

**ENTREPRENEURIAL ORIENTATION, SOCIAL  
EMBEDDEDNESS AND NON FINANCIAL  
PERFORMANCE AMONG MALAYSIAN INDIAN  
ETHNIC ENTREPRENEUR IN SELANGOR  
KLANG VALLEY, MALAYSIA.**

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**By**

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**Dissertation Submitted to  
Othman Yeop Abdullah Graduate School of Business,  
Universiti Utara Malaysia,  
In Fulfillment of the Requirement for the Master Degree**

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## **ABSRTACT**

Entrepreneurial orientation (EO) of Malaysian Indian ethnic entrepreneurs and its antecedents and consequences are under-researched. The purpose of present study is to investigate the influence of social embeddedness namely family ties, co-ethnic networks, and mainstream networks on entrepreneurial orientation. The study also examines the non financial performance as consequence of entrepreneurial orientation among Malaysian Indian ethnic entrepreneurs. The data were collected from Malaysian Indian ethnic entrepreneurs in the Selangor, Klang valley, Malaysia. There are 129 questionnaires were used to analyze the data. Results indicate that positive and significant relationship was found between family ties, co-ethnic networks and entrepreneurial orientation. Then, there was no significant relationship between mainstream networks and entrepreneurial orientation. The study also revealed that entrepreneurial orientation has a positive significant influence upon entrepreneur's non financial performance. Theoretical and practical implication of the study as well as suggestions for future research was discussed.

**Keywords:** Entrepreneurial orientation, social embeddedness, Indian entrepreneurs, non financial performance.

## **ABSTRAK**

Orientasi keusahawanan (EO) usahawan Malaysia Indian etnik dan latar belakang dan kesan-kesan yang diteliti di bawah. Tujuan kajian ini adalah untuk mengetahui pengaruh sosial embeddedness yaitu ikatan keluarga, rangkaian bersama etnik, dan jaringan utama orientasi keusahawanan. Kajian ini juga mengkaji prestasi bukan kewangan akibat orientasi keusahawanan di kalangan usahawan India etnik Malaysia. Data yang dikumpulkan dari usahawan kaum India Malaysia di lembah Selangor, Klang, Malaysia. Terdapat 129 soal selidik telah digunakan untuk menganalisis data. Keputusan menunjukkan bahawa hubungan yang positif dan signifikan antara hubungan keluarga, rangkaian bersama etnik dan orientasi keusahawanan. Kemudian, tidak ada hubungan yang signifikan antara rangkaian utama dan orientasi keusahawanan. Kajian itu juga mendedahkan bahawa orientasi keusahawanan mempunyai pengaruh yang positif kepada prestasi bukan kewangan pengusaha. Implikasi teori dan praktikal kajian ini serta cadangan untuk kajian masa hadapan dibincangkan.

Kata kunci: Orientasi Keusahawanan, sosial embeddedness, usahawan India, prestasi bukan kewangan.

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## **DEDICATION**

To my parents, M Subramanian and M Sakunthala and my sister and brother Muganesvari and Tanakanis. To my grandmother and grandfather Saraswathy and Muninady.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

The purpose of this chapter is to provide an overview of the study. This chapter begins with the background of the study. This is followed by the problem statement, research objective, and research questions. It also highlights the significance of the study and ends with the organisation of the chapter.

#### **1.1 Background of the Study**

Entrepreneurship defined as creating, modifying and creating different deliberations to come up with another combination in executing indicated or particular related exercises. Schumpeter (1934) has depicted entrepreneurship as an issue that works and actualizes a combination of new exercises, for example, item advancement, advertising, and assets for crude materials, assembling methodology, and new hierarchical structure. In line with this, according to Robert D. Hisrich (in Taxgloss, 2005) the entrepreneur must be a “visionary leader”. Who in addition, has the capability to analyze all the conditions which would touch the future procedures, which identifies the path to survey in order to get the success. Finally, who is regarded every detail of his or her venture.

Entrepreneurship discipline continues to grow and attract the interest of different sectors of society. It gained attention in the various disciplines, namely

management, economics, sociology, and psychology. Therefore, the process of defining entrepreneurship developed a demand of significant development in especially in a given economic system. The typical definition of entrepreneurship by Schumpeter (1934) pressures that entrepreneurship brings to do with joining assets in new methods and create disequilibrium in the economic system. This means that the entrepreneurial firm is innovative to such scope that they have an impact on the market (Wiklund, 1998). Wiklund (1998) argues, however, that these two definitional balance each other, and when shared it define entrepreneurship as taking a playing point of the opportunity by creative combinations of assets in ways have impact available.

The entrepreneurship as the essential strength of economic growth and development of the country because the economic prosperity highly depends on a dynamic entrepreneurship sector. This is true for all stages of countries that include developed and developing countries. Government in both developed and developing countries is in an arrangement that entrepreneurship and innovation will simplify economic growth and control the competitive advantage of countries in the twenty-first century (Audretsch, 2007 and Chavis, Klapper, & Love, 2011). Vast expanses of resources are expanded to substitute both innovation and entrepreneurial activity in these nations (Estrin, Mickiewicz & Stephan, 2013).

In addition, many are influenced that the solution to social development and economic growth, including job creation is to be found in innovation entrepreneurship (Phelps, 2013). Together management and finance researchers and



those learning entrepreneurship verify to it is important in driving economic growth and social development (Ahlstrom, 2010). Entrepreneurship was once a backwater for scholars and professionals, as macroeconomics, and traditional influences of creation gathered the most responsiveness (Cooper, 2010; Rodrik and Rosenzweig, 2010).

Therefore, it is essential to enhance the understanding of entrepreneurship and entrepreneurs' entrepreneurial orientation in term of the innovativeness. Further, risk-taking qualities and pro-activeness which are especially principal for the development and business performance in a selected economic system. Nowadays, there is little and less understanding about entrepreneurship in the third world countries. To date, restricted clarifications of why rates of entrepreneurship differ cross-broadly (Oswald, 2008).

Particularly as an issue growing body of work views entrepreneurship as a socialised process (DrakopolouDodd & Anderson, 2007 and Hindle, 2010). General, entrepreneurship is significant for creating tasks, reducing unemployment, diminishing economic growth and refreshing business evolution and making of wealth for individual and social club at large.

Entrepreneurship has becoming significant to each country since the time that the period of globalization on the grounds that the development of entrepreneurial exercises will help in making employments for the general public, diminishing the unemployment rate (Abdullah Azhar, Annum Javaid, Mohsin Rehman & Asma

Hyder, 2010). Nafukho and Helen Muyia (2010) proved that the entrepreneurship is vital in creating and fulfilling a healthy economy. Supported by Dickson, Solomon and Mark Weaver (2008) where the development of entrepreneurship is huge to the country's economy.

Entrepreneurial adjacent confronted by potential entrepreneurs from creating countries may vary from those in created countries. Since in created countries may have more institutional subsidizing and instruction and arrangement plots that are more dynamic accordingly reinforcement entrepreneurial exercises and surroundings.

Since, Malaysia has different economic, social, values, instructive, social and political situations, the study on the impacts of entrepreneurial situations on the open doors and development has reasonable centrality in advancing local entrepreneurial movements. The reason starting the above condition is the trouble in the measure for entrepreneurial situations, opportunities and development.

In Malaysia, entrepreneurship becomes important mechanisms that would spur the economic activities and in return, bring employment growth. At present, entrepreneurship education is now considered as an essential curriculum in the tertiary education institutions in Malaysia and a core subject for any programmers (Ismail, 2009). In addition, Budget 2014 listed to formulate the entrepreneur development plan where a National Entrepreneur Development Office will be set up under the National Strategy Unit. Servicing of Finance which will plan and compose all exercises identified with entrepreneurship.

Through the late fourth Global Entrepreneurship Summit November (2012), additionally had gauged the development of the Malaysian Global Innovation and Creativity Center (MaGIC), a one- stop focus to enable entrepreneurs. The enchantment will screen the performance of entrepreneurs, for example, family unit an incorporated database, enrollment and protecting of licensed innovation, guidance, training, counselling, and business matching process.

Thus, the Government will give a portion of Rm50 million for this purpose. Moreover, that to make Malaysia an Entrepreneurial Nation, the 1malaysia Entrepreneurs (1met) system was created to open entrepreneurship to work populace (youth) who are intrigued to put into a business wanders. Through the 1met Program, a database of parts has been made. In addition, Malaysia has introduced the fifth (5<sup>th</sup>) Global Social Business Summit from 7 to 9 November 2013, which has been given a project to social entrepreneur advancement, especially among youth in the state.

Government motivates graduates to venture into entrepreneurship upon graduation in order to decrease graduate unemployment. The prime minister has announced that, the central government of Malaysia will dispense Rm50 million under the Graduate Entrepreneurship Fund, which will be controlled and oversaw by SME Bank. The Fund will offer most extreme of Rm500, 000 at an investment rate of 4% soft loan.

According to Abdullah (1999) in a creating country like Malaysia, entrepreneurial exercise complete little business world is acknowledged device to enhance the appropriation of income. To empower economic advancement, and to

revamp an economic, social framework. In focus, entrepreneurship is exceedingly vital to the soundness of Malaysia's economy. Malaysia is a suitable model to assess the capacity of entrepreneurship in creating countries for different reasons. To start with, from 2000s onwards, Malaysia has shown a momentous economic development, averaging at 3 to 5 for every penny for every year.

Assuming that the terrible local item (GDP) is connected to entrepreneurship levels, it can be figured that there is sufficient transmission capacity about whether to record changes in the qualities of entrepreneurship. Second, Malaysia has turned in the Global Entrepreneurship Monitor (GEM) since 2006 on a few events. The GEM is a remarkable extend in which a consistent strategy is connected to study and assess entrepreneurial movement universally in the world.

Thus, the study of entrepreneurship is a continuing research area with a multidimensional process that calls for further and since it has become the important issues for policy making in developing the country like Malaysia. At one level, enterprise creation is considered as an essential for employment growth and effecting structures change, at another level there is concern to encourage existing firms to become more entrepreneurial as a mean of enhancing competitiveness. One of the most challenged areas to be a study in entrepreneurial discipline is about entrepreneurial orientation.

The previous studies have stated that entrepreneurial orientation a crucial for improving businesses a competitive point of interest and performance (Zahra &

Covin, 1995; Wiklund, 1994 and Zahra, 1991). It has been characterized as the methodology, practices, and choice making exercises that conceive new entrance (Lumkin & Dess, 1996). The term entrepreneurial orientation is utilized to indicate to the set of individual mental attributes, traits and mentality emphatically connected with an inspiration to take part in entrepreneurial orientation (McClelland, 1962 and Dunkelberg & Coover, 1982).

Specifically, in the entrepreneurial orientation (EO) has been recognised as the attitudes and deeds that increase organisation capabilities to accepts risk, use opportunities and innovation by becoming more market oriented. Scholars have examined entrepreneurial orientation (EO) and agreed that, it has contributed to organizational change and key restoration through creation and combination of authoritative assets and competences (Dess, 1999 and Zahra, 1999).

As a result, this study aims to provide additional knowledge in the area of entrepreneurial orientation by examining the relationship construct that are willing to contribute the formation of entrepreneurial orientation.

## **1.2 Problem Statement**

Entrepreneurial orientation (EO) includes firm-level intelligent particularities of appealing in item commercial centrer advancement, advancing development conduct inside the firm. Undertaking rather risky wanders, and being the first to come up with proactive advancement (Miller, 1983). In today's business surroundings in which business model life cycles, and item are abbreviated (Hamel, 2000).

In which the future benefit streams from existing exercises are unverifiable and businesses require routinely investigating new open doors (Wiklund and Shepherd, 2005). Such entrepreneurial qualities are discovered to be positively identified with firm development and upgraded performance in an extensive variety of exploration contexts (Zahra & Covin, 1995; Wiklund, 1999 and Rauch, 2004). Counting the development of family businesses (Kellermanns, 2008) and the development of little and medium-sized firms (Morena and Casillas, 2008).

Scholars have examined various factors related to entrepreneurial orientation (EO), however, recognizing the basic role that social society attributes play in deciding the entrepreneurial conduct of a firm is under exploration. The outcome is in accordance with Hayton (2002) and in addition Altinay and Wang (2011), who called for further research tending to the effect of an entrepreneurial society on firm, level entrepreneurship. Entrepreneurial orientation is all that much identified with plans and activities of a person who is responsible for estimations of individual entrepreneurs, regardless it has to be explored (Altinay & Wang, 2011).

In the perspective of the relationships between social embeddedness and entrepreneurial orientation, it appears sensible that there are specific connection between ethnic minority business firms and their co-ethnic network (Light, 1972; Bonacich & Modell, 1980). Consequently, social society binds seem to make a more than common reliability between the ethnic firm and clients. Ethnic society appears to build particular consumer relations. In Malaysia, there are the lacks of study. This gap allows for an increase the awareness among Malaysian Indian entrepreneurs.

There has been lack and limited research about the possibility that the entrepreneurs, social relationships, incorporating those with family parts, companions and suppliers may be basic in forming entrepreneurial yearnings and practices. The thought that entrepreneurs are implanted in the social framework supported by an outstanding work by sociologists (Granovetter, 1985).

