

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES**

MBA PROGRAMME

**ENTREPRENEURIAL ORIENTATION AND BUSINESS
PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES**

EI THU ZAR MYO

MBA II – 45

MBA 24TH BATCH

JULY 2022

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES**

MBA PROGRAMME

**ENTREPRENEURIAL ORIENTATION AND BUSINESS
PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES**

EI THU ZAR MYO

MBA II – 45

MBA 24TH BATCH

JULY 2022

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**ENTREPRENEURIAL ORIENTATION AND BUSINESS
PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES**

ACADEMIC YEAR (2018-2022)

Supervised by

Dr. Kay Thi Soe

Associate Professor

Department of Management Studies

Yangon University of Economics

Submitted by

Ei Thu Zar Myo

MBA II - 45

MBA 24th BATCH

2018-2022

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**ENTREPRENEURIAL ORIENTATION AND BUSINESS
PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES**

A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

Supervised by

Dr. Kay Thi Soe
Associate Professor
Department of Management Studies
Yangon University of Economics

Submitted by

Ei Thu Zar Myo
MBA II - 45
MBA 24th BATCH
2018-2022

ACCEPTANCE

This is to certify that the thesis entitled “**Entrepreneurial Orientation and Business Performance of Small and Medium Enterprises**” has been accepted by the Board of Examiners of the Department of Management Studies, Yangon University of Economics, in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA).

Board of Examiners

.....

(Chairperson)

Dr.Tin Tin Htwe

Rector

Yangon University of Economics

.....

(Supervisor)

.....

(Examiner)

.....

(Examiner)

.....

(Examiner)

JULY, 2022

ABSTRACT

This study aims to analyze the effect of entrepreneurial orientation on business performance of SMEs in Nay Pyi Taw and examine the moderating effect of education and work experience on the relationship between entrepreneurial orientation and business performance of SMEs. The primary data are collected from 119 people from SMEs in Nay Pyi Taw by using structured questionnaires. Linear regression is done in order to analyze the data. The study reveals that all entrepreneurial orientations: innovativeness, proactiveness, and risk taking have a strong positive effect on business performance of SMEs. Among three entrepreneurial orientations, risk taking is the main determinant of performance of SMEs in Nay Pyi Taw. The study also shows that education has a partial positive moderating effect on relationship between risk taking and business performance. Furthermore, work experience has a partial effect on the relationship between risk taking and business performance. It also has a partial effect on the relationship between proactiveness and business performance. SMEs should take some calculated risk rather than to survive in the comfort zone. Government should encourage SMEs by arranging the relevant training in order to take a risk for their business success. Government also should encourage SMEs by arranging the relevant training in order to manage and accept a change risk for their business success. To keep up with these changing environments, SMEs should apply risk management techniques in their business strategy, not only to mitigate potential loss but also to exploit new business opportunities arising from sustainability.

ACKNOWLEDGEMENTS

Regarding this thesis, I would like to convey my sincere thanks to Prof. Dr. Tin Tin Htwe, Rector of the Yangon University of Economics for giving an opportunity to write this thesis in the field of study in MBA programme.

My deepest thanks of gratitude go to Prof. Dr. Myint Myint Kyi, Head of Department of Management Studies, Yangon University of Economics who gave me the golden opportunity to study Master of Business Administration.

I would like to describe my sincere gratitude to Professor Dr. Thin Nwe Oo, Professor Dr. Hla Hla Mon and Professor Dr. Than Thu Zar, Department of Management Studies, for their guidance and constructive comments during this study.

Especially, I would like to acknowledge and thank my supervisor, Dr. Kay Thi Soe Associate Professor, Department of Management Studies, for her patient guidance, encouragement and useful advice during the planning and development of this research study as I would not be able to make it finish this paper without her support.

Moreover, I feel grateful to all Associate Professors and Lecturers from Department of Management Studies, Yangon University of Economics for high guidelines, opinions and administrative support during the period of study. I would like to express my gratitude to all teachers and visiting lecturers who have made their grateful efforts in sharing their knowledge and experiences in MBA programme during these two years for coursework.

Finally, I would like to express special thanks to all of the SME Owners/Managers in Nay Pyi Taw for giving their valuable time in answering to this research survey question. I am also really grateful to my seniors and friends who have shared knowledge with valuable support and encouragement until the completion of this study.

EI THU ZAR MYO

MBA – 45

MBA 24th Batch

TABLE OF CONTENTS

	Page
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	v
LIST OF FIGURES	vi
LIST OF ABBREVIATIONS	vii
CHAPTER 1 INTRODUCTION	
1.1 Rationale of the Study	2
1.2 Objectives of the Study	4
1.3 Scope and Method of the Study	4
1.4 Organization of the Study	5
CHAPTER 2 THEORETICAL BACKGROUND	
2.1 Entrepreneurship	6
2.2 Entrepreneurial Orientation (EO) and its dimensions	7
2.3 Business Performance	11
2.4 Entrepreneurial Orientation and Business performance	13
2.5 Entrepreneur Demographic characteristics and Business performance	14
2.6 Previous Studies	17
2.7 Conceptual Framework of the Study	19
CHAPTER 3 BACKGROUND OF SMES IN MYANMAR	
3.1 Background of SMEs in Myanmar	21

3.2	Development of Small and Medium Enterprises	23
3.3	Entrepreneurial Orientation in Myanmar	26
3.4	Profile of Respondents	28
CHAPTER 4	ANALYSIS ON ENTREPRENEURIAL ORIENTATION AND BUSINESS PERFORMANCE OF SMES IN NAY PYI TAW	
4.1	Entrepreneurial Orientation	31
4.2	Business Performance	34
4.3	The Effect of Entrepreneurial Orientation on Business Performance	35
4.4	Moderating effect of Demographic Characteristics on the relationship between Entrepreneurial Orientation and Business Performance	37
CHAPTER 5	CONCLUSION	
5.1	Findings and Discussions	42
5.2	Suggestions and Recommendations	43
5.3	Limitations and Needs for Further Research	44
REFERENCES		
APPENDIX A		
APPENDIX B		

LIST OF TABLES

Table No.	Description	Page
Table (3.1)	Definition of SME in Myanmar	22
Table (3.2)	Structure of SMEs in Myanmar	24
Table (3.3)	Sector Distribution of SMEs in Myanmar	24
Table (3.4)	Profile of Respondents	29
Table (4.1)	Entrepreneurial Orientation	31
Table (4.2)	Innovativeness	32
Table (4.3)	Proactiveness	33
Table (4.4)	Risk Taking	34
Table (4.5)	Business Performance	35
Table (4.6)	Effect of Entrepreneurial Orientation on Business Performance	36
Table (4.7)	Moderating effect of Education Background on the relationship between Entrepreneurial Orientation and Business Performance	38
Table (4.8)	Moderating effect of Experience on the relationship between Entrepreneurial Orientation and Business Performance	40

LIST OF FIGURES

Figure No.	Description	Page
2.1	Conceptual Framework of Wijetunge & Pushpakumari	17
2.2	Conceptual Framework of Ferreira et al.	18
2.3	Conceptual Framework of the Study	19

LIST OF ABBREVIATIONS

SME	Small and Medium-sized Enterprises
ASEAN	Association of Southeast Asian Nations
GDP	Gross Domestic Product
MSME	Micro, Small & Medium Enterprises
EO	Entrepreneurial Orientation
SEZ	Special Economic Zones
SDC	SME Development Center

CHAPTER 1

INTRODUCTION

Small and medium enterprises (SMEs) are essential tools for Myanmar economic restructuring. Even so, the contribution of SMEs towards job creation, increase trade, and thus GDP is also significant. Currently, the government focuses on developing SMEs and cultivating existing SMEs to become large industries, as well as on environmental sustainability, which includes social, economic, and environmental development. To recognize such challenges, it is necessary to create an environment for businesses, including SMEs, can grow, sustain, and prosper.

Myanmar, like many other developing countries, recognizes the importance of SMEs and believes that they play a critical role in the country's economic progress and poverty reduction. SMEs account for 99.4% of all businesses in Myanmar. In ASEAN member states, SMEs account for 50-95 percent of employment and contribute 30-53 percent of GDP in Myanmar. Currently, the government acknowledges that SME entrepreneurship will shape the country's future economic development. As a result, the government devotes special attention to the development of SMEs and encourages existing SMEs to grow into much larger and more sustainable enterprises in terms of social, economic, and environmental development.

