable guidance for practitioners and policymakers seeking to support SME development in uncertain market conditions and provide practical recommendations for improving strategic management in these firms.

Keywords: entrepreneurship, entrepreneurial orientation, dimensions of entrepreneurial orientation.

Category of the paper: Research paper.

1. Introduction

Today's business environment is undergoing a profound transformation, shaped by the rapid advancement of technology, the unpredictability of global crises (such as the COVID-19 pandemic, the war in Ukraine, and disruptions to supply chains), and growing pressures related to environmental and social responsibility. These factors are contributing to the emergence of a so-called "new economic reality," characterized by increasing complexity, volatility, and discontinuity in market processes (García-Valenzuela et al., 2023; Bui et al., 2021; Taneja et al., 2024). In this new reality, companies are required not only to be adaptive but also to adopt a proactive approach to change management, demonstrate innovativeness, and show a willingness to take risks (Xia et al., 2024). A key concept supporting these capabilities is entrepreneurial orientation, understood as an internal driver of organizational change (Volkman et al., 2010; Covin, Lumpkin, 2011). This construct encompasses key dimensions such as innovativeness, proactiveness, and risk-taking (Rauch et al., 2009). Organizations with a strong entrepreneurial orientation are more inclined to explore new market opportunities, experiment with novel business models, and implement innovative solutions—making them more resilient to external disruptions and environmental shifts (Wales, 2016; Kraus et al., 2012). Prior studies have shown that entrepreneurial orientation can positively influence financial performance, digital transformation capability, and long-term competitiveness (Anderson et al., 2015; Lechner, Gudmundsson, 2014; Kreiser et al., 2013).

Despite the growing interest in the topic of entrepreneurial orientation, the literature still lacks in-depth analyses regarding its role in the functioning of the SME sector under the conditions of a dynamically changing economic reality. Previous studies often overlook the impact of new challenges—such as digitalization, market uncertainty, and environmental volatility—on entrepreneurship in small and medium-sized enterprises. The identified gap highlights the need to examine how entrepreneurial orientation influences SMEs' ability to adapt and build a competitive advantage. Therefore, the aim of this article is to analyze the significance of entrepreneurial orientation in the context of contemporary economic conditions.

2. Theoretical Background

In the literature, the construct of entrepreneurial orientation is extensively discussed in relation to strategy formulation and strategic decision-making processes within organizations. Entrepreneurial orientation not only shapes the mindset and attitudes of entrepreneurs but also serves as a foundation for the development of long-term business strategies that enable organizations to thrive in dynamically changing market environments (Dyduch, 2008;

Gębczynska, 2017). Entrepreneurs and managers operating within the framework of entrepreneurial orientation are guided by core values such as innovativeness, risk-taking, and proactiveness (Miller, 1983). These values underpin the strategic direction of the organization (Kim, Park, 2022; Baker, Sinkula, 2009) and are reflected in the key decisions made by managers (Wiklund, Shepherd, 2003; Kraus et al., 2024) (Table 1).

Table 1.

Characteristics and Strategic Directions of Entrepreneurial Orientation Values

Dimension	Key Characteristics	Strategic Direction
Innovativeness	The organization's ability to generate new ideas, products, processes, or technologies; creation of new products or services; foundation for organizational growth; implementation of modern technologies; continuous search for new solutions; ability to adapt quickly to the market.	Competitive advantage
Risk-taking	Acceptance of uncertainty in the long-term perspective; ability to calculate risk; pursuit of unconventional opportunities; responsible risk assessment.	Responsible management
Proactiveness	Acting in advance, before problems arise; initiating change; leveraging market trends and forecasts; high flexibility.	Maintaining competitiveness

Source: Own elaboration based on Morgan, Strong, 2003; Wiklund, Shepherd, 2005; Covin, Wales, 2019; Mason et al., 2015; Eniola, 2020; Gabriel, Kobani, 2022.

This approach is considered classical and remains dominant in the literature—particularly in quantitative studies—where entrepreneurial orientation is often treated as a unidimensional construct or as an integrated indicator of a company's entrepreneurial posture (Górska-Warsewicz, 2024). Entrepreneurial orientation should be understood both at the organizational level, where it functions as a strategic and managerial tool, and at the individual level, reflecting employees' attitudes and behaviors (Lichtarski, 2014). Individuals with a strong entrepreneurial orientation exhibit initiative and take action to improve processes without requiring detailed instructions (Kaczmarek, 2019). They are willing to take calculated risks, enabling the implementation of innovative solutions and the ability to step outside their comfort zones (Lichtarski, 2014). Such employees solve problems quickly and treat challenges as opportunities, which significantly enhances organizational efficiency (Karpacz, 2019). According to Okręglicka (2021), they are also open to change and actively engage in innovation processes, thereby increasing their competencies and adaptability in a dynamic market. Their pursuit of high performance and quality at work further contributes to improved organizational outcomes. At the organizational level, entrepreneurial orientation functions as a mechanism that enables firms to differentiate themselves from competitors through entry into new markets, investment in innovation, and strategic flexibility (Nogalski, Karpacz, 2011; Zbierowski, 2012; Genc et al., 2018; Fadda, 2018). Lumpkin and Dess (1996) argue that entrepreneurial orientation is a multidimensional construct, incorporating elements such as autonomy and competitive aggressiveness. Autonomy refers to the freedom to pursue innovative initiatives, while competitive aggressiveness represents a firm's determination to outperform rivals and pursue market leadership. These dimensions enhance a firm's capacity