Specifically, there is little known about the way the Malaysian Indian ethnic entrepreneur's social embeddedness surroundings that impact on the entrepreneurial orientation in Malaysia. In addition, a significant conclusion of the past specialist on ethnic minorities is that the entrepreneurship is a key part of economic action (Clark & Drinkwater, 2010). Also, a guaranteeing springboard for social joining (Hieber, 2002). Thus, this study aims to fill the gap by developing a model of social embeddedness characteristics of Malaysian Indian ethnic entrepreneurs and the entrepreneurial orientation in Malaysia.

The relevance of expanding our understanding the influence of social embeddedness on entrepreneurial orientation among Malaysia Indian ethnic entrepreneurs can develop a leading model among the developing economies. Malaysian government actively mediates to diversifying to the industrial base alongside with the policy of addressing the development of various ethnics.

Therefore, the study contributes to the current body of knowledge by examining the relationship between social embeddedness and entrepreneurial

orientation. Thus, it is critical to incorporate wherever the confirmation can be found in the Malaysian context for Indian entrepreneurs.

### **1.3 Research Question**

1. What is the relationship between social embeddedness and entrepreneurial orientation?
2. What is the relationship between entrepreneurial orientation and non-financial performance?

### **1.4 Research Objectives**

Overall, this research aims to explore how entrepreneur's social culture embeddedness background influences the entrepreneurial orientation, with reference to Malaysian Indian ethnic in Malaysia. The specific objectives of this study are:

1. To investigate the relationship between social embeddedness and entrepreneurial orientation
2. To investigate the relationship between entrepreneurial orientation and non-financial performance.

### **1.5 Significance of the study**

The increase of entrepreneurs in Malaysia would induce the country economic development, thereby helping Malaysia to become one of the developed nations by the year 2020. This is because, for the country to become more advanced entrepreneurship activities need to be encouraged. Moreover, entrepreneurial orientation such as innovation, proactiveness and risk-taking among entrepreneurs



could help business performance. In addition, the role of social embeddedness such as family ties, co-ethnic networks and standard networks will not be overlooked.

Thus, this study examines the effect of entrepreneurial orientation and social embeddedness on non-financial performance among Malaysia Indian ethnic entrepreneurs. Therefore, the outcomes of this study will be of significant to the Malaysian Indian ethnic entrepreneurs by helping them to understand the importance of the social embeddedness and an entrepreneurial orientation on business performance. Additionally, the finding of this study is knowledge to the government for policy implementation regarding Malaysian Indian ethnic entrepreneurs as well as overall Malaysian entrepreneurs. The finding could also help financial institutions by providing loan entrepreneurs.

## **1.6 Scope of the Study**

The present study investigates entrepreneurial orientation, social embeddedness, performance among Malaysian Indian ethnic entrepreneurs. Specifically, this study investigates Malaysian Indian ethnic entrepreneurs living in Selangor area.

The respondents for this study would be all Malaysian Indian ethnic entrepreneurs in Selangor.

## **1.7 Key Terms**

### **1.7.1 Entrepreneurial orientation**

Entrepreneurial orientation defines the ability to take action, recognize and create an opportunity aimed at realizing a knowledge practice, product or innovative.

Entrepreneurial orientation differs from ‘traditional’ economic entrepreneurship in that it does not aim at the realization of monetary profit. Focuses on opportunities with the goal to develop the production (research) and output of orientation as in personal development, rather than to maximize monetary profit. It has been argued that entrepreneurial orientation is the most exciting form of entrepreneurship for not-for-profit entrepreneurs and researchers.

### **1.7.2 Social embeddedness**

The concept of Social embeddedness initially discussed by Polanyi (1957) was restored by Mark Granovetter (1985) in the economic social science writing. In social science, the reliance of a wonder stand it a scope of action, for example, the business or the economy, a set of relationships, an association, or individual on its surroundings, which be characterized on the other hand in institutional, social cognitive, or society terms. As of now, investigations utilizing the concept of embeddedness concentrate on an alternate foundation inside which different modes of social performance happen and at which they depend.

### **1.7.3 Non-financial performance**

Non-financial performance is limitations used to assess non-financial performance parts of the business. Non financial performance refer to achieve start up goals, provide secure job for employees and satisfaction with company performance. Commonly the company pages that relate data incorporate non-financial performance measures. Researchers have discovered non-financial performances are key worth drivers for business, and they are prescient of money related performance.

Forecasters take after the business nonfinancial performance as presentations of income. Case in point, accessible Seat Miles in the aerial shuttle industry, they consider Same Store Sales in the retail business and Market Share in numerous businesses alongside other non-financial performance.

### **1.8 Conclusion**

Social embeddedness has become significant issues that affect entrepreneurs' entrepreneurial orientation and make them unable to perform well. Regarding these issues this study conducted to explore the impact of social embeddedness towards entrepreneurial orientation and non-financial performance among Malaysian Indian ethnic entrepreneur in the Selangor Klang valley, explained the factors social embeddedness which influence entrepreneurial orientation. The present study's findings provide sufficient understanding about the effect of social embeddedness towards entrepreneurs' entrepreneurial orientation and they also get some set of relationships and the market activity. Besides, the finding also supported that non-financial performance as dependent able to develop the entrepreneurial orientation in entrepreneurship. Well social embeddedness support has high tendency to increase more entrepreneur to participate in entrepreneurship, our government policy should concern. These issues and take appropriate support to improve embeddedness in entrepreneur and increase the entrepreneurial orientation in non-financial performance perspective.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter purpose to explain the review of related literature from the previous study related to the topic. In addition, conceptual and empirical studies related to the research variable will be reviewed in this section. The study included the conceptual definition of the variable the research and brief view about the Entrepreneurial orietation, social embeddedness and non firm performance in this chapter.

#### **2.2 Entrepreneurial Orientation**

Entrepreneurial orientation (EO) is a significant contributor to the association's prosperity. The concept of entrepreneurial orientation was presented by Miller (1983) as contains with three measurements, for example, creativity, proactiveness and risk-contracting. Imaginativeness is the firm capacity and readiness to maintain clever thoughts, innovativeness and experimentation which will record the answer in new services or products (Lumkin & Dess 1996). When proactiveness is the endeavor to get competitive rivalry and opportunities in expectation of future interest to create distinctive and shape another business environment (Lumpkin & Dess, 2001).

Associated to risk taking, it is the firm knowing them dedicating assets to ventures with high plausibility returns, however might likewise involve possibilities of high disappointment (Miller & Friesen 1982 and Lumplin & Dess, 1996). Be that

as it may, risk-taking is additionally having dependably been connected with entrepreneurial conduct and that fruitful entrepreneurs are risk-takers (Kuratko & Hodgetts 2001). Mill operator (1983) expresses that, these three components of EO consist a basic one-dimensional vital orientation.

EO also has defined as “the policy making processes that provide organizations with a necessary for entrepreneurial decision and action” (Rauch, 2009). This work has been widely influencing firm performance furthermore demonstrated consistently to be very huge, talk on the normal 24 for every penny of the performance variety (Rauch, 2009). Further, dialog by a set of three to five states of mind that were created out of business methodology and entrepreneurial writing (Covin and Slevin, 1989; Miller, 1983). Those of the disposition included inventiveness, readiness to take the risk, proactiveness, competitive forcefulness and self-sufficiency (Bolton & Lane, 2011).

Entrepreneurial orientation proves to be a decent indicator of the outcome of entrepreneurial conduct (Covin & Slevin, 1990 and Merz, 1994). Wiklund (1998) found that is a dependable connection between entrepreneurial orientation and entrepreneurial conduct. Therefore, imply that the entrepreneurial key orientation also prompts real entrepreneurial conduct, for example, presenting new markets and raw merchandise. An organization with an entrepreneurial orientation can be set as an entrepreneurial system.

The three majority dimension has been used in EO research that is innovativeness, proactiveness and risk-taking, while self-sufficiency and competitive forcefulness have been considered less regularly (Rauch, 2009; Lyon, 2000). These five dimensions can be regarded as collectively because researchers had found that in EO general construct (Lumpkin, 2009; Runyan, 2008). Additional meta-analysis of EO presented by Rauch (2009), out of 51 studies on EO, the multidimensional in the remaining 14 and constantly was mulled over as unidimensional in 37 studies. As of late the examination inspected it as an issue construct all the more frequently, the variables will focus it had a tendency to move together in many contexts.

Furthermore, some dimension suggested for EO, as a building block of the constant entrepreneurial studies is widely accepted innovativeness, proactiveness and risk-taking (Rauch et al., 2009). Innovativeness showed the closeness of the firm to the regime, help clever thoughts. Get inventive and experimental processes that may contribute to a new server, product and technological process (Lumpkin & Dues 1996 and Walter, Auer and Ritter, 2006). By the other signification, the innovativeness is identified as a new product development and innovations for propensity a firm to get on (Garcia & Calantone, 2002).

Thus, innovativeness as establishes practices and applied technologies as the supportive and propensity attribute is going from innovation. Proactiveness reflects the acts upon future wants and needs in the marketplace and tendency of firm to anticipate (Lumpkin & Dess, 1996). They are some points out, for an opportunity looking forward a position by contributing to introducing new and fresh product and

service in front of competitors (Rauch, 2009). Risk taking dedicate the resources to projects with high costs of failure and unclear issues and also shows the trend of firms (Miller & Friesen, 1982). EO also has been demonstrated an entrepreneurial mindset and render organizational outputs to achieve corporate, entrepreneurial outcomes (CE) (Memili, 2011).

In additional, the central plan informs the high and developing body of entrepreneurial orientation research is that firm having an entrepreneurial vital perform preferable position over those more cautious oversaw. The work builds of Khandwalla (1977); Miller (1983); Mintzberg (1973) as well as Covin and Slevin (1989) conceived, entrepreneurial orientation (EO) as the synchronous display of imaginative, proactive, and risk taking conduct and patterns.

Behind the many of EO articles published in research journals and delivered at academic conferences, the debate relevant whether EO is most conceptualized. Accordingly, as a unidimensional constraint such as comprised of innovative, proactive, and risk-taking elements either as a multidimensional construct with competitive aggressiveness and autonomy. Added to the mixed has not even been resolved (Covin & Wales, 2012). A latest test EO literature shows that the majority of the article published in this area about 80% rely on a one-dimensional Covin and Slevin, (1989) concept (Wales, Gupta, & Moussa, 2013).

Thus, in this study vast majority of previous studies have shown a significant positive relationship of an entrepreneurial orientation in the implementation process

to enhance business growth. Understanding of entrepreneurial orientation in three dimensions such as innovation, proactiveness, and risk-taking. Management professionalization on (EO) is another exploration theme that comes from the adjustment and refinement of the past examination on entrepreneurial orientation.

Therefore, this study attempts to provide more evidence related to entrepreneur orientation relationship with business growth, and it is a dimension and the relationship between them in overall.

## **2.3 Entrepreneurial dimensions**

### **2.3.1 Innovation**

Innovativeness is in some views intrinsically linked to entrepreneurship in that entrepreneurs create new combinations of resources by the very fact of their entry into the market. In the perspective of EO, innovativeness typically emphasizes the important of technological leadership to the company, as well as changes in its products lines.

Dimension of innovation is the tendency of a firm to captivate and backing new curiosity, thought, experimentation and innovative systems that may press out the solution in creating any new product, services or technologies processes (Lumpkin & Dess, 1996). Innovation as an important dimension of entrepreneurship is first insisting by Schumpeter (1934) and Lumpkin and Dess (1996). Studies have found that innovation and entrepreneurship are positively related to one another and interact to help an organization to flourish (Katerina, Ioannis & Petridou, 2010).



All entrepreneurial firms have the suggest that the advancement is the single measurement that must be connected (Covin & Miles, 1999). In spite of the fact that the vicinity of the distinctive measurements, if development is not utilized there is no firm level entrepreneurship (Covin & Miles). Inventiveness is the affinity to participate in innovativeness and looks for through the presentation of the new item or administrations and engineering authority by means of R&d in extra process (Rauch, Wiklund, Lumpkin, & Frese, 2004).

Innovation, since the early decades, recently when the competitive environment has undergone a major transformation due to globalization. Business organizations have stepped up attempt to determine the best strategies to grant them a sustainable competitive advantage. Such policies require that the company continues to be able to differentiate their product and production processes, that firm must continue to be innovative (Popadiuk and Choo, 2007). Being in that position, if the innovation in product and cognitive operation is conceived as an indispensable condition for the survival and the success of the organization. Attention to entrepreneurial orientation and a change to an organization of entrepreneurs attracted much academic researchers and members of the system (Wang & Ahmed, 2004).

Ireland and Webb (2007) pointed out that the significant oriented entrepreneurship in product and process innovations. Lumpkin and Dess (1996), depicting the EO as the activities, practices, and choice making methods that prompt the new entrance. The five dimensions indicated of the EO, including advancement, proactive, risk-taking, the forceful and competitive autonomy, which is the policy

nearly all the entrepreneurial process. Innovation is the tendency of an organization to get involved and support any new thoughts, curiosity, testing, and innovative methodologies that may cause another item and administration or IT forms. It is also the pursuit of finding creative solutions, usually either new on the problem and needs (Lumpkin & Dess, 1996, 2001b and Certo, 2009).