SMEs are non-subsidary, self-sufficient businesses with less than 500 employees. In Myanmar, the most common upper limit for a SME is 250 employees. SMEs encourage private ownership and entrepreneurial abilities, are adaptable to changing market demand and supply situations, create jobs, help diversify economic activity, and contribute significantly to exports and trade. To be able to compete globally, you must improve productivity, quality, and management. SMEs will benefit greatly from access to investors and trade finance. Changes in the environment, on the other hand, produce more uncertainty in SMEs than in large corporations. Their resources for gathering market knowledge and altering the path of the business are more constrained. In SMEs, the response to environmental changes differs from that of large corporations. Large corporations may even abandon one of their business segments, but a single-company corporation is unlikely to do so. The businesses response options are constrained by their

resources and strategic decisions, as well as the opportunities provided by their industry and location.

As according Barazandeh et al. (2015), early-stage businesses have different export rates than later-stage entrepreneurs. Entrepreneurial competencies have such a favorable influence on a company's performance. Entrepreneurs' personalities are vastly different from those of early-stage entrepreneurs. The ability of an entrepreneur to foresee the performance of a company is a powerful tool. As a result, the entrepreneur is in charge of putting these variables together to produce value.

The entrepreneur can employ attitudes and abilities that contribute to the achievement of effective small-business results. The quality of an entrepreneur's performance influences whether capital expands quickly or slowly, and if this growth incorporates innovation and change, such as the creation of new goods and manufacturing procedures. According to Erikson (2002), entrepreneurial orientations are drivers of company performance. Essentially, entrepreneurial orientation is driving process define the firm's performance. As a result, the focus of the research will be on the influence of entrepreneur orientation on the performance of SMEs.

1.1 Rationale of the Study

Myanmar is rich in natural resources, and by transforming them into high-valued goods using advanced technologies, work possibilities may expand. With the foundation of the Myanmar-ASEAN Economic Community, Myanmar now has greater potential for SMEs to flourish owing to increased access to Global Supply Change, which is the process of global manufacturing, commerce, and services. It intends to improve ASEAN countries integration and competitiveness, as well as contribute to closing development disparities among ASEAN nations (Sato, 2015).

Every country benefits from promoting and maintaining economic growth. SMEs are seen as the backbone of economic growth in many nations, contributing considerably to GDP through job creation and income generating. SMEs are a key economic force in the Asia-Pacific region. They offer numerous employments and a significant amount of the country's GDP, as well as assistance for major businesses, economic flexibility, and a more fair distribution of economic resources, income, and opportunity. As a result, it is

the driving force behind a country's growth since it can guide progress amid periods of economic turmoil.

Economic growth is important at all levels, including enterprises, regions, sectors, and countries. As a result, attributing entrepreneurship to economic growth necessitates a connection at both the individual and collective levels. The connection between entrepreneurship and economic growth is crucial. Entrepreneurial activities have been determined to have a favorable influence on a nation's economy as well as the people's quality of life.

According to figures from the Ministry of Industry SME Development Department, SMEs accounted for 90 percent of the enterprises that drive Myanmar's economy, at a conservative estimate, and 99.6% of employment creation. Small and Medium Sized Enterprises, or SME, play a significant role in the national economy and are a vital driver of development. Furthermore, it is sometimes referred to as the industry that can promote social equality. Farmers, growers, producers, distributors, retailers, those who transport produce and products, and those who provide services related to these are all examples of SMEs that help things reach customers in their respective areas.

The function of entrepreneurship has garnered increased importance in today world, when technological development, deregulation, outsourcing, and restructuring control the economic sector. This is because entrepreneurship is viewed as a method of narrowing the gap between science and the marketplace, as well as establishing new businesses and introducing new products and services to the market. Entrepreneurial activities have an influence on the whole economy by creating a strong economic foundation and creating jobs. Entrepreneurship has a significant role in economic growth since it entails initiating and driving improvements in business and society.

Most entrepreneurs nowadays have excellent managerial abilities and expertise, which has helped them grow their businesses to new heights. Furthermore, entrepreneurs have participated in a variety of training programs to improve their skills and expertise, but in the past, early-stage entrepreneurs were not active in training programs to help them grow their businesses.

The personality characteristics and motivations of individual entrepreneurs shape the business environment. Unpredictability, complexity, and shifting requirements are all common characteristics of business circumstances. Entrepreneurs must be able to operate

as investors, innovators, accountants, dispute investigators, leaders, technicians, marketing professionals, and top sellers while maintaining the characteristics of several personalities. As a result, the more knowledge and skills the entrepreneur is capable to demonstrate the better (Frese, & Gielnik, 2014). Because the qualities of entrepreneurs are linked to the development of SMEs, this research aims to learn how the features of small and medium-sized business owners contribute to their company's growth.

1.2 Objectives of the Study

The main objectives of the study are:

- (1) To analyze the effect of entrepreneurial orientation on business performance of SMEs in Nay Pyi Taw.
- (2) To examine the moderating effect of demographic characteristics of entrepreneurs on the relationship between entrepreneurial orientation and business performance of SMEs.

1.3 Scope and Method of the Study

This study focuses on the analysis of entrepreneur orientation and performance of SMEs. There are three big cities in Myanmar; Yangon, Mandalay and Nay Pyi Taw. Among these three cities, Nay Pyi Taw region is randomly selected to analyze entrepreneurial orientation and business performance of SMEs. To achieve the objectives of this study, both primary and secondary data are used. Since this study examines the entrepreneurial orientation and demographic characteristics of entrepreneurs, the owners or the top managers of SMEs in Nay Pyi Taw registered in MSME Association will be selected as the target sample of the population. Then, clustered sampling method is applied. There are 226 enterprises registered in MSME Association in Nay Pyi Taw (2022). This study covers all 226 enterprises however the complete respondents are received from 119.

Secondary data is collected from the records of Myanmar SME Development Agency, MSME Associations, Central Department of SMEs Development, relevant textbooks, relevant articles, previous research papers, thesis papers, journals, websites and online sources.

The primary data are collected with structured questionnaires. Most of the questions in the questionnaire are Likert scale questions. Analytical method is used for this study. It is a quantitative and qualitative method are used in the structured questionnaires are given out to the respondents. Linear regression analysis is applied to analyze the effect of entrepreneurial orientation on the business performance of SMEs.

1.4 Organization of the Study

This study is organized into five chapters. Chapter one provides introduction section that consists of rationale of the study, objectives of the study, scope and methods of the study, and organization of the study. Chapter two presents the theoretical background of this study. Chapter three explores background of SME in Myanmar and demographic profile of the respondents. Chapter four reveals the analysis on entrepreneurial orientation and the business performance of SMEs. Finally, chapter five is the conclusion of the study including findings and discussions, suggestions and recommendations, and limitations and needs for further research.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter focuses on the theoretical background of the key variables which is used in this study namely; entrepreneurial orientation and its dimensions, business performance of the firms, entrepreneur's demographic characteristic is used as a moderator. And this chapter also includes the conceptual framework of the study.

2.1 Entrepreneurship

An entrepreneur is a creative actor who recognizes entrepreneurial opportunities, makes moderately risky decisions with a view to innovating, and acts by using resources to implement a differentiated vision that contributes added value. An intuitive, resourceful, tenacious actor who is able to recognize and develop risky opportunities with potential for innovation, and who adds value to what already exists by setting up activities that involve a scarce use of resources. A result-oriented designer of innovations who is able to develop risky opportunities, who learns to be creative and resourceful, acts by making practical use of limited resources and a network of contacts, and who is able to structure organizational activities to form a client satisfaction system that contributes an added value.

Entrepreneurship is the field that studies entrepreneurs, entrepreneurial actors and entrepreneurial environments. The Entrepreneurship generally refers to the rapid growth of new and innovative businesses, based on the ability to recognize business opportunities or combine resources in novel ways. It can be understood as “the ability to amass the necessary resources to capitalize on new business opportunities” (Kayne, 1999). According to the National Knowledge Commission of India (2008), entrepreneurship is “the professional application of knowledge, skills and competencies or monetizing a new idea, by an individual or a set of people, by launching an enterprise or diversifying from an existing one, thus to pursue growth while generating wealth, employment and social good”. Many scholars, however, focus on innovation and firm growth as key aspects of entrepreneurship. While an entrepreneur can be a small-business person, all smallbusiness persons need not be entrepreneurs. Entrepreneurial enterprises focus on new and

innovative products, services and processes. They are growth-oriented and aggressively strive to capture market share. Entrepreneurial enterprises may begin as small businesses but often grow to be large firms, as they frequently reinvest their earnings to either expand their original enterprise or to create new ventures. There are different categories of entrepreneurship based on their motivations for starting a business and their growth aspirations, opportunity versus necessity entrepreneurship. Opportunity entrepreneurs start businesses because they want to exploit an opportunity, whereas necessity entrepreneurs start firms because they see no better economic alternatives.