for non-standard responses and rapid adaptation to environmental change. According to Cho and Lee (2018), companies with high entrepreneurial orientation continually seek to identify and exploit new opportunities, enabling the creation of innovative solutions and the generation of added value. Such organizations are characterized by a proactive mindset, allowing them to capture emerging market trends before they are widely recognized by competitors (Zahra et al., 2006). Firms that are innovation-oriented demonstrate a readiness to embrace risk, which forms the foundation for building and sustaining competitive advantage (Kreiser et al., 2002). Through active participation in shaping their markets, these companies are positioned to become industry leaders, thereby securing a lasting and robust market presence.

In light of these considerations, entrepreneurial orientation emerges as a crucial component of an organization's development strategy, directly influencing its ability to remain competitive in a volatile and uncertain environment (Lumpkin, Dess, 1996).

3. Research Methodology, Research Subject and Research Sample

To achieve the main objective of the article, the following research hypotheses were formulated:

H1: Entrepreneurial orientation has a positive impact on the ability of enterprises to adapt to new challenges and changing economic conditions.

H2: Companies that exhibit a strong entrepreneurial orientation are more resilient and better equipped to cope with market uncertainty in the new economic environment.

H3: Entrepreneurial orientation positively influences a company's ability to identify and exploit new market opportunities in a rapidly changing economic context.

To empirically verify these hypotheses, a quantitative research approach was adopted, involving a survey conducted among owners and managers of 53 small and medium-sized enterprises (SMEs). The largest group in the sample consisted of small enterprises (47.2%), which reflects the prevailing structure of the Polish SME sector. Medium-sized enterprises accounted for 30.2%, while microenterprises made up 22.6% of the sample. In terms of industry representation, service-oriented companies had the largest share (34%), in line with current economic trends in Poland. Manufacturing companies accounted for 26.4%, while trade-related enterprises represented 20.8%. The remaining 18.8% comprised businesses from sectors such as transportation, logistics, education, and healthcare. With regard to legal form, limited liability companies were predominant, representing 71.7% of the sample (38 out of 53 companies). This high percentage suggests that entrepreneurs may seek to limit personal liability, which could be relevant in assessing their willingness to take risks—a core component of entrepreneurial orientation. Sole proprietorships accounted for 18.9% (10 firms), while partnerships comprised 9.4% (5 firms). More than 84% of the surveyed companies have been operating for over six years, with nearly half (45.3%) active for more than a decade.

A significant portion (49%) operates nationwide, which may suggest greater experience in competing in complex markets and a heightened need for innovation and proactivity. Companies operating locally made up 28% of the sample, while 23% were engaged in international operations—often through exports—a factor that may be relevant for analyzing their ability to identify new market opportunities.

The survey included three independent variables and three dependent variables, as summarized in Table 2.

Table 2.
Characteristics of Independent and Dependent Variables

Variable Type	Variable Name	Description	Specific Indicators
Independent Variable	Entrepreneurial Orientation	The degree to which a company demonstrates innovativeness, proactivity, and risk-taking behavior	Innovativeness, proactivity, risk-taking, initiative
Dependent Variable	Adaptation to Economic Change	The company's ability to flexibly adjust to changing environmental conditions	Strategic flexibility, responsiveness, readiness for change
Dependent Variable	Resilience to Market Uncertainty	The company's ability to manage unpredictability and maintain operational stability	Risk management, liquidity maintenance, forecasting ability
Dependent Variable	Identification of New Market Opportunities	The ability to recognize and capitalize on emerging niches and trends	Opportunity recognition, trend utilization, implementation of innovative products/services

Source: own research.

Each variable was measured using a set of specific indicators, evaluated by respondents on a five-point Likert scale (ranging from 1 – “strongly disagree” to 5 – “strongly agree”). The applied indicators were consistent with the theoretical framework presented in the literature and were developed based on a review of previous studies on entrepreneurial orientation in the context of strategic management in SMEs.