Calvin and Miles (1999) propose that without of any innovation the entrepreneurial spirit would not survive. Limited as the inclination of the firm innovation in support of raw ideas, experimentation and creative process in front of rivals. Peters (1990) argues that creativity requires by innovation, and as a goal to see it through. Neely and Hii (1998), which are conceived as research and development (R&D) primary source innovation. The author explains R&D incorporated the firm capacity to enhance existing items, get ready crisp items and equipment and the integrity of the product either develop new production methods.

Therefore, the present study contributes to the writing of entrepreneurial orientation relationship with the entrepreneur dimension as an evidence to support that innovation is one of the important dimension among the five dimensions.

### **2.3.2 Risk taking**

Risk taking was historically a key characteristic associated with entrepreneurship. It originally referred to the risks individuals take by working for themselves rather than being employed, but has since been widely applied to companies, when managers

make decisions that commit large amounts of resources to projects with uncertain outcomes.

Many studies in the field reveal that people who are more inclined to take risk present a significantly higher probability of becoming entrepreneurs (Ahn, 2010; Caliendo, 2009 and Masclet, 2009). Risk-taking includes taking striking activities of entering the obscure, to performed significant resource to the effort in a more uncertain environment (Rauch, Wiklund, Lumpkin, & Frese, 2004). Risk refers to the joint recruitment of the firm involved in high risk project management and the propensity to work brave than the precautionary measures in order to reach the goals of the company (Altinay & Wang, 2011).

Miller and Frisen (1978) characterized risk, as the readiness of entrepreneurs to commit critical assets and risk. Some examination distinguishes that entrepreneurs have high scores on tests of risk-taking entrepreneurs are not (Falbe & Larwood, 1995). The aspect is confirmed in a study by Saravathy and lets Simon (1996) suggest that, interest more inclined to live with as part of nosiness risk every day. Furthermore, Morris (1998) found that, taking calculated risks in an effort from entrepreneurs to discover approaches to change decrease or offer risk (Coulthard, 2007).

Therefore, this study explains about the meaning of risk-taking dimension relationship with the entrepreneurship behaviour and also measure the impact on entrepreneurs.

### **2.3.3 Proactiveness**

Proactiveness describes the characteristic of entrepreneurial actions to anticipate future opportunities, both in terms of products or technologies and in terms of markets and consumer demand.

Proactiveness has received a lack of attention from the researcher's (Krieser, 2002). Proactive opportunities that being acting to shape the environment by influencing interest and generate demand to be a first mover advantage in the competitive markets (Altinay & Wang, 2011). Proactiveness also has been defined as a response to the opportunities (Lumpkin & Dess, 2001). A business that proactively takes initiatives as well as become the leader in the market by exploiting opportunities. This firm is looking at the resource, looking for open doors in the commercial center and make another benefit that obliges experimentation and space (Lumpkin & Dess, 2001).

Proactiveness is an open door looking for, forward viewpoints that which is described in the presentation of new items and administrations focused around new in front of competition and acting inside desire future interest (Rauch et al., 2004). Proactiveness is the procedure of suspecting and follows up on future needs by discovering new open doors that may or not be connected with this presentation of new items, line of operations and brands in front of the competition. Deliberately, dispensing with exercises that are developing or declining phase of the cycle life (Lumpkin & Dess, 2001).

Venkatraman (1989) guaranteed that, being proactiveness is a vital fixing in entrepreneurship. This proactive creator characterized as an issue chance to witness, which could possibly identify with this course controls. Venkatraman firm also proposes can be proactive with the modified environment as a new product launch and brand in front of the competition. The operations of which are strategically eliminated or decrease in the mature phase of the product lifecycle, entrepreneurship should also participate in the emerging markets and to anticipate and follow new opportunities (Coulthard, 2007).

Therefore, innovation, risk-taking, and proactive as an issue of the measurement EO may relate diversely to firm performance. Development is the inclination to take part in inventiveness and experimentation through the presentation of the new item or administration and innovation initiative through R & D in new courses of action. Risk- taking includes making commit noteworthy asset to the exertion in an indeterminate environment. Proactive is forward looking point of view, which is described by the presentation of new items and administrations in front of the competition and performance in the reckoning of future appeal.

In particular, with the increasing interest of entrepreneurship, the entrepreneur orientation has become one of the central principals in the evaluating paradigm of entrepreneurship literature. Thus, entrepreneurial orientation is an important construct in understanding, the ligament, and enhancement and sources an entrepreneurship.

## **2.4 Social Embeddedness**

Embedding is an essential part of entrepreneurial exercises. Embeddedness describes how background and public impact observed opportunities in a particular situation (McKeever, 2014; Welter, 2011). According to (McKeever, Jack & Anderson, 2014) social embeddedness discuss to an entrepreneurs point in a social network which characterize the proof and assets open to the business. Embeddedness also offers restricted values of behaviour, moral obligation, and awareness of the benefits and responsibility of membership (McKeever, 2014). They suggest that, embeddedness permits entrepreneurs to become some piece of the nearby structure and along these lines can possibly get to and in addition constitute both inactive and promptly open asset and opportunities.

Moreover, Masurel et al. (2004) suggested a combination of social and structuralist methodologies assuming an unequivocal part in entrepreneurial movement. They attracted thoughtfulness regarding incredulous of ethnic, cultural influences on entrepreneurial activity. Meanwhile, Krueger and Brazeal (1994) have recognized that, and minority entrepreneurial activity is deeply embedded in the culture and social context. In practice the literature focuses to critical variables, for example, restricted occupation opportunities, marriage, family, sexual orientation, and absence of advanced education as impacting the choice to act naturally utilized (Basu, 2004; Clark & Drinkwater, 2010 and Zhou, 2004).

Consequently, in Indian ethnic possessed little firms, entrepreneurial orientation is grounded in the inborn qualities, propositions, and practices of the

person who is in change and his or her values very much are influenced by social embeddedness (Pruthi, 2014). However, there are limited of social embeddedness research, especially incongruence of terminologies and conceptualization, and empirical research on the relationship with an entrepreneurial orientation in Malaysia.

Social embeddedness relates to entrepreneurship because they help entrepreneur identify a social resource, and it is an important stage for establishing the association (Hansen, 1995). Moreover, embeddedness additionally can go about as an issue. Uzzi (1997) conditions recognized when embeddedness can be changed into a risk and as a case, out that can't be anticipated from a player's core network; institutional powers excuse markets, albeit over embeddedness smothering economic activity on the social parts of trade substituting economic goals. Other than that, contained in the social context mean access to more backing in the entrepreneurial methodology, additionally, will get the likelihood of expanded entrepreneurial movement (Schell & Davig, 1981).

If the field is applied in the context of social entrepreneurship mean they are involved and benefits the community. These components may assume a huge part in how the quality is, and can shape the entrepreneurial movement, in this manner extricated in term of asset accessibility and response opportunities.

The proposed offered here is that when examining the entrepreneur agents, context the structure should be considered into account, because the leading social whole overt the individual (Cassell, 1993). Moreover, to fit the terms of

entrepreneurship (Gartner, 1985). Thus, to the extent that is contained social entrepreneur and how the person continued to the appropriateness of the structure, will have an impact on their capacity to attract to social and economic assets. This will impact the entrepreneurial advancement and influence the way of the entrepreneurship process.

Uzzi (1997) contends that, exploration on embeddedness can help to enhance the seeing how social structure influences economic life. The creators allude to the embeddedness as an issue that can deliver devices for clarifying the authoritative riddle, as well as the business (Uzzi). The point of embeddedness is said the ongoing systems of social relations, actress embodied in concrete (Granovetter, 1985). Granovetter contends that, the conduct is constrained by on-set social relations that to construe them as free is a false impression. In this way, Carsrud and Johnson (1989) recognize, another business development is effectively controlled by social relationship or linkage, which secure examples of societal communication. Burt (1992) depicts this as an issue entire structure.

Nonetheless, while each of the demonstration is to deliver something new, in the meantime all the activity continues to exist previously, giving an approach to begin (Cassell, 1993). According to structuration hypothesis, to sanction social practice, members must bring on the set of standards. These principles can likewise be seen to have melded the practice help them compose. Specialists draw on the authorization of activity, however the capacity to alter the standards is plausibility is constantly there. At each one corner of the structure, rearing, there is likewise the



potential for modification. Accordingly, inserting system ought to give a device to comprehension this element concept.

The absence of social hypothesis entrepreneur who has been known to hinder our understanding of entrepreneurship (Sargut, 1999). Subsequently, the writing has delivered the accompanying item lesson as an issue of conceptualizing the relationship in the middle of entrepreneurs and social constructions, utilizing structuration hypothesis as orientation and embeddedness as an issue. These discoveries confirm that the data collected through the profitable assets implanted compensation for ecological boundaries and encouraging entrepreneurship process (Chell & Baines, 2000). In more detail, the authors find out that in certain situations, local knowledge provides key factors again. Thus, to install that provides mechanisms to bridge the structural holes to fill in the lack of resource and data. Interestingly, founded that contained the actual creation. This opportunity, available in the local structure, however just becomes obvious by the activity inserted entrepreneurial orientation.

Inserted entrepreneurship, make a connection in the middle of economic and social fields. Social bonds enable entrepreneurs to capitalize more effectively on economic opportunities.

### **2.4.1 Family ties**

Family ties are the most crucial manifestation of human establishments. Family structure can influence economic differences of accomplishment or social or economic. By and by, every once in a while, the analysts have generally acknowledged that the consequence of family social framework has a tendency to be lower compared to different establishments, for example, country, religion or law, if due to their tiny size, constrained scope, and the differences of their. On the other hand, as of late, a few scholastics noted a stable example in the family structure, with clear territorial differences and steadiness about whether, and to connect them with social and economic outcomes essentially. For instance, Duranton, Rodriguez-Pose and Sandall (2009) of the family discovered an individual relationship with its weaker and more inclined to the wealthier and more dynamic locales.

Family ties are characterized by Alesina and Giuliano (2010) as the degree to which the distinctive society close family parts are bound together. Part of family relationships got from the first speculation by Banfield (1958) in his investigation of a Southern Italian town. He characterizes 'moral familism' as an issue balance in which individuals accept their prompt family only, anticipate that others will conduct in that way and consequently does not accept the family parts just. The author contends that 'the ethical familism on the grounds that minimal municipal interest, political cooperation low and low open confidence. Similarly, (Duanmu and Guney, 2013) presented the notion that national culture, family relationships that raise distrust in the government, and the attitude is very hard. 'Moral Familism' extreme

displays toward family ties are strong, so strong that they are only important social relationships.

Besides, that the strong family ties may be vital for re-constituting a nexus with the home surroundings, particularly in India, where kinship orientation relations based on adherence to traditional values and behaviour are perceived to play a central role in the local migration within the country (Pruthi, 2014).

Empirically, researcher found that solid family ties make individuals less reliant on business item accessible, for example, long haul protection, solid family network goes about as a satisfactory substitute (Joan, 2010). All the more critically Alesina and Giuliano (2009) exhibit, information was using from the World Values Survey (WVS) and the European Social Survey (ESS). The social attributes, for example, go by individuals, that family ties are essential when people come from distinctive country zones of inception to face the same host establishment and economic surroundings (Duanmu & Guney, 2013). Accordingly, solid family ties likewise decrease individual's investment in legislative issues.

Likewise, Ermisch and Gambetta (2010) build that solid family ties diminish the level of confidence in outsiders with exploratory information on a huge specimen of the British populace. They likewise recognize that solid family ties diminish the level of presentation to other individuals socially, which can drive them and straightforwardly obstruct the experience to associate with the individuals who are not viewed as their own. Subsequently, these two systems distinguished in how

family ties impact social conviction can straightforwardly affect about how individuals manage others.

On the off chance that 'ethical familism causes low levels of social connection, and minimal open trust in other exploration has demonstrated, individuals are more subject to the network in their group, such as family, friends and people from the same ethnic groups. Then, the ethnic business may be higher because of a larger amount of confidence that can flatten exchange costs (Duanmu and Guney, 2013). As an issue, this can build the velocity of the quality of the genius exchange impact of ethnic networks.

The following units explain family ties and the social interaction and their relationship with the social embeddedness factors.

#### **2.4.2 Co-ethnic networks**

The basic of the expert exchange errand of ethnic networks lies in the recognition that people have a tendency to connect with other people who are identified with each other in some notable appreciation, for example, ethnic distinguishing proof, religion, and race. Regardless of the rapid development of present day business sector based and liberal social orders, this in-gathering network impact continues (Duanmu & Guney, 2013). Likewise, another openness and multi-ethnic framework is examined to have the capacity to find the substance for more noteworthy degrees of conviction among distinctive ethnicities, and along these lines cut the single backing on one's specific ethnic network (Radnitz , 2009).

The co-ethnic networks are, for example, access to business counsel from individual co-ethnic businessmen, access to data from co-ethnic business affiliation, utilizing co-ethnic work, access to ethnic item, get to the ethnic supplier of utilities and offices and also customers (Aldrich, 1984; Bonacich & Modell, 1980; Light, 1972, 1980; Mars & Ward, 1984 and Zhou, 2004).