2.2 Entrepreneurial Orientation (EO) and its Dimensions

Entrepreneurial orientation (EO) is a prominent topic (Wiklund, 1999) and one of the entrepreneurship research disciplines with a growing body of knowledge (Rauch, 2009). The concept of EO as a driving force behind organizational effort to success has also been a central focus of the entrepreneurship, according to (Covin & Wales, 2012).

Miller (1983) defined an entrepreneurial firm as one that is involved in market innovation, willing to take risks, and is first to come up with proactive innovations. A non-entrepreneurial firm is defined by a low level of innovations, not willing to take risks, and is a more follower than a pioneer compared to the competitors. Lumpkin and Dess (1996) also defined EO as a process, some practices and decision-making process that might lead to new entry. Moreover, Wiklund and Shepherd (2005) has defined EO as the strategic orientation of the firm that creates specific aspects of entrepreneurial decision-making activities, strategy and practices. Morris and Paul (1987) also defined EO as the capability of a company's top management to take risks, to be more innovative, and to show of its proactiveness in their approach to make strategic decision.

There are three main factors of EO introduced by Miller (1983): innovativeness, proactiveness and risk taking. These three key factors of EO have been extensively used by researchers in the previous studies (Covin & Slevin, 1989). Lumpkin and Dess (1996) had added another two factors of EO: Competitive Aggressiveness and Autonomy. In this study, only of these three key factors of EO are used, that is, innovativeness, proactiveness and risk taking.

2.2.1 Innovativeness

Innovativeness from the perspective of entrepreneurship would be at firm level and can be defined as an organization's response to business environment. An organization's support of new ideas, creativity, experimentation and newness and/or improvement to processes or products or pursuit of new markets is seen as that organization's innovativeness (Rauch, et al., 2009). Innovativeness refers to a firm's ability to generate new ideas and performing experiments leading to the creation of new processes, products, and services (Lumpkin & Dess, 1996). Covin and Miles (1999) had suggested that entrepreneurship would not exist without innovation. To be innovative, newly established firms need more knowledge and intellect (Schoonhoven, Eisenhardt, & Lyman, 1990). Moreover, for new firms, innovation may create ambiguity and uncertainty. Innovation also helps organizations in fostering their market share not only in local markets but also assist them in entering international markets and sustain there. Over time, innovation capability may help businesses in earning a sustainable competitive advantage. Drucker (1998) suggested that industry should regard innovation as an essential capability and focus their energies to make it their core-competency. Innovation is a vital element for the firms to enter and stay in the markets. Kaufmann and Tödting (2002) suggested that businesses should continuously improve their innovation speed by investing on it and complete their product development process effectively and efficiently. Because of that without innovation, entrepreneurs have to adhere on old ways of doing businesses, constant products or services and traditional distributions channels (Lee, 2001).

Innovativeness can take on different forms between organizations such as, technology innovation or product innovation, leading to the uniqueness of the organization's resources. Innovativeness reflects a firm's tendency to engage in and support new ideas, novelty, experimentation and creative processes (Lumpkin and Dess, 1996) that may result in new products, services, or technological processes and which may take the organization to a new paradigm of success (Swieczek & Ha, 2003). It also implies seeking creative, extraordinary or strange solutions to problems and needs. Schumpeter (1934) considered entrepreneurship to be essentially a creative activity and entrepreneur as an innovator who carries out new combinations in the field of men, money, material, machine and management. According to him, entrepreneur is an economic man who tries to maximize his profits by making innovations in any one of the

following fields: (1) new products; (2) new production methods; (3) new markets; or (4) new forms of organization. The degree of an entrepreneur's innovativeness will decide how far and how deep the innovation will go in business in order to meet both the strategic goal formulated for the business and the requirements from the environment (Hult, et al., 2004). Innovativeness represents a basic willingness to depart from existing technologies or practices and venture beyond the current state-of-the-art (Covin, et al., 2006). An innovative strategic posture can be linked to firm performance as it increases the chances that a firm will realize first mover advantage, stay ahead of their competitors, gain a competitive advantage and capitalize on emerging market opportunities that lead to improved financial results (Kreiser & Davis, 2010).

2.2.2 Proactiveness

“Proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand” (Rauch, et al., 2009). Proactive firms can shape an industry and create market demands, allowing them to enjoy monopoly rent and controlling demand. These firms capitalize on emerging opportunities, by exploring and exploiting opportunities for new products and/or services through innovation in their current markets, or by entering new markets (Vora & Polley, 2012). Proactiveness is a crucial entrepreneurial characteristic as it allows forward looking and action through the innovative character (Lumpkin & Dess, 1996). Proactiveness is manifested in: (1) aggressive behavior directed at rival firms; and (2) the organizational pursuit of favorable business opportunities. It is simply the ability to take initiative, whenever the situation demands. Porter (1985) suggested that in certain situations, firms could utilize proactive behavior in order to increase their competitive position in relation to other firms.

Proactiveness is an important element of entrepreneurship (Venkatraman, 1989). Proactiveness has been described as the ability of a firm to foretell and exercise on future needs and wants in the market by introducing a first-mover advantage in the ahead of competitors (Lumpkin & Dess, 1996). Proactiveness is important for organizational processes since it demands a forward-looking perspective (Kropp & Zolin, 2005). Proactiveness is an important factor for entrepreneurial firms, especially in the competition and it is becoming a very strong in the global market, in order to receive a

high performance return of their investment and to make their good reputation in the market. Proactiveness is to relate with the implementation of something new, and doing what is needed to anticipate and act on an entrepreneurial opportunity.

Dess and Lumpkin (2005) describe the importance of structural capital that is associated with proactiveness. Structural capital, such as structures and processes, enables organizations to create resources more quickly and at cheaper rates than competitors. Therefore, proactiveness enhances both the reception and operations that make organizations stay ahead of competitors.

2.2.3 Risk Taking

Risk taking refers to a tendency to take bold actions, such as entering unknown new markets, committing a large portion of resources to ventures with uncertain outcomes or borrowing heavily (Lumpkin & Dess, 2001). Miller and Friesen (1978) described risk taking as part of the strategy making process of an organization. EO is a strategic attitude and therefore risk taking should be part of it. However, scholars are not able to find consistent patterns when investigating risk taking in relationship with entrepreneurship. Naldi, et al. (2007) suggests therefore that the context in which the organization operates influences the amount of risk it takes. Furthermore most studies have focused individual risk taking on new entry instead of considering the firm level (Lumpkin & Dess, 1996).

Risk taking has described as the willingness of an organization to provide resources for the business where the outcomes are uncertain (Miller, 1983). Risk-taking is a dimension of EO and asserts that management may take a risk by making an investment in new projects, taking loans, expanding the scale of business, entering new markets, launching new products, reinventing existing processes, hiring new employees, etc. These things may bring a unique perspective in the organization (Swink, 2003). According to Suarez (1994), closure of an organization may also be regarded as risk-taking. The underlying reason is that closing operations of an organization contemplate that in the time to come, the organization may suffer losses and these losses can be avoided by closing operations immediately. Marino and Weaver (2002) emphasized that SMEs should take-risk as by doing this, they may enter into a niche and over time may specialize in that. It will become the basis of competitive advantage for the SME and

would have a positive impact on the performance of the firm. Risk taking supplements the entrepreneur's innovativeness and proactivity because without taking risks, it is difficult for entrepreneurial firms to invest in the R&D needed for them to become pioneers in the marketplace.

2.3 Business Performance

Business performance can also be measured through financial and non-financial performance (Chong, 2008). Financial measures can include profit before tax and turnover whereas non-financial measures include that relating to customers' satisfaction and referral rates, delivery time and employee turnover. Non-financial performance measures are important indicators of financial performance (Kaplan & Norton, 2001). They can provide managers with incentives to improve their long-term financial performance. On the other hand, financial performance measures are 'backward-looking' and focus on improving the organization's short-term financial performance (Moers, 2000).

Zulkiffli and Parera (2011) analyzed the basic research methodologies and approaches for measuring business performance, especially in SMEs. According to these authors, to assess business performance in the present business environment is a critical matter for academic scholars and practicing managers and it is important to measure a firm's accomplishment. When it comes to measuring the business performance of SMEs, many scholars have used subjective measures since many SMEs refuse to publicly reveal their actual financial performance. According to Dess and Robinson (1984), objective data do not fully represent an organization's actual performance, even if they are available, since the managers may manipulate the data in order to avoid personal or corporate taxes. Therefore, the literature advocates subjective evaluation as an appropriate alternative to objective evaluation.