4. Presentation of research results

The conducted study first allowed for the assessment of the individual variables (Table 3).

Table 3.
Assessment of Variables According to the Surveyed Companies

Variable	Mean (M)	Interpretation
Entrepreneurial Orientation	3.85	Companies demonstrate a high level of entrepreneurial orientation, though there is some variation in innovation and proactivity.
Adaptability	4.05	Most companies have high adaptability, though differences exist in flexibility and responses to changes.
Resilience to Market Uncertainty	3.88	Companies exhibit moderate resilience to market uncertainty, with some variation in risk management practices.
Ability to Seize New Market Opportunities	4.17	Most companies are able to effectively identify and exploit new opportunities, which provides them with a competitive advantage.

Source: own research.

The results indicate that the average value of entrepreneurial orientation is 3.85, reflecting a relatively high willingness among companies to take risks, innovate, and pursue new market opportunities. However, there is some variability in the level of this orientation across the surveyed firms. The adaptability of the companies in the sample has a mean value of 4.05, suggesting that most companies respond flexibly to market changes, although there is variation in the speed of adaptation. Resilience to market uncertainty averaged 3.88, indicating that companies possess moderate resilience to market volatility, with notable differences in their preparedness for risk management. Conversely, the ability to seize new market opportunities had an average value of 4.17, demonstrating that these companies are effective in identifying and capitalizing on emerging market opportunities, which constitutes a significant competitive advantage.

Next, the correlations between the level of entrepreneurial orientation and three key aspects of how companies operate within a dynamically changing economic environment were examined (Table 4).

Table 4.
Results Obtained in the Context of Hypotheses

Hypothesis	Mean	Correlation Coefficient (r)
H1	4,05	r = 0,62 (p < 0,01)
H2	3,88	r = 0,55 (p < 0,01)
H3	4,17	r = 0,67 (p < 0,01)

Source: own research.

Regarding Hypothesis H1, which posits a positive effect of entrepreneurial orientation on the adaptive capacity of companies, a significant positive correlation was observed ($r = 0.62$; $p < 0.01$). This finding suggests that companies with higher levels of proactivity, innovation, and risk-taking propensity are better equipped to respond to changes and adapt to new environmental conditions. The mean score for adaptability ($M = 4.05$) further emphasizes the importance of this capability in SME management practices. For Hypothesis H2, which concerns resilience to market uncertainty, a statistically significant positive relationship was also found ($r = 0.55$; $p < 0.01$). This indicates that companies with a stronger entrepreneurial orientation are better prepared to operate under uncertainty and are more likely to take action despite having incomplete information about future conditions. While the correlation for H2 is slightly lower than for H1, it remains moderate and relevant to business practice. The strongest correlation was observed in Hypothesis H3, which assumes a positive impact of entrepreneurial orientation on the ability to identify and exploit new market opportunities ($r = 0.67$; $p < 0.01$). This result indicates that companies with a strong entrepreneurial orientation are more adept at recognizing business opportunities, responding quickly to environmental changes, and actively seeking competitive advantages through market exploration and innovation. This is further supported by the high mean score for the ability to seize new opportunities ($M = 4.17$), which was the highest among all three dependent variables.

Based on these findings, it can be concluded that all three hypotheses were confirmed by the empirical data, validating the importance of entrepreneurial orientation as a factor that enhances the resilience, flexibility, and innovativeness of SME companies in a dynamic and changing environment.

Summary

The average value of entrepreneurial orientation, at 3.85, suggests that the surveyed SME companies exhibit a significant readiness to take risks, innovate, and seek new market opportunities. These characteristics are particularly important in the context of the new economic reality, where flexibility, the ability to innovate, and rapid responses to changing market conditions are key to survival and growth. In terms of adapting to the changing economic environment, the study's findings indicate a high ability among the surveyed companies to adjust to new challenges, with an average score of 4.05. This adaptability is critical in times of economic uncertainty, where businesses must respond flexibly to changes in their environment. The result regarding resilience to market uncertainty, with a score of 3.88, shows that the surveyed companies have a moderate ability to manage risk and market volatility, which is essential in the face of unpredictable economic crises. The findings also indicate that SME companies possess a strong ability to seize new market opportunities (with an average score of 4.17), which constitutes their competitive advantage in the new economic reality. These companies effectively identify new market opportunities and are able to capitalize on them, allowing them to remain competitive despite dynamic changes.

In conclusion, the study confirms that entrepreneurial orientation, along with the ability to adapt and seize new market opportunities, is essential for the success of SME businesses in the new economic reality. Companies that exhibit a strong entrepreneurial orientation are better prepared for the challenges of the modern market and can successfully adjust their strategies to the changing economic conditions.

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