The social cultural aspect of involvement is that small firms are often intrinsically intertwined co-ethnic in their community collaboration, community where individual behaviour, economic transaction and social relationship shaped by culture heritage (Aldrich & Waldinger, 1990). This is caught in the ethnic enclave theory, which maintains that ethnic businesses mainly bounded by common ethnicity (Zhou, 2004). In a wider sense, the social embeddedness theory also indicates that entrepreneurship is implanted in a social context, and the nature, profundity, and degree of the relationship to the entrepreneur, and networking in an environment that influence the entrepreneurial process (Jack & Anderson, 2002).

The role of social networks in areas where human action is the most important factor shaping the future were highlighted by affectation theory (Read, Sarasvathy, Dew, Wiltbank, & Ohlsson, 2010 and Sarasvathy, 2001). Affectation processes take prescribed how as given and centre on selecting between possible effects that can be established with a set of instructions. Different causal logic, which emphasizes traditional planning to achieve the goals set, affectation theory on the circumstances of the decision maker which is a set of tools that integrate with the expectation to create the effect.

Based on the social capital theory, the personal and professional networks of entrepreneurs provide social capital (Pruthi, 2014) and also have an impact on considered appropriate to create a venture (Bandura, 2001). Social network was resulting of information resources and ideas to stimulate opportunities and provide resources for new ventures (Aldrich & Zimmer, 1986 and Sullivan & Ford, 2014). Social networking also provides local market information, business contacts or local sales and distribution channels in foreign markets, and it also reducing risk perception into new markets (Coviello, 2006). A latest literary trend (Chung & Tung, 2013) to investigate social networks also provide the role of ethnic networks in the participating firms for entrepreneurs country of origin.

Ethnicity, which is characterized as the way of the gathering participation focused around a percentage of the qualities commonly imparted as the soul of common traditions, dialect, religion and ethnic (Jamal, 2003, can influence the business exchange between ethnic businesses and consumers with an ethnic and standard. As an illustration, in term of client profile, ethnic minority businesses relying upon item deals to Co ethnic, ethnicity (Ramand Hillin, 1994 and Waldinger et al., 1990. Warner 1990 expressed that they discovered a more clear approach to manage Co ethnic clients on the grounds that it is simpler to run a business in the same dialect with which business managers are acquainted with.

While investigating distinctive showcasing methodologies of ethnic Chinese entrepreneur, Korean, South Asian and Jewish source. Iyer and Shairo, (1999) likewise found that, the ethnic minority entrepreneur influences their nearby

relationship with their co-ethnic community and casual network structured their advertising practices. The extent of social network promoting practices took after by entrepreneur was ethnic gathering additionally exist in (Jamal, 2005). In Altinay (2008) study, about ethnic showcasing method entrepreneurs in the UK. This study underlines the imperativeness of ethnic and social ties in advertising exchanges between ethnic business holders and consumers with co-ethnic consumer.

Therefore, the potential impacts of co-ethnic networks on entrepreneurial orientation can either enhance the entrepreneurship relationship.

#### **2.4.3 Mainstream networks**

Were measured using three variables: access to advice from standard financial organizations, access to guidance from neighbourhood powers, and access to the standard work market. All the above variables are continuous based on seven points Likert Scales.

Mainstream network businesses have to face stiff competition from both ethnic minority business accomplices and business standard. In the UK, with expanding the number of ethnic clients, advertisers need to alter advertising system to focus to target the growing consumer desire is different and thus attracting their attention (Jamal, 2005). In reaction, the ethnic minority business refused to allocate resources for marketing in the past due to unprofessional attitude and financial problem and short visits (Altinay, 2008), have been consider showcasing more important than at any time in the past.

Showcasing writing has given careful consideration to the advertising of ethnic minority entrepreneurship undertakings. This exploration venture began to try to react this examination by investigating contrasts in how social society foundational impact their organizations entrepreneurial orientation of the entrepreneur, and how this in exchange will influence the firm development.

Ethnic entrepreneurship is a set of relationships and patterns that frequently interact with people sharing the same migration experiences or national background (Waldinger, 1990). The attention of most studies in this area are an ethnic group, this phenomenon is focused around their examples of connection as an issue for a hypothetical clarification. Some meaning of ethnic gathering terms has been proposed.

According to Yinger (1985) case in point, an ethnic gathering is a hand sized scoop of the bigger community of masterminds, without anyone else's input or others to have the same root and to impart imperative section of a standard society. As of late, taking an interest in imparted exercises in which the inception and society is a fundamental fixing. Hence, an option term utilized for "ethnic" is worker entrepreneurs; it would just incorporate the spirit who has settler over the recent decades. This distinguished bar, parts of social minority gatherings have been making due in the country for a few hundreds of years, for example, Jews in Europe or natives, and Afro- Americans in the USA all in all.



Light and Gold (2000) assume that for some piece of ethnic, economic conditions, which they characterize as any gatherings or migrants who are toward oneself utilized, bosses and workers with their families, and their unpaid family specialists. The creator additionally have further presented the concept of ethnic proprietorship economy to recognize ethnic economy focused around property rights and possession, and ethnic economic base is true control focused around numbers, gatherings, and associations, ethnically- controlled economic system.

Entrepreneurs and ethnic businesses are different from those based on the nature of the mainstream socially acceptable distinctive culture or common (Altinay, Catherine & Wang, 2009). The socially embedded in the cultural environment and work within the ethnic settlements with an overwhelming dependence available along ethnic and work, and capital and exhortation from relatives and companions (Altinay, 2008). In this way, the administration structure is focused and reasons a considerable holder control and situated control.

Some recent academic has reveal a positive effect on the of individual educational level to explain the opportunities in entrepreneurship (Areniu & Clercq, 2006). Higher levels of education to develop both computing skills and analytical skills, and communication skills of entrepreneurs. Those who have achieved higher positions of education are more willing to communicate with clients, develop proactive strategies and collect market data that will contribute to higher growth (Casson, 1982).

Levent (2003) and Bachkaniwala (2001) recognized that, absence of training as an issue for ethnic-based entrepreneurship. They contend that those entrepreneurs who are intrigued by breaking out into the standard business to acquire a larger amount of instruction. What's more, there are studies that discover a positive relationship between instructive accomplishment and risk-taking penchant of entrepreneurs and business managers (Knight et al., 2003; Schwer and Yucelt, 1984 and Xia et al., 2001). According to researchers, through instruction can aid individuals enhance understanding of what they know and all the more precisely foresee the last after effect of choices. Training additionally causes risk taking with confidence on the grounds that thinking aptitudes and basic intuition obtained for instruction.

Ethnic networks can scale down the economic risks identified with the foundation of any new business, and afterward understand the conclusion to become independently employed more alluring from the viewpoint of risk enhancement. It is regularly a social help network in the community of ethnic and social settings to offer the crucial required starting work. Despite the fact that, if an effective entrepreneur trying to stretch and departure from the ethnic business sector serving the need of society, the same variables can introduce genuine limits (Masurel , 2002). When all is said in had done, the life and improvement of the firm clarified regarding entrepreneur's capacity to get abilities through adapting by doing and make development (Jones & Ram, 1998).

Moreover, Waldinger (1990) recommend that, social and social components take a main position in clarifying the development in ethnic endeavors. Later studies dismiss this thought, for example, Basu and Goswami (1999) utilizing a multivariate model, including variables of economic, ethnic, social and administration to recognize the elements influencing the advancement of entrepreneurship in South Asia ethnic firms in Great Britain. The result recommends that the social attributes of an individual can impact development. Capacity to handle the restraint to delegate obligations to non-family representatives are only one sample. Human capital factors, such as training entrepreneurs and educational attainment in the long term have a more significant impact on the development.

Consequently, this study examined mainstream networks between entrepreneurial orientation critical contact minorities.

## **2.5 Non financial Performance**

Lyon, Lumpkin and Dess (2000) propose that, the difficulties in evaluating the power of the relationship in the middle of entrepreneurship and performance may be brought about issues with the taking care of and assessment of entrepreneurship, or the hypothetical models used. Some observational studies on the relationship between entrepreneurial conduct as measured by the EO and firm performance show that outside relations than can immediately give more accurate results explanation as performance (Coulthard, 2007).

In particular, an entrepreneur has a choice whether to participate the establishment personally or hire a manager. Nowadays, the business literature has primarily believed that, an entrepreneur would always run the firm personally (Berglann, 2011; Nanda and Sorensen, 2010). Besides, that the empirical study on entrepreneurship has been mainly limited to self-employed individuals and owner-managers of incorporated firms (Kulchina, 2013).

Based on to Lyon, Lumpkin and Dess (2000) when all is said in done understanding the examination to date demonstrates that EO does influences business performance. Some of the examination proposes that expanding the EO of the firm is joined positively with financial performance (Covin & Slevin, 1989; Miller, 1983 and Zahra, 1993). The firm performance has been numerous contentions over their suitable force of the suggestions entrepreneurial performance, for example, risk taking will have on company performance and entrepreneurial conduct (Zahra, 1993). Mill operator and Friesen (1982) made that, expanding entrepreneurs rely on upon a specific limit can hurt a firm financial performance.

Lumpkin and Dess (1996) recognized that, various potential outer and inner considers that may enhance the impact EO has on firm performance. Wiklund and Shepherd (2005) likewise took a gander at, the nature's turf impacts in their longitudinal investigation of 413 Swedish companies. It made that performance could be better clarified utilizing a configuration strategy, for example, three-way model covering the relationship between EO, the organizations inward trait and outside environment attributes like specific components of systems, methodology,

social association and environment have a tendency to package together to structure shapes.

This is additionally a confined methodology of the criticalness of inner and outer components regarding the effect on firm performance.

The contention focused on the concept of the past exploration on the thought that the organizations advantage of the peculiarities of oddity, responsiveness and courage. Far reaching exchange of the plans can be found in Lumpkin and Dess (1996). Actually, these recommendations structure the fundament for the enthusiasm toward mulling over the relationship in the middle of a performance and EO (Miller, 1983).

In the fast changing environment and decreased item life cycle and business illustrations, consequently future benefit streams from existing operations are questionable and business need to constantly look forward for capture new opportunities. The company may gain from using an EO. Nevertheless, the firm must regularly do innovate while taking risks in the item advertise systems (Miller & Friesen, 1982). Attempt to envision interest and forcefully putting in new item or administration offerings frequently deliver a dependable performance (Ireland, Hitt & Sirmon, 2003). In this way, the contentions that EO concept shown in improved performance.

Although some studies have found that the type of business practices in number entrepreneurial orientation perform better than companies that don't receive an entrepreneurial orientation for example, (Covin & Slevin, 1986; Hult, Snow, & Kandemir, 2003; Lee, Lee & Pennings, 2001 and Wiklund & Shepherd, 2003). Previous studies established little correlation between performance and EO (Dimitratos, Lioukas, & Carter, 2004; Lumpkin & Dess, 2001 and Zahra, 1991). In addition, find a significant relationship between EO and performance (Rauch, Wiklund, & Lumpkin, 2004).

Performance is a multidimensional concept and the relationship in the middle of EO and performance may be depended on the pointers used to survey performance (Lumpkin & Dess, 1996). The observational writing reports high differing qualities of performance pointers (audit by Combs, Crook, & Shook, 2005 and Venkataraman & Ramanujam, 1986); the general differences are among financial measures and non-financial.

Nonfinancial includes the principal purpose, such as satisfaction and success of the global assessment made by the owner or business managers. The appraisal of components, for example, deal development and ROI incorporate in financial measures (Smith, 1976). With respect to performance, generally a little concentration between diverse pointers (Murphy, Trailer, & Hill, 1996).

The contention of EO concept and performance relationship concentrates essentially on the financial prospects of working. Case in point, companies can put intensely in long haul development, in this manner giving up fleeting benefits. Due to EO have extraordinary businesses, it can target premium business fragments, charge high costs and skim the business before the test, which ought to give them more noteworthy profitability and empower them to get speedier (Rauch, Wiklund, & Lumpkin, 2004).

The relationship between, it assemble EO and non-financial objectives, for example, expanding the fulfilment of the holders of the business, is less secure. The contention is minimal immediate impact of EO to non-financial objectives on the grounds that this relationship is delicate. Case in point, if non-financial objectives are prime essentialness the instability connected with the activities and strong risk-taking exercises contemplated by EO a potential reason for torment, less fulfillment, and absence of slumber. Still, the fulfillment may increment because of better financial performance. It likewise aberrant impacts littler than the immediate impacts. Thus, it appears sensible to acknowledge that the relationship ought to be higher for EO and financial performance of for EO and non-financial performance.

Atuahene-Gima, (2001) studies the influence of EO on firm performance of small, innovative products and found that high EO positive impact on performance. Baker and Sinkula (2009) have examined EO direct impacts on profitability in the sample of SMEs in the United States and found that EO gain success through innovation. Barrett, Balloun and Weinstein, (2005) establish that the EO relate to the

operation of the nonprofits establishment. Becherer and Maurer (1997) looked into the effect of EO in the US-led SMEs entrepreneurs. The conclusion put forward that the EO is correlated with the execution. Wang, (2008) institute a positive result of EO performance. Freshener and Horte, (2007) have demonstrated a significant effect EO new products.