Wall, Michie, Patterson, Wood, Sheehan and West (2004) asserted that managers are encouraged to assess business performance through general subjective measures that can reflect more specific objective measures. In particular, the use of subjective measures is preferable for evaluating small organizations where there is a possibility of inaccurate financial records (Wall, et al., 2004). Subjective measures can also be a good alternative when they focus on a firm's current condition (Kim, 2006) and they allow comparisons to

be made across firms contexts such as industry type or economic conditions (Song, Droge, Hanvanich & Calantone, 2005).

Performance is a multi-dimensional concept (Carton & Hofer, 2006), therefore multiple measures of performance should be used. Becoming a high performing firm is the main objective of SMEs (Ahmad & Ghani, 2010). According Madrid-Guijarro, et al., (2007), high performing firms are able to generate a variety of benefits for both the company and society in general such as attracting resources, creating wealth and generating jobs. These authors also claimed that an accurate measure of performance can provide reliable insight into what affects performance and how firms can develop good strategies, arrange resources, meet consumer expectations and compete successfully. Inappropriate measures of performance will produce misleading results and tend to show a poor competitive position (Madrid-Guijarro, et al., 2007). Murphy, et al., (1996) confirmed that growth, profitability and efficiency are the most common performance factors in the entrepreneurship literature. In this study, the performance of SMEs is measured through growth and profitability, following the measures used in the studies conducted by (Matzler, et al., 2008). This decision also aligns with Covin and Slevin's, (1991) conviction that growth and profitability represent the factors of a firm's economic performance. Steffens, et al., (2006) also claimed that both are important factors for SMEs performance. Davidsson, et al., (2002) postulated that organizational growth has become mainstream in the literature with many studies incorporating growth and entrepreneurship. Growth has been argued as an essential element of sustainable competitive advantage and profitability (Markman, 2002), and it is hard to dissociate sustained growth from profitability (Fitzsimmons, et al., 2005).

In conclusion, growth is considered the most important performance measure since it is a more precise and more easily accessible performance measure than accounting indicators, and hence provides a superior indicator of financial performance, especially for small firms (Wiklund, 1999). In the entrepreneurship literature, growth is often interpreted as evidence of success (Steffens, et al., 2006) and is used as the best available proxy for organizational success due to the fact that reliable data on the financial performance of small firms can be difficult to obtain. Wiklund (1998) found that his multiple measures of growth and financial performance were positively related to one another. Based on these relationships, he concluded that growth may be an appropriate strategy for small firms that wish to enhance their financial returns. Ferreira and Azevedo

(2008) suggested that organizational growth reflects an important outcome of the entrepreneurial behavior of small firms' profitability is one of the most common measures of business performance that must be considered as it is unlikely that firm growth can be sustained without profits (Fitzsimmons, et al., 2005). Thus, reviewing the proposed research questions and the scope of this study, growth and profitability might be the most relevant measures in the context of SMEs in Myanmar.

In this approach the performance of the firm is measured by the perception of the owner/managers providing responses to the business performance Questionnaires. The owner/managers were asked to state their firm's performance criteria such as sales growth, employment growth, market value growth, profitability and overall performance. This approach was chosen since there is no agreement among researchers on an appropriate measure of performance. Objective approach was not used in this study as collecting objective data is very difficult as the owner/managers are not willing to disclose the firm's information to outsiders.

2.4 Entrepreneurial Orientation and Business Performance

Various researchers have studied and proven the positive relationship between EO performance of SME (Semrau, et al., 2016). In this fast changing and dynamic market companies need to develop agile strategies that would see changes in products as customers' needs change. This dynamism of the market will result in a short product life that, through the adoption of EO will ensure continuous innovation and firm sustainability. Smaller firms consider business continuity as performance (Wiklund & Shepherd, 2003). There is however agreement that appropriate management of EO within the organization will result in sought after benefits (Engelen, et al., 2013).

The relationship between EO and firm performance has become the main subject of interest in past literatures. According to Rauch, Wiklund, Lumpkin and Frese (2009), it is likely for firms adopting EO to perform better than companies that adopt conservative orientation. Scholars have theorized that the incidence of firm-level entrepreneurial behaviors, i.e., the propensity to engage in relatively high levels of risk taking, innovative and proactive behaviors is positively associated with organizational profitability and growth (Covin & Slevin, 1991). Initially, one could question the importance of EO for the success of enterprises. Thus, previous studies showed that EO could significantly improve

business performance (Lumpkin & Dess, 2001). Many studies on EO and business performance have been associated to have positive results (Madsen, 2007). However, there is no doubt there are also studies that revealed that EO does not give positive results to business performance (Wiklund, 2007). Thus, the researcher coincide with few studies that on different situation, EO will have a direct and indirect impact towards a firm's performance depending on different environments (Zahra, 2008). Hence, the study of EO especially on Lumpkin and Dess's (1996) dimensions are needed as many studies have proven there is a relationship between EO and business performance.

2.5 Entrepreneur Demographic Characteristics and Business Performance

The demographic characteristics of people also shape their behaviors towards entrepreneurship. Many studies have highlighted the role of demographic characteristics such as age, religion, gender, experience, background and education of entrepreneurs towards their entrepreneurial behaviors and firm performance (Welmilla, et al., 2011). Instead of the all components of demographic characteristics, this study will explore only entrepreneur education background and experience.

2.5.1 Entrepreneur Education Background and Business Performance

Education is thought of as being broader in scope than training. Its purpose is to develop individual in a formal setting such as school (university or college) through the acquisition of general knowledge and the development of basic mental ability in a central-distinction. Entrepreneurial education is the degree to which an entrepreneur was educated ranging from high school to PhD (Jo & Lee, 1996). Therefore, education is primarily concerned with increasing general knowledge and understanding of total entrepreneurial environment. Entrepreneurship education “provides better understanding on how learners across culture and educational backgrounds engage and involves in learning process through a multi-dimensional sense of responsibility, independent ways of thinking, and the ability to connect to one own and other people needs” (Mueller & Anderson, 2014). Thus, education appears to be one of the important indices for venture performance but this has not been empirically proven in recent time. Jo and Lee (1996) argues that entrepreneurs education has a more positive influences on profitability than other demographic factor such as experience because it give a substantial understanding

as well as provide certain information relevant to market or product that the entrepreneurs involves.

Dickson, Solomon and Weaver (2008) sees general level of entrepreneurial education as one of the determinant of successful entrepreneurs because the entrepreneurial activities that leads to profitability, growth in sales volume, venture survival rates, wealth accumulation among others are logical end result of education attained. These researchers argued for positive significant relationship between the general levels of entrepreneurial education on the outcome of the entrepreneurial activities. Similarly, Rae (2007) argues that education is significant in developing capacities in entrepreneurs, therefore entrepreneurial education programmes should concentrate much on student competencies development as well as other skills required later in the market context. Aside the personality and cognitive factors, entrepreneurship education also focused on developing task self-efficacy (Bechard & Gregoire, 2007).

According to Lussiers and Pfeifer (2001), the entrepreneur education is a fundamental determinant of business success as entrepreneurs are furnished with sufficient expertise and competencies needed to perform and obtain resources. Hence, the researchers posit that entrepreneurs who are well learned tend to perform better than the unlearned entrepreneurs. Entrepreneurs with higher education are expected to generate more creative solutions when faced with complexities. Firms with highly educated managers may exude outstanding performance than those with illiterate or lower trained managers. Sarasvathy and Menon (2013) examined the impact of an entrepreneur educational background on business performance in the United States. The findings from their study revealed a positive relationship, as they assert that business performance depends significantly on the educational background of the entrepreneurs. They further conclude that demographic factors such as manager education are very fundamental to the success or failure of a firm. Similarly, Machirori and Fatoki (2013) ascertained the impact of entrepreneur educational level on firm performance. These studies also conclude that entrepreneur educational level affect firm performance. Muzenda (2014) also confirms the previous conclusions, that entrepreneur educational level is associated with business performance. Consistent with the earlier studies, Tu and Diem (2016) investigates the effect of an entrepreneur education background on business performance, the findings from the study revealed that entrepreneurial demographic characteristic such as education

has a positive effect on business survival. Specifically, the studies showed that firms with educated entrepreneurs performed better.

In contrast, some studies have shown a negative correlation between entrepreneurial educations on the performance. Though, human capital theory predict individual with greater level of skills, competencies and knowledge will achieve better result than individual with lower level of such components, but these are sometimes unattainable (Martin, et al., 2013). In essence, what entrepreneurial education does is to improve and augment the competencies that lead to become self-employed. Nevertheless, some entrepreneurs are school drop-out yet there are successful but business environment is very complex which calls for essential entrepreneurial quality that can be acquired through education (Zhao, Li, Lee, & Chen, 2011). Yusuf (1995) points that the level of education and training act as a critical success factor among the South Pacific entrepreneurs. Thus, the contribution of education to venture growth cannot be underestimated and this calls for proper investigation.

2.5.2 Entrepreneur Experience and Business Performance

The experience of an entrepreneur is very fundamental to business performance. An experienced entrepreneur is very proactive when it comes to problem solving and also reduces the probability of encountering problems. Some studies such as Song, Podoyntsyna and Halman (2008) confirms that experienced entrepreneurs are also very creative, they experiment with existing cases, and therefore entrepreneurs who gain experience before venturing into business have a sprout of growth. Similarly, Lee and Tsang (2001) opined that the experience of entrepreneurs affects business survival positively. Abereijo, and Aderemi (2007) studied the effects of an entrepreneur experience on firm performance. Consequently, the findings from the survey showed that an entrepreneur experience improves firm performance. Correspondingly, Gottschalk, Greene, However, Müller, and Bettina (2014) examined the relationship between entrepreneurs experience proxies by expertise and firm performance using entrepreneur success stories. The findings from the study revealed that entrepreneurial skill is a significant determinant of firm performance. This is because the experience gained from other industry affects performance. Likewise, Gathungu, and Wainaina (2016) researched to ascertain the impact of an entrepreneur experience on firm performance. It was

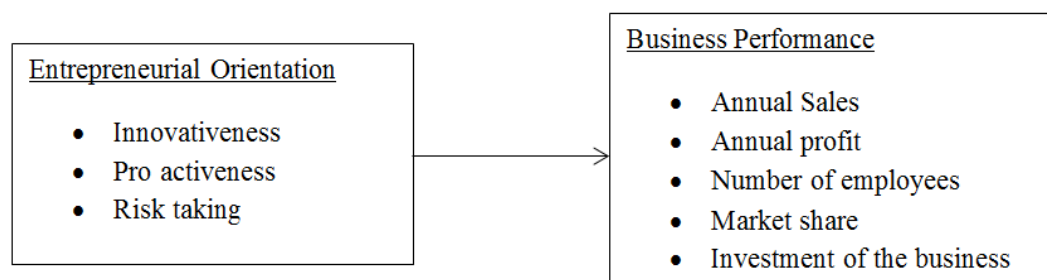
discovered that the entrepreneur experience has a positive and significant impact on entrepreneurial performance. This finding is explained by the conclusion that firms run well experienced and skilled entrepreneurs record better performance. Consistent with this view is the study of Kabir, et al., (2017) that posits that Entrepreneurial competencies which are acquired from experience are positively associated with business performance.

Entrepreneurial experience according to Jo and Lee (1996) refers “to the experience which one obtains in the course of founding and organizing the previous firm as an entrepreneur”. That is, previous number of years and role played by entrepreneurs in their former ventures. It is unnecessarily means the entrepreneurs must be a top-manager but experience gathered based on previous firm participation in decision making about firm mode of operation. Thus, the experience might be obtained at the firm start-up stages or at the later stages provided the experience was gathered from equity holding and management. This experience could be related to unsuccessfulness or successfulness but must be related to number of previous years and the role played in the previous ventures or firms.

2.6 Previous Studies

According to the study of Entrepreneurial Orientation and Business Performance of Small and Medium Enterprises of Western Province in Sri Lanka is written by (Wijetunge & Pushpakumari, 2012). This research paper attempted to examine how EO can contribute to the performance of SMEs. The study mainly focused on three dimensions of EO; innovativeness, proactiveness and risk taking. The performance was measured in terms of annual sales, annual profit, number of employees, market share and investment of the business. The conceptual framework of this previous study is shown in Figure (2.1).

Figure (2.1) Conceptual Framework of Wijetunge & Pushpakumari

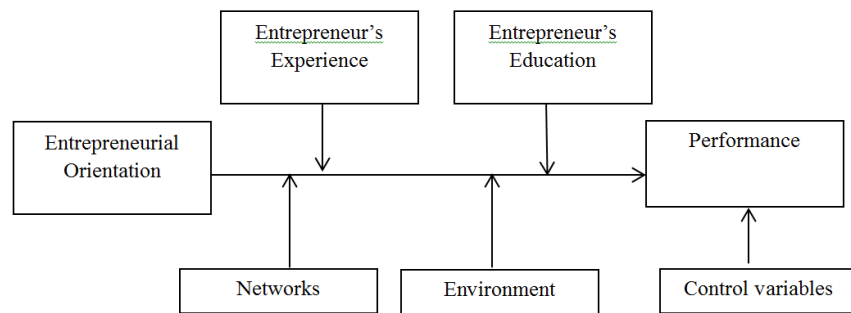


Source: Wijetunge & Pushpakumari (2012)

This study adopted deductive approach and used both descriptive and inferential statistical tools in analyzing the collected data. Findings revealed that the Entrepreneurial Orientation (EO) among owner/managers of manufacturing SMEs in Western province is at high level. Among the dimensions of EO, innovativeness shows high influence on business performance.

Another research explores whether the relationship between EO and the performance of SME is conditioned (or affected) by some moderating factors. A framework is proposed which considers how networks, environmental conditions, entrepreneur’s experience, and entrepreneur’s level of education can moderate this relationship. The conceptual framework of this previous study is illustrated in Figure (2.2).

Figure (2.2) Conceptual Framework of Ferreira et al.



Source: Ferreira et al. (2021)

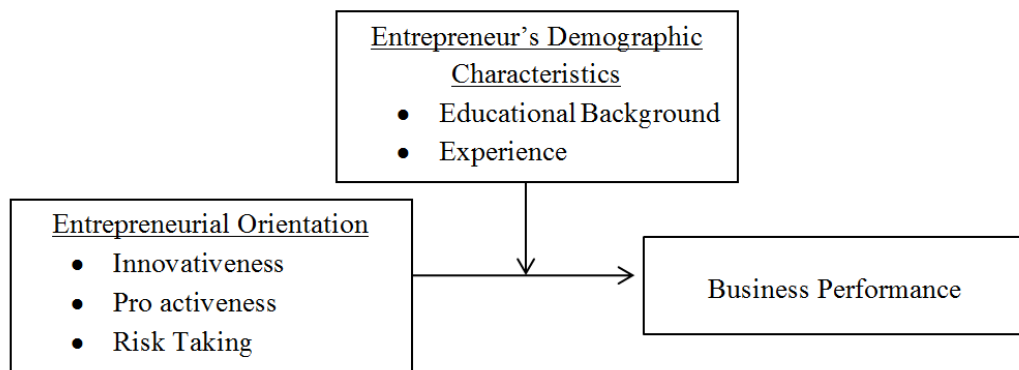
The study proved that EO positively influences the performance of SMEs, could thus be supported. Like other researchers, this study also verified the positive relationship between EO and performance (Lumpkin & Dess, 1996). This shows that the EO is an essential predictor of the performance of organizations. Regarding the moderating effects of the characteristics of the manager, the results show a significant moderating effect of the level of education on employment growth, inferring that if the manager had higher education, the effect of the EO on employment growth is higher. Concerning the experience, there was no moderating effect on the relationship between the EO and the subjective performance, and a direct positive effect with statistical significance on employment growth and subjective performance was observed. Thus, the relationship between EO and performance of the SMEs gains strength the higher the experience of the entrepreneur could not be supported. And also the relationship between EO and performance of SMEs gains strength the higher the educational level of the entrepreneur

could be supported. Although experience and education are leading factors that influence the EO (Gupta, et al., 2004), the study's results show that only the entrepreneur's level of education exerts a moderation relationship between the EO and performance, evidencing that the higher the entrepreneur's level of education, the higher will be the influence of the EO on performance (Hall, et al., 2001).

2.6 Conceptual Framework

According to the results from many previous studies, the following conceptual framework is developed for this study. The conceptual framework of this study shows how entrepreneurial orientation effect on business performance of SMEs. Entrepreneur demographic characteristics are used as moderating factors between entrepreneurial orientation and business performance of SMEs. Entrepreneurial orientation is defined with three factors and two entrepreneur demographic characteristics are used to define and the performance of the firms is defined with two factors. The conceptual framework of this study is shown in Figure (2.3).

Figure (2.3) Conceptual Framework of the Study



Source: Own Compilation (2022)

In this study model, three major sections are involved. They are entrepreneurial orientation, demographic characteristics and the performance of SMEs. To measure the effect of entrepreneurial orientation, three factors are used to collect the data. They are innovativeness, proactiveness and risk taking. There are two factors used to measure the business performance of SMEs. They are organizational growth and profitability. To measure the demographics characteristics as a moderating factor, two factors that are education background and experience of entrepreneurs. This framework describes how entrepreneurial orientation effect on the performance of SMEs and explore the

moderating effect of demographic characteristics of entrepreneurs between entrepreneurial orientation and performance of SMEs.