Performance medium scale manufacturing firms in Sweden. The solutions also proved a positive EO dimension of innovation with new product performance. Li, (2005) found that the EO has a positive effect on network management and further improve the performance of the Chinese foreign investment companies. Roukonen and Saarenketo, (2009) in the analysis of the case of a small Finnish software company found that EO LO combined with strong and delivers a significant impact on internationalization. Tajeddini, (2010) studies the influence of EO on the performance of the hotel industry in Switzerland and found that the EO has an impact on business performance.

HOQ and Chauhan, (2011) carried a study on SMEs in Bangladesh and reported that EO positively correlated with firm performance in a hostile business environment. Chandrakumara, De Zoysa and Manawaduge, (2011) showed that EO produces a more positive consequence on the performance of little firms from medium scale firms. Facial, Takenouchi, & Yikiko, (2010) in a survey of SMEs in Sri Lanka, has exhibited a positive relationship between EO and firm performance.



Entrepreneurial orientation also becomes as resources and capabilities to produce a sustainable competitive preference and bosses performance to the firm. Asset based hypothesis of the firm express that, competitive focal point exists just from constrained utilize, immaterial and firm-particular resources (Spender, 1996). Tovstiga and Tulugurova (2009) concurred that, the essential of the firm inside assets is a variable in deciding the competitive playing point. Performance is to a great extent impacted by the conduct of entrepreneurial firms (Wiklund & Shepherd, 2003 and Zahra & Covin, 1995).

Past studies stored a noteworthy positive relationship between entrepreneurial orientation and firm performance (Al Swidi & Mohmood, 2011; and Zahra & Covin, 1995). Furthermore, Krauss, Frese, Fredrick and Unger (2005) found that, the entrepreneurial orientation is an important indicator for business. Accordingly, the investigation of entrepreneurial orientation social occasion assortment of confirmation about the relationship between entrepreneurial orientation and results or performance (Mohmood & Hanafi, 2013).

When all is said in done, nonfinancial performance has no natural quality of the executives of the company. In showcasing, the stream of valuable studies has recognized a solid positive connection between client fulfilment, piece of the pie and profitability (Anderson et al, 1994; Anderson & Fornell, 2000 and Capon et al., 1990). In an alternate point of view, is not an economic performance can be utilized as an issue list of financial performance and, particularly, for future financial

performance that are not incorporated in the current accounting measures customer satisfaction may mean more customer will buy and buy again in the hereafter.

Customer satisfaction tends to buy more often and in bigger measures and obtain other products and services provided by the society. By frequently giving products and administrations that fulfil client needs to enhance financial performance by diminishing the cost of disappointment. In the event that that association has a bigger number of clients, it will result in more prominent benefit. Similarly, a high worker fulfillment ought to be shown in the economic returns of the company in light of the fact that it requires a superior quality and benefit (Prieto & Revilla, 2006).

In increased, the financial benefit of drawing in laborers or new clients ought to be lower for associations that attain the most abnormal amount of notoriety. A high notoriety likewise helped present another item and serves to decrease the peril of the buyer trial (Prieto & Revilla, 2006). Notoriety can likewise be useful in keeping up and froming relationships with key suppliers, wholesalers and the related potential (Prieto & Revilla). Consistent and our point are to examine if the non-financial performance can be counted as an issue of long haul financial return.

Entrepreneurs may feel a broad reach of non-financial costs and benefits associated with overseeing the business personally. Benefits may include a greater sense of control over others, independence, the prestigious position as chief executive officer (CEO) of a local business community, the ability company passed to his heirs, or the chance to live in an excellent location (Warrad, Alhahamid, Slihat

and Alnimer, 2013). Non-monetary costs can include lack of leisure time, irregular working hours, uncertainties and the pressure of risks. This benefit is a monetary value of non-financial performance, defined as any interest and costs other than direct financial income of the firm such as firm profits incurred by an entrepreneur while personally supervising the business.

The author (Kulchina, 2013), had examined whether the non-financial return to management can guide an entrepreneur to firms working in person or hire an agent. The entrepreneur knows for making strategic decision based on consideration other than financial statement. For example, Hamilton (2000) states that, non-financial benefits, such as autonomy, strongly influence an individual decision to become an entrepreneur. Gomez Mejia (2007) Indicated that, Spanish olive mill owners are willing to go for a high market risk in return for control of the family of non-monetary benefits. Dahl and Sorenson (2009) propose that nonfinancial benefits of being next to the family and friends are an important determinant of entrepreneurs' choice of positioning.

Although non-financial benefits seem to motivate strategic decision of entrepreneurs, the impact on the firm performance is less well-defined. Besides that, entrepreneurs look to reach the personal income in the consolidated for non-financial benefits of entrepreneurship (Kulchina et al., 2013). This cause does not necessarily suggest that entrepreneurs are willing to live with lower profit firms. Even at the best add performance, one can begin a business proving less income to income to the founder of an alternative paid employment. The power of entrepreneurs to obtain

financial returns is not dependent on the existence of the firms. Therefore, the well-being of the firm shall be given priority for entrepreneurs.

Previous studies, the use the example of foreign entrepreneurs in Russia to study whether the non-financial returns to management may influence the choice between getting along by them own or hiring managers. Foreign Affairs entrepreneurs, individual who finds the companies overseas. Managing firms abroad and entrepreneurs to hold out in the host nation. Consequently, returns are not significant to the financial management of a business Russia comes from the attractiveness of holding out in Russia. Several prior studies have seen the location attractiveness as an important non-financial return to the selection of business (Agarwla and Ohyama, 2013, Dahl and Sorenson, 2010).

Previous studies have consistently reported that the non-financial return and another for entrepreneurship plays a significant positive role in the decision of an individual to become self-employed (Kulchina et al., 2013). For example, argues the non-financial benefits of self-employment are the main factors of motivation for starting a business. Dahl and Sorensen (2012) propose that individually consider the attractiveness of the positioning in the decision to begin a job. Besides that, this and other studies have been documented that when preferring a job, the individual may be willing to make up some of the financial income in favour of the non-financial returns.

Kulchina et al. (2013) have established that, have implications for the literature examining the effects of nonfinancial motivations on career choices and earning of individual (e.g., Agarwal & Ohyama, 2013 and Dahl & Sorenson, 2010). However, the previous study did not specify the impact of non-financial performance on entrepreneurial orientation and social embeddedness. Indeed, when the entrepreneurship is aware of the impact of non-financial performance of entrepreneurial orientation and social embeddedness, this helps them increase the particular types of motivation. Therefore, the present study sought to satisfy the gap by examining non-financial performance in among entrepreneurial orientation between social embeddedness perspectives.

## **2.6 Ethnic Entrepreneurship Theory**

Ethnic entrepreneurship is an agreed of association, and systematic models of dealings among person division shared national foundation or relocation encounters (Waldinger et al., 1990a). At that point the vitality for hypothetical elucidations of this omen is made upon those outlines of association, the consideration of the larger part of studies here is the ethnic gathering. A few definitions for the term 'ethnic gathering' have been proposed.

According to Yinger (1985) for example, an ethnic gathering is a fragment of a greater society whose adherents are thought, without anyone else's input or an alternate. To oblige a common source and to impart critical sections of a common society. Also, include in imparted exercises in which the common root and society are crucial fixings. An option term used to ethnic is outsider entrepreneurs, which

thusly would just incorporate the person who has really moved over the recent decades.

This definition bars, nonetheless, parts of ethnic minority bunches who dwell in the country for over hundreds of years, for example, Jews in Europe, Afro-Americans in the USA or natives by and large. Ethnic, on the contrary, does not overlook worker or minority bunch. The term foreigners will at present be utilized as a part of the future when speaking in insight about the early stage currently ethnic entrepreneurship. That is the point at which an ethnic gathering is diversity in the host society, and it is parts can clearly be measured as workers.

Light and Gold (2000) amount talk about the social economy, which they tagged as any ethnic or migrant's independently employed gathering, its workers, their co-ethnic representatives, and their unpaid family specialists. Light and Gold further present, the concept of the ethnic possession economy to divided between an ethnic economy. Resources correct an ethnic economy and possession whose premise is true, control on numbers, bunching and arranging, the ethnic controlled economy.

Albeit ethnic proprietorship, diminished consists of little and medium-size businesses possessed by ethnic or foreigner entrepreneur and their co-ethnic colleagues and representatives, ethnic control economy alludes to businesses, businesses, and association of the general work advertise in which co-ethnic workers use generous and unshakable economic force. This force results from the numerical

grouping, the numerical dominance, the plan, government commands, or each of the four.

The ethnic measured economy is consummately free of the ethnic proprietorship economy. The parts in the ethnic enduring economy use control instead of proprietorship power. The creator accepts that the ethnic evaluated economy licenses related transients to secure more and better occupations in the standard economy, diminish unemployment and build working conditions.

On the other hand, while recognizing the contribution of the above hypothesis, late research and business hone has begun to question it is the legitimacy and informative force (Crick, 2001). For example, the current environment is portrayed by numerous ethnic enclaves advancing into multi-ethnic neighborhoods and new businesses creating in princely white collar class suburbs (Zhou, 2004).

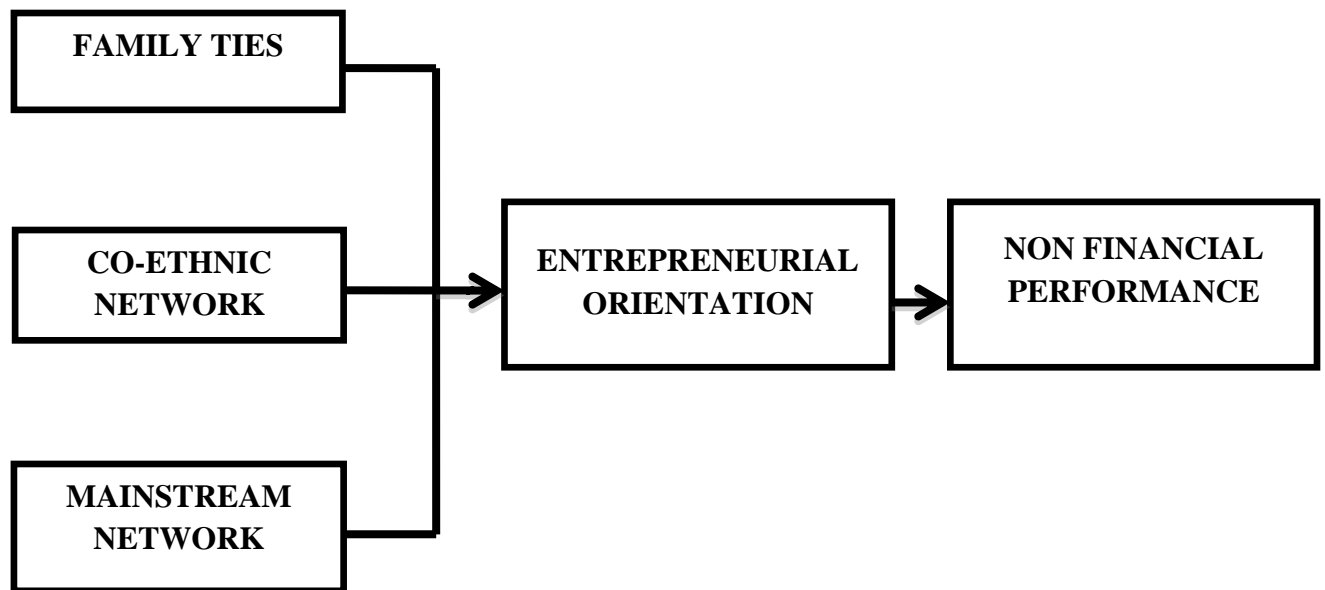
## **2.7 Research Framework**

This research framework shows the conception of the research that describes the relationship between the dependent and independent variables. The entrepreneur orientation as dependent variables are the main purpose of the study. Besides, that the non-financial performance also as dependent variable is the second drive of this research. These particular variables are selected from an extant literature in the area social embeddedness and entrepreneur orientation. This study investigates the entrepreneur orientation among Malaysian Indian ethnic entrepreneur at Selangor. The independent variables are family ties, network co-ethnic and mainstream

network. Consequently, in the present study, four hypotheses have been advanced for testing and validation.

**Figure 2.1**

***Research Framework***



## **2.8 Hypotheses Development**

Knowledgeable by the overhead theory, that entrepreneurship is social inserted in network structures (Aldrich, 1987; Aldrich and Zimmer, 1986 and Jack and Andreson, 2002). Eminently, this present study concentrated on three separate classes of networks, which are family ties, co-ethnic networks and standard networks, to make the degree to which Malaysian Indian ethnic entrepreneur are embedded in this opportunity structure.



### **2.8.1 Family ties and entrepreneurial orientation**

According to previous research, researcher found that solid family ties make individuals less subject to market item accessible, for example, long haul protection, solid family network goes about as a sufficient substitute (Joan, 2010). Thus, (Ermisch & Gambetta, 2010) build that solid family ties lessen the level of confidence in outsiders with trial information on a huge example of the British populace.

Family binds have been recognized to be instrumental in the start-up of ethnic minority little business (Bonacich & Modell, 1980 and Waldinger, 1986). The entrepreneurs were all implanted in the nearby, and this affected the way in which the company was created and oversaw. The entrepreneurial process in continuous and reflect changes in the nearby context. The entrepreneurial methodology is about a quality social affair, however, this examination highlights that it can't be dealt with in a simple economic sense. It needs to be supported by, and moored in, the social context, especially the neighborhood environment.