CHAPTER 3

BACKGROUND OF SMEs IN MYANMAR

Firstly, in this chapter, Background of SMEs in Myanmar is presented. Secondly, Development of SME in Myanmar and Entrepreneurial Orientation in Myanmar are presented. Thirdly, the demographic profile of the respondents and surveyed firms are presented. Finally, in the last section of this chapter, it explores the descriptive explanation of the entrepreneurial orientation based on the questionnaires results.

3.1 Background of SMEs in Myanmar

In 1988, Myanmar adopted a market-oriented economic system. Decentralizing central control, fostering private sector growth, enabling foreign direct investment, beginning institutional changes, and increasing external commerce by simplifying export and import procedures are some of the initiatives that have been adopted. As a result, laws, orders, rules, regulations, and notices prohibiting or restricting the private sector from engaging in economic activities were repealed, and many laws and rules were revised to reflect the passage of time and changing circumstances.

The Union of Myanmar Foreign Investment Law was adopted in November 1988, and the processes for stimulating foreign direct investment were defined in December 1988. Myanmar has allowed foreign investment to actively engage in the extraction of natural resources, enhancing long-term mutually beneficial partnership.

Myanmar has been executing the National Development Plan with the goal of accelerating growth, achieving equitable and balanced development, and closing the socio-economic gap between the country's rural and urban areas. Microeconomic stability is essential for a country's economic progress. The country's microeconomic indicators would improve, resulting in greater job possibilities, increased exports, and a higher balance of payment ratio. Myanmar has a goal to grow SMEs based on a policy to establish regionally creative and competitive SMEs across all sectors in order to increase revenue and contribute to socioeconomic development.

Various studies estimate that SMEs in Myanmar account for 50-95 percent of employment, and contribute 30-53 percent of the country's GDP. The Small and

Medium-Sized Enterprises Development Bill (SME Bill) was introduced in January 2014, and it was defined "small enterprises" as those with a capital of K50 to K500 million and a workforce of 30-300 people. Firms classified as "medium-size" have a capital of K50 million to K1 billion and employ 60 to 600 people. As a consequence, about 99.4 percent of Myanmar's businesses are classed as SMEs, with a total of 50,694 SMEs throughout the Union's provinces and states. Small and medium-sized enterprises (SMEs) are considered vital to Myanmar's economy. They create a lot of job opportunities for the population and contribute to employment and income generation, resource utilization, and promotion of investment. As a result, the Myanmar government has placed a high priority on the growth of SMEs, as well as the assistance of existing SMEs in their efforts to grow into bigger enterprises and the creation of a favorable business climate for SMEs. Table (3.1) presents the definition of SME in Myanmar.

Table (3.1) Definition of SME in Myanmar (2015 SME Development Law)

Classification	Number of Employees	Capital
		Turnover (million kyats)
SMALL		
Manufacturing	Up to 50	Up to 500
Labour-intensive manufacturing	Up to 300	Up to 500
Wholesale	Up to 30	Up to 100
Retail	Up to 30	Up to 50
Service	Up to 30	Up to 100
Other	Up to 30	Up to 50
MEDIUM		
Manufacturing	51-300	500-1000
Labour-intensive manufacturing	301-600	500-1000
Wholesale	31-60	100-300
Retail	31-60	50-100
Service	31-100	100-200
Other	31-60	50-100

Source: Ministry of Industry, Central Department of SMEs Development (2015)

Small and medium businesses (SMEs) are defined by the Law on the Development of Small and Medium Businesses (Pyidaungsu Hluttaw Law No. 23/2015) depending on the number of workers, kind of activity, capital invested, or amount of turnover. The categorization is shown in the tables below. In comparison to the 1990 version of the legislation, the maximum number of workers for labor-intensive activities has been increased, as have the limit values for capital and turnover.

International definitions of SMEs, unlike Myanmar SME Development Law, specifically describe the features of micro-sized businesses. Micro enterprises, for example, are defined as those with 1–9 workers, small-scale firms as those with 10–49 employees, medium-sized enterprises as those with 50–299 employees, and big enterprises as those with more than 300 employees by the World Bank's SME Department. A common feature of various SME definitions is recognition that number of employees is the simplest indicator of whether a business is an SME (Bowman 2017). In accordance with this understanding, we exclude capital and turnover from the definition of company size categories, instead basing them only on the number of full-time and part-time workers, using the World Bank suggested cut-off points. The creation of an adequate SME definition is crucial for directing SME development strategies and other supporting measures like SME financing schemes and training programs. More specificity might be added to the definition, either through the formation of subcategories, as is the case in Thailand, or by including microenterprises, as in Indonesia and Malaysia. Such factors would aid in the development of more tailored SME support and promotion programs. Myanmar's SMEs face a number of significant physical and non-physical barriers to market entry and financing.

3.2 Development of Small and Medium Enterprises

SMEs in Myanmar were spread all over the country but since 1990 the State Law and Order Restoration Council relocated SMEs to newly established industrial zones around towns and cities in order to facilitate effective industry agglomeration (Thein, 2012). At present, 19 industrial zones exist, with another seven in the pipeline. At present, major SMEs are located in the industrial zones, while micro-sized enterprises or “cottage industries” are located outside of industrial zones. In the industrial zones, small sized enterprises comprise 57.5 per cent of the tenants, medium-sized enterprises constitute 24.3 per cent and large-sized enterprises constitute 17.3 per cent (Kyaw, 2008). In order to spur industrial development and attract foreign investment, three special economic zones (SEZs) are being developed: (a) Dawei SEZ, located in the Tanintharyi region; (b) Kyauk Phyu SEZ, located in Rakhine State; and (c) Thilawa SEZ, located 20km south of Yangon. SMEs should be further encouraged to participate in services and manufacturing activities offered by the SEZs and industrial zones, while it will be necessary for the Government in general to enhance local capacities of officials to manage, regulate and

monitor activities effectively in the SEZs and industrial zones. To this end, policy interventions can be made to support linking local SMEs, as suppliers, to larger enterprises in the SEZs and industrial zones. Established under the Ministry of Industry in April 2012, the SME Development Department is the main institution to effectively support SMEs in the country. Based on the data of the Ministry of Industry, about 65,016 firms of the establishments in 2018. Table (3.2) shows the structure of SMEs in Myanmar from 2015 to 2018.

Table (3.2) Structure of SMEs in Myanmar

Size	2015	2016	2017	2018
Small	43798	50838	59329	62314
	98.53%	98.28%	98.17%	95.84%
Medium	652	890	1104	65016
	1.47%	1.72%	1.83%	4.16%
Total	44450	51728	60433	65016
	100%	100%	100%	100%

Source: Ministry of Industry, Central Department of SMEs Development (2018)

The following enterprises shall be operated according to the definition contained in SME Development Law – (a) Manufacturing businesses; (b) Labor-intensive businesses; (c) Wholesale businesses; (d) Retail businesses; (e) Service businesses; (f) Other businesses. The following table (3.3) shows how the total numbers of SMEs are broken down into small and medium enterprises; as well as across the sectors. Food and Beverages is the largest sector of the enterprises accounting for 57.54% in 2018. The small sector is the Farming and Agricultural Equipment manufacturing accounting for 0.16 percent.

Table (3.3) Sector Distribution of SMEs in Myanmar

No.	Sub-sector	Large	Medium	Small	Total	Share (%)
1.	Food and Beverages	3641	19662	5489	28792	57.54%
2.	Clothing and Wearing Apparel	755	1346	799	2900	5.80%
3.	Constructions Raw Materials	1105	1929	1408	4442	8.88%
4.	Personal Goods	649	411	586	1646	3.29%
5.	Household Goods	140	86	89	315	0.63%
6.	Paper and Printing Products	93	136	203	432	0.86%
7.	Industrial Raw Materials	216	180	188	584	1.17%
8.	Mineral Process and Production	376	2194	696	3266	6.53%
9.	Farming and Agricultural Equipment	12	39	27	78	0.16%
10.	Machinery and Equipment	28	32	34	94	0.19%
11.	Vehicular Manufacturing	78	21	31	130	0.26%
12.	Electrical Equipment Production	65	17	16	98	0.20%
13.	Miscellaneous	234	5882	1142	7258	14.51%
Total		7392	31935	10708	50035	100.00%
Share (%)		14.8%	63.8%	21.4%	100%	

Source: Ministry of Industry, Central Department of SMEs Development (2018)

Regional integration, which has been aided by increased trade and investment liberalization, as well as advancements in logistic systems and information and communication technologies, has drastically altered the operating environment of SMEs in the current globalization period. Public and private social and economic agents no longer operate on a solely local or national level, but rather on a global scale. Taking use of international market potential, regional integration now gives new prospects for SMEs to expand and grow. Increased trade and cross-border investment can help SMEs harness their potential for growth. Myanmar's SMEs can and should improve their ties with their ASEAN counterparts, allowing them to take advantage of their unique geographic location as a bridge between South and South-East Asia, which has opened up a plenty of new opportunities with the formation of the ASEAN Economic Community.

SMEs have the potential to be a powerful tool for liberalizing the economy and fostering private enterprise and investment, and the government must act quickly to implement a comprehensive program to support their growth. This includes the creation of infrastructure for coordinating SME support, SME financing mechanism, development of human resources, export development, technology transfer, and adoption of relevant best practices, networking, good governance, and commitment of key policy makers.

3.3 Entrepreneurial Orientation in Myanmar

In Myanmar, the government has been encouraging the development of small and medium enterprises through innovation since small businesses are the core of the economic growth and innovation. The successful entrepreneurs normally can develop new ideas and to discover new ways of looking at problems and opportunities. In today's fierce competition of Myanmar market, entrepreneurs can succeed only by their great idea and the ability to translate that idea to economic reality. Today Myanmar entrepreneurs live and die according to the quality of their ideas and the competencies of their firm to translate that idea into tangible new products, new processes, and new marketing methods. Myanmar entrepreneurs are now considering the utilization of newly observed materials, ingredients, production formula, new service providing process, new marketing method, and so on. However, many Myanmar entrepreneurs still have not yet considered the impact of creativity and innovation on their performance. Although some entrepreneurs are gaining success, some are facing failure. Successful entrepreneurs may have high creativity as well as their firms possess the capabilities to transform their creative ideas into innovation.

There is no strategic innovation policy in Myanmar and even yet to prepare till recently. However, some ideas and activities that are aimed at to promote innovative activities are sporadically found. One of the examples is SME Development Center (SDC) annually requests the Chamber of Commerce and Industry to nominate the most innovative firms among its members during the year. After getting these nominees, they are awarded for their innovated activities. In fact, these prizes are awarded by an international agency through SDC.

For start-up firm, financial support cannot be provided yet in Myanmar. Union of Myanmar Federation of Chambers of Commerce and Industry has played a critical role in

supporting start-up firm by organizing several supporting activities, both domestic and international, such as seminars, training, trade fairs, and business matching programs and providing advice and market information. SDC provides advice, market information and consultation to start-up firms. Moreover, it also assists SMEs to participate in SMEs Festivals and Expo. At present Small and Medium Industrial Development Bank provides collateral loan with 8.5% preferential interest rate to potential firms. For financing, immovable property mainly land and build can be used as collaterals for bank loans and till now, movable property are not allowed to be collateralized. The loan amount is ranged from 35 to 50 percent on the forced sales value of the collateralized property depending on the case. Regarding financial facilities for SMEs export, SME loans are provided for the firms especially for import substitution, and export oriented innovative products while there is no specific program supported by the government.

In order to develop Entrepreneurial orientation, Myanmar Women Entrepreneurs Association, Myanmar Young Entrepreneurs Association, Myanmar Business Executives, and alternative numerous associations involve in promoting entrepreneurship with coaching programs, seminars, and workshops. The private organization such as Opportunities Now Myanmar and Impact Hub are conducting trainings, events, and ideas competitions related to social entrepreneurship. By doing so, they are raising the awareness about social entrepreneurship and promoting social enterprise sector among the public in Myanmar especially among youths of Myanmar. Social Enterprise Development Association Myanmar is founded in November 2017 to promote the development of social enterprise as a means of addressing entrenched social and environmental problems delivering positive change to communities and societies. It gives training, including financial literacy trainings, and workshops to social entrepreneurs, and providing consultancy services to their organizations.

3.3.1 Innovativeness of Entrepreneurs in Nay Pyi Taw

Innovativeness is the one of the characteristics of Entrepreneurs and most of the entrepreneurs in Nay Pyi Taw are offering new products and services by frequently doing the market research. Entrepreneurs are always tried to innovate their products by using natural resources rather than synthetic products. One of the entrepreneurship SMEs businesses in Nay Pyi Taw is producing innovative consumer products and health

products from Myanmar natural Amber. Another SMEs business in Nay Pyi Taw is producing medical value-added hot fomentation made of waste Kan Zaw powder which has already been extracted oil. Entrepreneurs in Nay Pyi Taw are mainly focusing in product innovation rather than marketing innovation. However, during Covid-19 pandemic, some SMEs in Nay Pyi have been trying to retain their business and its lack in innovation at their organization since past year. They do not want to invest extra money for innovation.

3.3.2 Proactiveness of Entrepreneurs in Nay Pyi Taw

Entrepreneurs of SMEs in Nay Pyi Taw adopt an opportunity seeking perspective to survive and grow their business. In Nay Pyi Taw, the majority of SMEs are food and beverages industry. Conditionally, entrepreneurs are actively focusing for future demands and trying to seize the opportunity by holding the stock for the raw materials before the competitors do. And also, they are using the inventory management tools and software in order to manage their stock as they perceive it would get the competitive advantage. On the other hand, they are focusing on social media and online marketing to offer their products before the competitors do. Most of the Entrepreneurs in Nay Pyi Taw sustain their business by proactively manage their organization and excel at identifying the opportunities.

3.3.3 Risk Taking of Entrepreneurs in Nay Pyi Taw

Entrepreneurs in Nay Pyi Taw perceive that the higher risk can get the greater return. They have relevant education background and previous experience in their firm so that they can predict the calculated risk for their business. Moreover, they are not afraid of taking the risk in order to grow their business. During pandemic period, entrepreneurs in Nay Pyi Taw are not spending extra money to invest in innovation even though they are investing to open the new outlets by taking the risks.

3.4 Profile of Respondents

In this section, the demographic factors of the respondents are determined. The demographic factors for the respondents contain the gender, age, education, and years of experiences. Table (3.4) presents the demographic profile of respondents (SME owners).

Table (3.4) Profile of Respondents

Sr. No	Particular	No. of Respondents	Percent
	Total	119	100
1.	Gender		
	Male	93	78.15
	Female	26	21.85
2.	Age		
	20 – 30 years	11	9.24
	31 – 40 years	83	69.75
	41 – 50 years	25	21.01
3.	Level of Education		
	Basic Education Level	7	5.88
	Bachelor Degree-Level	95	97.83
	Post graduate level	17	14.29
4.	Years of Experience		
	Below 3 year	60	50.42
	Between 3 to 6 years	41	34.45
	Between 7 to 9 years	18	15.13
5.	Types of Business		
	Food & Beverages	60	50.42
	Personal goods	24	20.17
	Farming and Agricultural equipment	11	9.24
	Miscellaneous	24	20.17

Source: Survey Data, 2022

The survey data indicate that the majority of the respondents are male entrepreneurs since males are more likely to take risks than females. Women are more risk averse than men when it comes to financial risk taking. It is found that majority of the entrepreneurs in Nay Pyi Taw includes people from 31 to 40 years old. The second largest group contains people from 41 to 50 years old while people from 20 to 30 years old represent minority group. Therefore, most entrepreneurs have a lot of work experience and think about innovative business ideas. Most of the respondents have bachelor degree while some people have post graduate education level. Others have only basic education level. It is found that most of the respondents have at least 3 years of work experience at respective field. Most entrepreneurs are focusing food and beverages sector. It can be

seen that most of the respondents are educated and have enough work experience to create innovative products or services by taking some risks.

CHAPTER 4

ANALYSIS ON ENTREPRENEURIAL ORIENTATION AND BUSINESS PERFORMANCE OF SMES IN NAY PYI TAW

This chapter presents the entrepreneurial orientation of the respondents from SMEs in Nay Pyi Taw. In addition, the relationship between entrepreneurial orientation and business performance of the respondents while education and experience play as moderating variables.

4.1 Entrepreneurial Orientation

Entrepreneurial orientation is important for customer orientation and company effectiveness. An EO can be very beneficial to established firms as well, while being frequently connected with the beginning of new ventures. It includes three dimensions – innovation, risk-taking, and pro-activeness. To find out the entrepreneurial orientations, structured questionnaire with 5-point likert scale is used. If the overall mean score is more than 3.0, it indicates that the respondents have the specific entrepreneurial orientation while if the overall mean score is less than 3.0, respondents do not have enough specific entrepreneurial orientation. Table (4.1) presents overall mean score of entrepreneurial orientation.