Similarity, (Jack, Alistair and Anderson, 2002) conducted a study when they found that social embeddedness specifically family ties have a positive impact on shaping as well as sustaining business. Nevertheless, some author (Catherine, Wang and Altinay, 2012) found and contain result of family relationships on entrepreneurial orientation. The author carried out a study among 258 faces to face organized interviews with Chinese and Turkish owned EMSBs in London, UK. The

result revealed to family ties positively related to entrepreneurial orientation. Base on the aforementioned studies, the current study hypothesized that:

$H_1$ : Family ties positively related to entrepreneurial orientation.

### **2.8.2 Co-ethnic network and entrepreneurial orientation**

Prior research assists a positive relationship between co-ethnic networks and entrepreneur orientation. In past studies, ethnic minority entrepreneurs are liable to increase business exhortation from co-ethnic business colleagues that impart the society and dialect. Initiate co-ethnic labourers from among their companions who talk the ethnic dialect and are eager to work for an unobtrusive compensation (Aldrich, 1984; Bonacich & Modell, 1980; Light, 1972, 1980 and Mars & Ward, 1984). According to Catherine, Wang and Altinay (2012) conducted a study towards Chinese and Turkish claimed ethnic minority little business among 258. The result demonstrated that both access to co-ethnic items and access to co-ethnic supplier of utilities and livelihood development. Along these lines, the more an ethnic minority little business is implanted in it is co-ethnic competitors. New market open doors will thusly open to the entrepreneur. Considering taking on theoretical dares to settle on choices for the firm have admittance to co-ethnic networks empower the entrepreneur to collect direct info. Base of the aforementioned studies, the current study hypothesized that:

$H_2$ : Co-ethnic networks positively related to entrepreneurial orientation

### **2.8.3 Mainstream networks and entrepreneurial orientation**

The social embeddedness approach not just underpins the paramount of standard networks. Subsequently getting to the standard market additionally need to react the call for understanding of how ethnic minority little businesses break out from select reliance on the ethnic business (Ram & Jones, 1998; Drori & Lerner, 2002 and Rusinovic, 2008). Other than that, ethnic minority entrepreneurs have contacts outside their family and co-ethnic networks, and well as assets accessible in standard frameworks will get information about the needs purchasing conduct of the standard populace.

Past studies conducted by Fraser (2009) demonstrated that, exploration on the UK market for little business credit found that ethnic minority. Entrepreneurs are not altogether more inclined to feel discouraged than ethnic greater part entrepreneurs from requesting standard financial help. On the other hand, a few elements, for example, high application costs emerging from inability, the sorts of business included and absence of financial abilities.

The ethnic minority possessed little businesses bringing about high screening lapses, and misperceptions of ethnic separation (Fraser, 2009). By the by, the past writing just mulled over the take-up of standard systems on firm's entrepreneur orientation. Base on the aforementioned studies, the current study hypothesized that:

*H<sub>3</sub>*: Mainstream networks positively related to entrepreneurial orientation

#### **2.8.4 Entrepreneurial orientation and non financial performance**

Previous examination upholds a positive relationship between entrepreneur orientation and non-financial performance it additionally has by and large discovered that organizations advantage from EO and that a stronger EO is connected with the better performance (Zahra & Covin, 1995; Wiklund, 1999; Rauch et al., 2004). In this manner, measure the work development and the increment of the quantities of business premises (Morris et al., 2006). Job development has been considered an essential contribution of ethnic minority little business to the economy (Zhou, 2004). Momentum research has discovered that entrepreneurial orientation is emphatically identified with occupation development in family businesses (Kellermanns et al., 2008).

According to(lee and Lim (2009) received imaginativeness, risk taking, self-governance, and competitive forcefulness measurement is proposed by Lumpkin and Dess (1996) that inspected the relationship between each one measurement of business performance in Japanese sustenance restaurants in South Korea. This study recommends that the EO measurement has a positive effect on business performance.

An alternate study conducted by Wang (2008) in UK among 213 medium to a vast firm in more established to examine the relationship among EO, learning orientation and business performance. The study secures a positive relationship between entrepreneur orientation and performance. Base on the previously stated studies, the current study hypothesized that:

$H_4$ : Entrepreneurial orientation positively related to non financial performance

## **2.9 Conclusions**

These chapter two canteens of the literature review of previous research related to the study topic. They remain greater adoption of the meaning and perceptions from various sources. A review of the literature, emphasizes on research that study family tie, co-ethnic network, mainstream network, entrepreneurial orientation and non-financial performance which is suggesting that support hypothesis of this research.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The previous chapter discussed the literature, the theoretical and conceptual framework of this study. This chapter discusses the research methodology and procedure undertaken in this study. The description includes the research design, operationalization of variables, the population and sample of the study, instrumentation, data collection procedures and technique of data analysis.

#### **3.2 Research Design**

The point of this overview is to dissect the relationship between social embeddedness, entrepreneurial orientation, and non-financial performance among Malaysian Indian ethnic entrepreneur in Selangor area. This study discusses deeper about the influence of social embeddedness towards the entrepreneurial orientation and non-financial performance. As the information for this study was gathered at a point in time, the study is cross- sectional in time skyline.

#### **3.3 Study Population and Sampling Frame**

The population for this study consists of 225 Indian entrepreneurs in whole Indian ethnic located in Klang Valley, Selangor, Malaysia. Whose name listed under the registration of **Malaysian Indian Business Association (MIBA)** 2013. In determining the required sample size, the present study utilized Krejcie and Morgan (1970) sample size determination process. Thus, following Krejcie and Morgan's

sample size determination procedure, a sample size of 144 is needed for a population of 225 as indicated in Table 3.1. However, total of 172 questionnaires were distributed to ensure a minimal sample respondent of 144 is obtained.

The sampling method used is simple random sampling. According to Sekaran (2005) assumed that, this technique is the probability sampling whereby the population is major allocated into significant sectors; then business are pull in proportion to their basic statistics in the population.

**Table 3.1**  
*Sample Size for a Given Population Size*

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	26	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	53	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note: N= population size and S= sample size



### **3.4 Survey Method**

Distributing of self-administered questionnaires collected the present study data collection to the respondent. This method was proper in this research in the field of social embeddedness, entrepreneurial orientation and non-financial performance.

In additional, self-administered questionnaire suitable method for data collection since researcher will be capable of going through information from the participants within a little period. According to participant's convenient time without comprising the productivity at work (Sainders, Lewis & Thornhill, 2009; Sekaran & Bougie, 2010 and Zukmund, Babin, Carr, & Griffin, 2009). Chauvel and Depres (2002) stated that, questionnaire covered the vast coverage of participants in the sample of the study and provides clear information to convey the present work.

The study was conducted between related 6th until 17th October, 2014. Besides, refer to some old studies which linked to present study's field, for example suggested by the previous researcher, information tool from website regarding the research subject, various journals literatures and books as guideline to guide the survey.

### **3.5 Pilot Study**

This study used the data collected from 30 small, medium Indian ethnic enterprises to manner the pilot study analysis. Pilot study remained mainly shown to confirm the validity and reliability of the procedures and ensure great value data in the actual

data collection period. The questionnaires were sent out in precisely in the same format envisaged for the main study.

### **3.6 Questionnaire Design**

The questionnaire proposal with close-ended questions and some questions with open-ended. Questions were taken from the previous studies which the questions are validity was rectified. Part A is related to the demographic profile of respondents that consist of personal information will be queried in this subdivision, the purpose for this information just for the tactic all use only. Part B is related to the setting of the business background. The Part C is the most important part which referred to this study that explain the independent and the dependent variables. Part C is to identify the social embeddedness factors influencing the entrepreneur orientation among respondent. So, five-point scale items were adopted in part C of the questionnaire. The items in the research and also for the questionnaire for this study were adopted from the same sources. Then a five-point Likert-scale used and anchored by “strongly agree” (1) to “strongly disagree” (5) which were adapted from Catherine, Wang, Altinay (2012), a 5-point Likert-scale anchored by “strongly disagree” (1) to “strongly agree” (5) was adopted as the position measurement for independent variables, including: social embeddedness, entrepreneurial orientation and non-financial performance.

### 3.7 Description of Questionnaire

**Table 3.2**

***Questionnaire description***

<p style="text-align: center;"><b>Section A</b></p> <p style="text-align: center;">This section contained of demographic profile of respondent (gender, birthplace, educational level, marital status, age)</p>
<p style="text-align: center;"><b>Section B</b></p> <p style="text-align: center;">(This section contained business backgroundyear's operation, company size, business types, business sector, business start-up, prior experience, family business and position).</p>
<p style="text-align: center;"><b>Section C</b></p> <p style="text-align: center;">This section contained 24 questions measuring all the independent and dependent.</p>

### 3.8 Measurement (Instrument)

The instrument used in this study is based on instruments adopted from past resources and literatures.

#### 3.8.1 Entrepreneur Orientation

In the present study ten items adapted to measure entrepreneur orientation from prior research (Catherine, Wang & Altinay, 2012). Respondents were asked to respond to questions in the entrepreneur orientation scale using a 5-point Likert scale ranged from 1 (strong disagree) to 5 (strong agree).

**Table 3.3**

***Entrepreneurial Orientation***

Items
1 “Our business undertakes market research in order to identify market opportunities”.
2 “In the past Five years, our business has marketed a large variety of new products or services”.
3 “In the past five years, our business has introduced novel products or service”.
4 “Our business always looks for new business or markets to enter”.
5 “Our business constantly introduces new products or services in order to serve new customers or markets”.
6 “Our business often leads the competition (that our competitors have to follow”.
7 “Our business has a strong tendency to make on highly risky projects with chances of very high return”.
8 “Because of the competition, our business must be very proactive in the marketplace in order to achieve our business objectives”.
9 “When our competitions develop a new product or a new business method, our business quickly responds to it and adopted it”.
10 “We are willing to try new ways of doing things and seek the unusual, novel solution”.
Sources: adapted from Catherine, Wang and Altinay (2012)

**3.8.2 Social Embeddedness**

In the present study eleven items adapted to measure social embeddedness from prior research Catherine, Wang, and Altinay (2012). Respondents were asked to respond

to questions in the social embeddedness scale using a 5-point Likert scale ranged from 1 (strong disagree) to 5 (strong agree).

**Table 3.4**

***Social Embeddedness***

Items
<b>Family Ties</b>
1 “Access to business advice from family members”.
2 “Using family labour”.
<b>Co-Ethnic Networks</b>
3 “Access to business advice from fellow co-ethnic businessmen”.
4 “Access to advice from co-ethnic business association”.
5 “Using the co-ethnic labour”.
6 “Access to co-ethnic products”.
7 “Access to ethnic suppliers (of utilities and facilities and so on)”.
8 “Customers”
<b>Mainsream Networks</b>
9 “Access to advice from mainstream financial institutions”.
10 “Access to advice from local authorities”.
11 “Access to the mainstream labour market”.

Source: adapted from Catherine, Wang and Altinay (2012)

### 3.8.3 Non Financial Performance

In the present study, three items adapted to measure non-financial performance from prior research Murphy and Callaway (2004); Trailer and Hill (1996); Gupta and Govindarajan (1984). Respondents were asked to respond to questions in the non-financial performance scale using a 5-point Likert scale ranged from 1 (strong disagree) to 5 (strong agree).

**Table 3.5**

***Non Financial Performance***

Items
1 “Achieve start up goals”.
2 “Provide secure job to employees”.
3 “Satisfaction with company performance”.
Sources: adopted from Murphy and Callaway (2004)

### 3.9 Data Collection Procedures

In this study, primary data were utilized through survey method using questionnaires. The research conducted a study through self-administered questionnaires to obtain a quick response from the participants, mostly in terms of the questions that they did not understand. At the same time, the study motivates them to take part in the research (Sekaran, 2003). The study as well encourages them to give their honest opinions concerning the topic matter. In addition, the researcher saved time and could also monitor the respondents.

The researcher employed a self-administration approach as the means to gather the data due to the useful and significant influences regarding the level of satisfactory responses of the data collected (Dilman, 1978). This method also enables the respondent to simplify their uncertainties and allowed the researcher to refer to the respondents to fix all the missing data. In this research activity, the researcher identified the desired sample size based on a random sampling technique. The researcher, then, will distribute the questionnaires to the respondents based on the systematic random sampling method which select the every fifth entrepreneur organization from the list for instance, 5, 10, 15, 20 and so on until all the required sample size were selected.

The researcher gave the translate versions of the questionnaires (Bahasa Malaysia version) to the every fifth respondent. The questionnaires took around 20 minutes to be complete. The researcher collected the completed questionnaires in two weeks after distributed. The data were collected about two week's period. Data collected personally by the researcher in order to obtain a proper response from the respondents. Furthermore, the researcher had prepared a cover letter, in order to get quick feedback and convince the respondents concerning the purpose of the survey.

### **3.10 Technique of Data Analysis**

The data collected from the respondent through the questionnaire will be stored and will be tried using the software of Social Science (SPSS) version 19 for data analysis. With the aim to examine the relationship among the entrepreneur orientation, social embeddedness and non-financial performance, the existing study applies few

methods, and the data will be analysed in chapter four. First of all, the reliability test conducted in present study to make sure how accurate the participants answer questionnaire and the items included in questionnaire how much items interrelated in order to determine the reliability of the measurement (Hayes, 1998). The Cronbach's alpha calculated the variance in average interrelations among the points used in the present work. Furthermore, Nunnally (1978) stated that Cronbach's alpha cut-off point the 0.7 as suitable probability. Besides, descriptive analysis was lead to source information regarding the means, standard deviation and frequencies of the primary variables.

Moreover, the correlation analyses source information almost the relationship between dependent and independent variables. Then, the correlation analysis capable to clarify insufficient information about the relationship consequently that the multiple regression will be lead as final analyses to find out the result of the family ties, co-ethnic network, mainstream network, non-financial performance and entrepreneur orientation. A proposition testing was analysed by using the regression, and the  $p\text{-value} < 0.05$  accepted as significant (Cavana, Delahaye & Sekaran, 2000). The relationship between IVs and DV can be identified by used multiple regression is appropriate statistical tests. According to Wahid (2011) by what method dependent variable capable of predicting by two or additional independent variables to get the interface of relationship. The results also a significant level of the relationship between variables and from multi regression clarified the way of the relationship. Besides, regressions also establish the effects of independent and dependent variable.



### **3.11 Conclusion**

Chapter three focused on discussing the methodology of this research conducted. Besides, this chapter also discusses almost the research design, sample and population, instrumentation, data collection and data analysis. The data analysis will be debated further in the next chapter.

## **CHAPTER FOUR**

### **RESULTS**

#### **4.1 Introduction**

This chapter defines the results, study and results of the statistics composed to encounter active the study purposes and share through suggestions that require remained established by this study. The majority of all, the outcome of contributors stays described, part and objects of the analysis remain adapted and delivered. The descriptive statistics used for variables of the study is described. The next sections, the descriptive statistics for the variables in the work are reported. The previous sections, the principal component of the results are accessible contain correlation and regression analyses. The chapter completed with a summary of the study shares to the determination.

#### **4.2 Response Rate**

The data collection for the present study has been conducted in Klang Valley, Selangor, and the respondents are the Indian entrepreneurs. There are two hundred and twenty-five self-administered questionnaires were distributed to all Indian entrepreneurs in Klang Valley, Selangor. One hundred and twenty-nine usable questionnaires were returned. The unusable questionnaires were either completely returned back as blank or the significant section of such questionnaires was left blank. The data collected from the respondents will be material for analysis and finalize the findings to answer the research question and test the hypotheses that developed.

Therefore, with 129 returned, and usable questionnaires out of 172, a valid response rate was 75.00%. Hence, a valid response rate of 75.00% is sufficient for analysis in the present study. This rate is valid because according to Sekaran (2003) mentioned that response rate of 30% could be considered appropriate for cross-sectional study.

### 4.3 Profile of Respondents

**Table 4.1**

***Respondent Profile***

	Frequency	Percentage
<b>Gender</b>		
Male	56	43.40
Female	73	56.60
<b>Birth Place</b>		
Kuala Lumpur	88	68.20
Other	41	31.80
<b>Educational Level</b>		
Secondary School	42	32.60
Professional	69	53.50
Degree	16	12.60
Others	2	1.60
<b>Marital Status</b>		
Single	22	17.10
Married	107	82.90
<b>Age</b>		
20-30	29	22.50
31-40	74	57.40
41 Above	26	20.20
<b>Years Operation</b>		
Below 5	18	14.00
6-10	57	44.20
11-15	25	19.40
16-20	18	14.00
21 And Above	11	8.50

<b>Company Size</b>		
Below Than 9 Workers	84	65.10
9-50 Workers	45	43.90
<b>Business Types</b>		
Sole Owner	60	46.50
Enterprise	62	48.10
Partnership	7	5.40
<b>Business Sector</b>		
Manufacturing	4	3.10
Retailing	14	10.90
Hotel And Travelling	4	3.10
Textile	27	20.90
Restaurant	18	14.00
Professional	10	7.80
Other	52	40.30
<b>Business Start Up</b>		
Develop By Owner	117	90.70
Buy From Outsiders	9	7.00
Buy From Relatives	2	1.60
Family Business	1	0.80
<b>Prior Experience</b>		
Study	112	86.80
Business At The Same Field	5	3.90
Business In Different Field	6	4.70
Unemployed And Looking For Job	6	4.70
<b>Family Business</b>		
Yes	24	18.60
No	105	81.40
<b>Position</b>		
Owner	66	51.20
Manager	55	42.60
Others	8	6.20

One hundred and twenty-nine Indian entrepreneurs were participating in the present study. As shown in Table 4.1, of 129 participants, 73, representing 56.60% were female, while the remaining 56 respondents (43.40%) were male counterparts.

Majority of the respondents of 88 participants, representing 68.20% were from Kuala Lumpur, while the remaining 41 target participants are representing 31.80% from other places in Selangor.

Total 69 respondents representing 53.50% were Professional holders, 42 respondents (32.60%) were holders of Secondary School, 16 (12.40%) were Degree holders and 2 of them, representing 1.60% fall under others categories.

As seen in Table 4.1, twenty-two of the respondents were single (17.10%) while majority of the target participants were married who representing 82.90%.

The twenty-nine of the target participants were between 20-30 years old (22.50%). Majority of the respondent was between 31-40 years old (57.40%), 26 of them were 41 years old above (20.20%).

As shown in Table 4.1, 14.00% of the target participants have been operating their business for below than five years. Fifty-seven of the target participants were operating their business between 6-10 years (44.20%). Besides, 11 (8.50%) target participants have been operating business for more than 21 years. From the Table4.1, 84 respondents(65.10%)havebelow than nine workers. Meanwhile, 45 respondents (34.90%) have between 9-50 workers.

The 60 of the target participants are Sole Owner (46.50%), majority of the respondentwere Enterprise, while the remaining 7 target participants are representing (5.40%) were having partnership type of ownership.

For the type of business, 4 of the target participants, representing 3.10% were manufacturing types. 14 of the target participants, representing 10.90% were retailing. 4 of the target participants, representing 3.10% were Hotel and Travelling. 27 of the target participants, representing 20.90% were Textile. 18 of the target participants, representing 14.00% were Restaurant. 10 of the target participants, representing 7.80% were Professional. Majority of the target participants, representing 52 (40.30%) were other sector.

For the business start-up, Majority of the respondent representing 90.7% were develop by their owner, 9 (7.00%) were buy from outsiders, 2 (1.60%) were buy from relatives and 1 of them, representing 0.80% fall under family business.

Majority of the target participant, 112 (86.80) stated studying as their prior experience, 5 (3.90%) respondents have experience business at the same field, 6 (4.70%) have been experience business in different field, and 6 (4.70%) have been unemployed and looking jobs.

As the in Table 4.1, twenty-four of the target participants mentioned that the current business were their family business (18.60%), while majority them stated that it is not their family business which representing 105 (81.40%). Majority of the respondents, 66 (51.20%) were owner, 55 of the target participant, representing (42.60%) were manager position, while the remaining 8 target participants are representing (6.20%) were others positions.

#### 4.4 Descriptive Statistics of the Study's Variables

As shown in Table 4.2, the mean and standard deviations were calculated for each of the four variables. For the 5-point Scales (entrepreneurial orientation, family-ties, co-ethnic network and mainstream network), mean ranged from 3.62 to 3.93, and the standard deviations ranged from 0.44 to 0.73.

**Table 4.2**

*Descriptive Statistics of the Study Variables*

Variable	Mean	Std. Deviation
Entrepreneurial Orientation	3.73	.44
Non Financial Performance	3.81	.73
Family Ties	3.86	.64
Co-Ethnic Network	3.93	.53
Mainstream Network	3.62	.59

#### 4.5 Reliability

In terms of the internal consistency reliabilities of the study variables, the results show that Cronbach's alpha coefficients ranged of the study between .59 and .85, which are within the minimum acceptable value of .70 as suggested by Nunnally (1978). Table 4.3 shown reliability statistics of the Study Variables. The dependability test was led to focus the inside consistency and convenience the rule of acceptable value suggested by Nunnally (1978).

**Table 4.3**

***Reliability statistics of the Study Variables***

<b>Variable</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Entrepreneurial orientation	10	.82
Non Financial Performance	3	.84
Family ties	2	.70
Co-ethnic network	6	.85
Mainstream network	3	.70

#### **4.6 Hypotheses Testing**

Pearson correlation and multiple regression tests were adopted in the present study. The direction and strength of variables relationship that measured by using an interval scale illustrated by the Pearson correlation matrix (Sekaran, 2003). The next analysis use in this study is multiple regressions to test hypotheses that developed in the early chapter.

##### **4.6.1 Pearson Correlation**

Pallant (2010) argues that the Pearson Correlation used to measure items that calculated with one dichotomous variable and one constant variable. Pearson correlation analysis is underpinned analysis for the multiple regressions.

##### **4.6.2 Multiple Regressions**

Three types of multiple regressions suggested by Pallant (2010). There are three types of multiple regression that involved standard or simultaneous, Hierarchical or sequential and stepwise. The present study adopted the standard multiple regression analysis to examine the relationship between variable additional apparently. Assess



of self-control figured the interaction between the independent and dependent variables. Multiple regressions are suitable for evaluating the significant level of the relationship, towards independent and dependent variables and also the interface among the variables. The complete analyses were conducted and run by using the SPSS v19.0.

#### 4.7 Correlation Analyses

The variable of the study, which analyses in correlations are presented in Table 4.5. As shown there 10 relationships found among the variables. However, the correlations between family ties and co-ethnic network were positively and significantly correlated with entrepreneurial orientation (.52 and .57,) and mainstream networks were positively and not significantly correlated with entrepreneurial orientation (.43) respectively. Besides, the result indicated that entrepreneur orientation is positively and significantly correlated with non-financial performance (.54). Table 4.6 below show the Correlations among all the variables.

**Table 4.4**

*Correlations for Study Variables*

Variables	1	2	3	4	5
1 Entrepreneurial orientation	1				
2 Non financial performance	.54**	1			
3 Family ties	.52**	.49**	1		
4 Co-ethnic network	.57**	.22**	.40**	1	
5 Mainstream network	.43**	.27**	.26**	.59**	1

Note. \*p <.05. \*\*p <.01 (one tailed test)

However, the correlation analyses deliver narrow information about the foundation and result of the variables, for more significant effect to further establish or disconfirmed the research hypotheses regression analyses have to be completed. Besides, to define the influence of independent variables in clarifying the entrepreneur orientation the regression analyses were performed.

#### **4.8 Data Screening**

Above mentioned to the regression analysis, several expectations like outliers, normality test and multicollinearity assumption included (Hair, Black, Babin & Anderson, 2010; Tabachnick, & Fidell, 2007) to mark sure the data are valid and reliable. Altogether data were screened for finding the disappeared value by using SPSS. However, there were no missing in data point was found Appendix C.

As said earlier the data was also tested for outlier. Standardize this score was used to check for potential outliers. Not any outliers were detected in the dataset. Normal probability plot was also used to test for the normality. As shown in Appendix A the assumption of normality, has not been violated since the dataset screened through showed good result. Finally, the data for the present study was also checked for violation of multicollinearity assumption. The variance inflation factor (VIF) and tolerance was used to detect whether one or two independent variables are highly correlated. The results of multicollinearity analysis (Appendix C), showed the VIF value ranged from 1.20 (family ties) to 1.71 (co-ethnic network) and that of tolerance value ranged from .58 (co-ethnic network) to .83 (family ties). Hence, following guidelines for testing multicollinearity (Hair, Sarstedt, Ringle, & Mena,

2012; VIF <5 / tolerance > 0.20; condition index <30, Table 4.5 showed that the assumption of multicollinearity was not violated.

**Table 4.5**

***Multicollinearity Statistics***

<b>Variable</b>	<b>Collinearity Statistics</b>	
	<b>Tolerance</b>	<b>VIF</b>
Family Ties	.83	1.20
Co-Ethnic Network	.58	1.71
Mainstream Network	.65	1.53
Non-Financial Performance	1.00	1.00

#### **4.9 Regression Analyses**

Regression analyses were conducted to define the relationship between the variables. As shown in Table 4.6 are three predictor variables (family ties, co-ethnic network and mainstream network) contribute to entrepreneur orientation. As showed in Table 4.6 the result of  $R^2 = 0.44$ , the variable contributed 44.20% on entrepreneur orientation. However, the model summary (B) shows entrepreneurial orientation as a predictor variable contribute to non-financial performance  $R^2 = 0.29$ . This mean entrepreneurial orientation contributes only 29.00% to non-financial performance, whereas the remaining 71.00% are contributed by other variables that are not covered in this study. The one-tailed test evaluates the relationship among the variable to confirm the hypothesis, t-value used to estimate the significant level. As suggested by Lind, Marchal and Wathen (2013) and Kumar, Talib and Ramyah (2013) the t-value > 1.645 that the relationship is significant, and the hypothesis can be accepted.

**Table 4.6*****Model Summary (A)***

Model	R	R Square
1	.665	.442

a. Predictor variables (family ties, co-ethnic network and mainstream network).

b. Dependent variable (entrepreneurial orientation).

**Table 4.7*****Model Summary (B)***

Model	R	R Square
2	.540	.292

Predictor (constant), entrepreneurial orientation

**Table 4.8*****Result of the Multiple Regression Analysis (Entrepreneur Orientation as Dependent Variable)***

Hypotheses	Variable	Beta	SE	t-value	p-value	Findings
H1	Family ties	.347	.05	4.74	.00	Supported
H2	Co-ethnic network	.351	.07	4.01	.00	Supported
H3	Mainstream network	.134	.06	1.62	.10	Not Supported

**Table 4.9**

*Result of the Multiple Regression Analysis (Non Financial Performance as Dependent Variable)*

Hypotheses	Variable	Beta	SE	t-value	p-value	Findings
H4	Entrepreneurial orientation	.54	.12	7.23	.00	Supported

Firstly, **Hypothesis 1** stated as family ties are positively related to entrepreneurial orientation. As shown in table 4.7, the result indicated that a positively related to and significant relationship between family ties and entrepreneurial orientation ( $\beta = .34$ ,  $t = 4.74$ ;  $p < .00$ ). Hence, hypothesis 1 supported.

Secondly, **Hypothesis 2** proposed that the co-ethnic network be positively related to entrepreneurial orientation. As shown in Table 4.7, a positive and significant relationship found between co-ethnic network and entrepreneur orientation ( $\beta = .35$ ,  $t = 4.01$ ;  $p < .00$ ). Hypothesis 2 was supported, such that the higher participant's co-ethnic networks, the greater their entrepreneurial orientation.

**Hypothesis 3** stated that mainstream network is not supported to entrepreneurial orientation. This hypothesis was also tested using multiple regressions (see Table 4.7). The result showed that is not supported and not significant relationship between mainstream network and entrepreneur orientation ( $\beta = .13$ ,  $t = 1.62$ ;  $p > .10$ ). Thus, hypothesis is not supported that the higher participants

mainstream network at entrepreneurship, it is not affecting the entrepreneur orientation.

**Hypothesis 4** suggests that entrepreneurial orientation is positively related to non-financial performance. As shown in Table 4.8, a positive and significant relationship was found between entrepreneur orientation and non-financial performance ( $\beta = .54$ ,  $t = 1.62$ ;  $p < .00$ ). Hence, signifying support for this hypothesis 4, the higher entrepreneur orientation in entrepreneurship affect the participants, they will perform well and high contribution towards the non-financial performance.

#### 4.10 Summary of Findings

Consuming presented all the result indicating regression analyses and test for the significant differences, Table 4.7 and 4.8 summarizes the result of all hypothesis tested.

**Table 4.10**

*Summary of Hypothesis Testing*

Hypothesis	Statement	Findings
H1:	Family ties are positively related to entrepreneurial orientation.	Supported
H2:	Co-ethnic network is positively related to entrepreneurial orientation.	Supported
H3:	Mainstream network not significantly related to entrepreneurial orientation.	Not Supported
H4:	Entrepreneurial orientation is positively related to non-financial performance.	Supported

## **CHAPTER FIVE**

### **DISCUSSION AND CONCLUSION**

#### **5.1 Introductions**

The chapter begins with a summary of the study's findings. It is then followed by the coefficients discussion of the findings and hypotheses testing, and the results were discussed. Furthermore, the implication and limitation of the study were as well discussed in this chapter. Finally, recommendations for future research for possible future research are included and also the conclusion about this study stated end of this chapter.

#### **5.2 Discussion**

Firstly, the descriptive statistics represent about data collected from a sample of Malaysian Indian ethnic entrepreneur in Selangor Klang valley, Malaysia.

- The descriptive statistic of the study shows that, majority of the entrepreneurs were owner business developers. They are about 117 businesses participant that developed by the owner that show 90.70%, and the highest post is own by the self-owners among the Malaysian Indian ethnic entrepreneur about 66 businesses participant or 51.20%.

The results indicate that most of the entrepreneurs in Selangor Klang valley, based on the respondents education performance regarding business studies, they are about 112 or 86.80% educated business participant in that area.

- On whether entrepreneurs were involved in the different business start up categories such as buy from outsiders, buy from relative and family business. The result shows that, there are 9 business participant or 7% of business which are buy from outsider, 2 business participant or 1.60% of business which are buy for relative and only one business participant or 0.80% of business which are operated by family business.

The result also indicated that, few Malaysian Indian ethnic entrepreneurs involve these types of business based on the participant's profile, who are involved in the same field of business. The result shows that, 5 business participants or 3.90% involve in the different filed about 6 business participants or 4.70% and 6 business participants or 4.70% who are unemployed and looking for the job.

Then, the primary focus of the present study is to examine the relationship between family ties, co-ethnic network, mainstream network and Entrepreneurial Orientation. More so, to establish a relationship between Entrepreneurial Orientation and non-financial performance among Malaysia Indian ethnic in Selangor Klang valley, the present study discovered several relationships between the independent variables and the dependent variable which covered in the three hypotheses, family ties, networks co-ethnic and mainstream networks.



### **5.2.1 Research Question 1: To investigate the relationship between social embeddedness and entrepreneurial orientation**

The first hypothesis expected that a family tie is positively related to entrepreneurial orientation. Further, social embeddedness was predicted to help ethnic minority small business break out of the restrictive networks. Jack, Alistair and Anderson (2002) found that, social embeddedness specifically family relationships have a positive impact on shaping as well as sustaining business. In Malaysia, Indian entrepreneur's family ties play an important role in forming entrepreneur's orientation.

The second hypotheses assumed that a co-ethnic network is positively related to entrepreneurial orientation. This previous literature found ) that there is noteworthy and positive relationship between co-ethnic networks and entrepreneurial orientation (Kenney &Goe, 2004; Kalantaridis, 2009; Ward, 1986; Ram & Jones, 1998; Drori & Lerner, 2002; Rusinovic, 2008). This study shows that get to co-ethnic networks is often a drive for the ethnic minority little businesses to take part in center adjustments and advancement to adapt to rivalry, consequently aggregate the likelihood of firm innovativeness (Catherina, Wang & Altinay, 2012).

The third hypotheses expected that a mainstream network is positive supported to entrepreneurial orientation. This previous literature found that there is a significant relationship between standard networks and entrepreneur orientation. Franser (2009) and Deakins (2003) found that, ethnic minority little business don't

captive with standard help orgs, yet depend upon their social and trusted co-ethnic networks for

**Business guidance** The past studies also showed that mainstream network positively related to entrepreneurial orientation (Franser, 2009; Deakins, 2003). However, the present studies show that mainstream network does not significantly contribute to Indian entrepreneur's entrepreneurial orientation. This is could be inferred that the Indian entrepreneurs have less access to mainstream networks or due to the fact that, lack of awareness regarding the mainstream support such as a financial institution and labour markets among Indian entrepreneurs.

Thus, overall the present study found that family ties and co-ethnic networks are positively significant to entrepreneurial orientation. Besides that, mainstream networks found that not significant in the entrepreneurial orientation. It is show that the Malaysian Indian ethnic entrepreneurs more depend on the family members and co-ethnic networks to develop the business. Thus, the business participants gain more satisfaction in business performance rather than dealing with mainstream networks. This showed that there are lack involvements of Malaysian Indian ethnic entrepreneurs in the mainstream networks.

### **5.2.2 Research Question 2: To investigate the relationship between entrepreneurial orientation and non-financial performance**

There are several studies on the entrepreneurial orientation and non-financial performance among which include: Lee and Lim (2009); Wiklund and Shepherd

(2003); Wang (2008); Runyan et al. (2008); Zhou (2004) and Kellermanns et al. (2008). The result on from the present study is steady with the past discoveries that, entrepreneurial orientation essentially and positively identified with non-financial performance. Consequently, shows that entrepreneurs feel a broad reach of non-financial benefits associated with overseeing the firm personally. Thus, this could indicate that the entrepreneur orientation very much motivate for non-financial benefits such as self-satisfaction and employment, active in engaging in business as well as for starting a business. Besides, present study also showed that, Malaysian Indian ethnic entrepreneurs presented that their entrepreneur performance were obviously definite to them and they are improving with respectable preparation and location which create them able to know their character and achieve well in their business.

### **5.3 Theoretical Implication of Study**

The result of entrepreneur alteration in the present study helpful to strengthen and valid the literature of entrepreneurial orientation and also the constructs examined in this research. The present study demonstrated a relationship between social embeddedness and entrepreneur orientation and it strengthens and validate the previous research with reference to the relationship.

The study contributes significantly to the becoming stream of ethnic entrepreneurship based hypothesis. It gives a sign how social embeddedness can impact entrepreneurs' entrepreneurial orientation. This study improves the point of view of social embeddedness of incorporating the develops of family ties, co-ethnic

networks, mainstream networks and nonfinancial performance with entrepreneurial orientation.

Findings from this study, as discussed above, the study has contributed by extending knowledge in entrepreneurial orientation. Firstly, the researchers make an important contribution to the theory of ethnic entrepreneurship theory and including the role of social embeddedness. The present study proves that these factors hold true in the Malaysian Indian ethnic entrepreneurs. Thus, this study providing evidence regarding the role of social embeddedness in understanding the entrepreneurial orientation.

#### **5.4 Practical Implication of Study**

The present study's finding has presented the practical implication to explain deeply about the relationship about the variables that included in this study. The study provides a few key managerial implications on how entrepreneurs and government can assume an imperative part in improving entrepreneurial orientation and non-financial performance.

It has seen that entrepreneurial orientation can be increased by the sources of social embeddedness in entrepreneurship. It is significant to observe this issue in an earlier stage since entrepreneur in entrepreneurship should interact with each other to figure out without any rivalry among them. The government may have to consider the welfare of entrepreneurs to improve and maintain high entrepreneur orientation. Moreover, realizing potential social embeddedness factors that influence

entrepreneur orientation has important practical implications for entrepreneurs in entrepreneurship field.

This study, establish the evidence that will become as attention to the ongoing discussion on system board composition issues in the point of view of government underpinned network. Lately, to fostering entrepreneurial orientation the private foundations and government support have become as a key network (Rosenfeld, 1996; Thorgren et al., 2011 and Wincent et al., 2010). Indian entrepreneurs should rely upon the support from the family, and co-ethnic networks in practising are implementing business activities.

Firstly, family ties and co-ethnic networks can become contributor factors in enhancing entrepreneurial orientation among Indian entrepreneurs. Therefore, Indian family and co-ethnic could be right pillars to support in enhancing high entrepreneurial orientation among Indian entrepreneurs in Malaysia. Support from family members, labours, advice from co-ethnic, co-ethnic product and co-ethnic customers could be a driver for entrepreneurial orientation.

Government and private sectors also could play an important role in creating more Indian entrepreneurs. Assistance in term of access information regards to financial help, labour markets, creating more awareness regarding the existence of government micro loans, and local activities, which play important role in enhancing entrepreneurial activities among Indian entrepreneurs.

### **5.5 Limitations and Recommendation for Future Research**

There are several limitations faced by the present study. First of all, the studies focus on one state of sample (Indian ethnic entrepreneur Selangor Klang valley). Thus, the present research considers small, so the findings of the study cannot be generalized. Thus, future researchers sample have to be larger. In addition, research of this nature should be conducted using similar variables from different places in Malaysia to get more valid results.

This study included independent variables towards entrepreneurial orientation. However, there are many other variables influencing the entrepreneur orientation so that the variables can be included to conduct the present study. Although in present research moderator and mediator variables not included there is a gap that. Thus, future study can include the moderator and mediator variables to make the research new and discover new findings.

In additional, the most significant limitation for the present study was time consuming for complete the research. There are many procedures for data collection so limit the figure of respondents for this research since the time is not sufficient to get more respondents for this study. Thus, future researchers spend more time in data collection.

## 5.6 Conclusions

The present study finding provide evidence that, the Malaysian Indian ethnic entrepreneur in Selangor Klang valley, Malaysia were run-through working on the current family business models serving numerous types ethnic items. As opposed to serve one ethnic item, it additionally as embroil into the standard network and surveying standard data to enhance the organizations capacity to be energetic in the business sector, creating internal innovativeness and handling with business threats. Overall representations are that, the Malaysian Indian ethnic entrepreneur has embedded themselves in the broader prospect configuration outside the co-ethnic networks. The present study supported the observation that Malaysian Indian ethnic entrepreneur are interlaced in the co-ethnic association. Which could encourage and inhibit the entrepreneur orientation as showed in the present consequence of the positive result of co-social network on entrepreneurial orientation. Various opinions underlined here remained intended for the government and non-government segments toward attention scheduled supporting the level of entrepreneurial orientation by leading providing monetary resources, research and growth activities, preparation platform and consultancy facility. Besides that, holds particular information valuable in combined working among government supports, the space of commercial enterprise as well as a **Malaysian Indian Business Association (MIBA)** to work through more wealth and vigor to inspire an entrepreneurial culture towards enhance the Indian entrepreneurial orientation of SMEs. Additional, the existing research may deliver beneficial facts for Malaysia Indian ethnic entrepreneur and

SMEs owner or managers in relative to their different level of entrepreneurial orientation as a transformation in increasing their creativeness, awareness, talents, self inspiration and high self-confident level.



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