Table (4.1) Entrepreneurial Orientation

Sr. No.	Entrepreneurial Orientation	Mean Score
1.	Innovativeness	3.74
2.	Pro-activeness	3.86
3.	Risk Taking	4.05

Source: Survey Data, 2022

According to Table (4.1), among three entrepreneurial orientation, risk taking orientation gets the highest mean score, which indicates SMEs in Nay Pyi Taw used to take risks for the business performance.

(a) Innovativeness

Innovativeness is the tendency of firms to participate in and support new ideas that may lead to new technological products, services or processes. In the era of modernization and globalization, innovation and creative ideas take a pivotal role in business success. Innovative thinking can help people predict the market and keep up with customer needs. The findings about innovativeness orientation of people from SMEs in Nay Pyi Taw are presented in Table (4.2).

Table (4.2) Innovativeness

Sr. No	Innovativeness	Mean Score	Std. Dev
1.	The number of products steadily increasing over the past year	4.01	0.09
2.	Marketing process changing over the past year	4.03	0.16
3.	Business structure changing over the past year	3.82	0.39
4.	Investing in new ideas and implementing them	3.34	0.48
5.	Firms recognizing continuous improvements needed	3.50	0.50
	Overall Mean	3.74	

Source: Survey Data, 2022

According to the Table (4.2), it is found that marketing processes have changed over the past year since COVID19 pandemic has abruptly altered consumers' behaviors and attitudes. Therefore, respondents focus social media and online marketing to offer innovative products or services. Moreover, most businesses offered a number of new products steadily increased because entrepreneurs always try to offer new products or services by focusing market trends. Most respondents used to find out new ideas by joining many associations such as MWEA, MYEA etc. When they get the new business concepts or ideas, they try to implement those new ideas. According to the overall mean score, most of the respondents from SMEs have some degree of innovative characters as they perceive innovative products or service could get the competitive advantage.

(b) Proactiveness

Proactiveness is the tendency to anticipate and act on future needs rather than reacting to events after they unfold. The findings about proactiveness orientation of entrepreneurs in Nay Pyi Taw are presented in Table (4.3).

Table (4.3) Proactiveness

Sr. No	Proactiveness	Mean Score	Std. Dev
1.	Typically initiates actions earlier than competitors	3.94	0.35
2.	Always finding out future needs of customers	4.04	0.20
3.	Always trying to take the initiative in every situations (e.g against competitors, Covid-19 situation)	3.82	0.42
4.	Excelling at identifying opportunities	3.60	0.49
5.	Offering more new products in relation to competitors	3.90	0.38
	Overall Mean	3.86	

Source: Survey Data, 2022

Most survey respondents state that their firms always find out future needs of customers since proactive organizations try to adopt an opportunity-seeking perspective to survive and grow the business. Furthermore, SMEs typically initiates new products or services earlier than their competitors. By launching new products or services, the firms get more market share or awareness of the customers. Therefore, respondents admit that they get more business opportunities by proactiveness. According to the overall mean score, most of the respondents have proactive characters to introduce innovative products or ideas than their competitors.

(c) Risk Taking

This section focuses risk taking as one important dimension of entrepreneurial orientation. The findings about risk taking orientation of entrepreneurs in Nay Pyi Taw are presented in Table (4.4).

Table (4.4) Risk Taking

Sr. No	Risk Taking	Mean Score	Std. Dev
1.	Assuming the term risk taking as positive attitude for the business	3.98	0.43
2.	Willing to take a risk concern with the business	4.18	0.38
3.	Willing to try new ways of doing things for the business	4.06	0.49
4.	Enjoying getting into new situation	4.11	0.31
5.	Willing to change business involving risks for the business success	3.93	0.45
	Overall Mean	4.05	

Source: Survey Data, 2022

Most respondents state that they used to take the risks for their business as they perceive that the higher risk can get the greater return. It is also found that they enjoy doing new things or facing challenges for their growth of their business because firms do take risks while engaged in entrepreneurial activities. Respondents admit that they are willing to do the business involving risks for the success of business. They believe that every business has some degree of risk. According to the overall mean score, most of the respondents from SMEs in Nay Pyi Taw are not afraid of taking risks because they see the risk with optimistic view and perceive opportunities.

4.2 Business Performance

Business performance is vital for every firm in order to survive and grow. Firm performance is treated as a measure of firm success or achievement. The business performance of SMEs in Nay Pyi Taw are shown in Table (4.5)

Table (4.5) Business Performance

Sr. No	Business Performance	Mean Score	Std. Dev
1.	Firm increasing the number of employees.	4.67	0.47
2.	Firm increasing the number of branches.	4.13	0.33
3.	Satisfactory growth rate of firm	3.87	0.55
4.	Satisfactory diversifications of product line and service contents	3.87	0.33
5.	Steadily increasing new customer's growth	4.09	0.29
6.	Satisfactory rate of return	4.05	0.22
7.	Achieving a very positive financial outcome.	4.12	0.32
	Overall Mean	4.11	

Source: Survey Data, 2022

According to Table (4.5), the number of employees has increased over the years as firms have grown. Respondents stated that their firms open new branches as they achieve good financial outcome. Moreover, it is found that firms are acquiring new customers from time to time as firms offer new products or services. Firms practicing entrepreneurial orientation offer diversifications of product line and service contents. According to the overall mean score, most of the respondents are delighted with their firm performance.

4.3 Analysis of the Effect of Entrepreneurial Orientation on Business Performance

This study examines the relationships between entrepreneurial orientations on firm performance. This study finds out which entrepreneurial orientation has relationship with business performance by multiple regressions. Entrepreneurial orientations are treated as the independent variables of firm performance. Business performance is regressed with three entrepreneurial orientations: innovativeness, proactiveness, and risk taking. The results of the regression analysis are presented in Table (4.6).

Table (4.6) Effect of Entrepreneurial Orientation on Business Performance

Variable	Unstandardized Coefficients		β	t	Sig	VIF
	B	Std Error				
(Constant)	.730	.130		5.624	.000	
Innovativeness	.185***	.062	.162	3.002	.003	3.157
Pro-activeness	.145**	.056	.156	2.593	.011	3.950
Risk Taking	.527***	.037	.692	14.331	.000	2.535
R Square	.894					
Adjusted R Square	.891					
F Value	323.892***					

Source: Survey Data (2022)

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.6), since the value of adjusted R square is 0.891, it can be concluded that this specified model can explain 89.1% of variation of business performance which is predicted by entrepreneurial orientations: innovativeness, pro-activeness, and risk taking. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid. All the VIF values are less than 10. It shows that there is no multicollinearity problem in this case. This means that there is no correlation among independent variables.

Among three entrepreneurial orientations: innovativeness, proactiveness, and risk taking, all independent variables are significant with business performance. The first variable, innovativeness has the expected positive sign, and the coefficient of the variable is strongly significant at 1 percent level. The positive effect means that the increase in innovativeness leads to better business performance because firms are doing market research in order to offer innovative products or services matched to the needs and wants of the customers. By the supports of associations, respondents get new business ideas or fund raising to produce new products. Because of new innovative products or services, firm performance is improved significantly.

Pro activeness has the expected positive sign, and the coefficient of the variable is significant at 5 percent level. The positive effect means that the increase in pro activeness leads to better business performance. Since firms monitor consumer behaviors, market trends, competitors, they could produce new products or services

before their competitors and attain many new customers and market shares. Therefore, pro-activeness of the entrepreneurs could enhance the firm performance.

The last independent variable, risk taking has the expected positive sign, and the coefficient of the variable is significant at 1 percent level. The positive effect means that the increase in risk taking leads to better business performance. Most entrepreneurs see the risks as opportunities that can achieve competitive advantage. They admit that they are not afraid of taking the risks as they have confidence. Therefore, they can thoroughly consider the pros and cons of the risks. Respondents believe that their businesses are improved because of taking the risks.

Since the standardized coefficient (Beta) of risk taking has the largest value (0.692) among three explanatory variables, it can be concluded that risk taking has the greatest contribution to increase the business performance when the variance explained by other variables is controlled for. Entrepreneurs accept risk as a cost of opportunity and innovation. In additions, they take risks as it allows them to distinguish themselves from their competitors and improves their businesses. The overall evaluation reveals that models explain the variation in the business performance of SMEs in Nay Pyi Taw well because the estimation produced expected signs and significant coefficients for most variables. The increases in innovativeness, pro-activeness, and risk taking have the positive effects on the business performance of SMEs in Nay Pyi Taw.

4.4 Moderating Effects of Demographic Characteristics on the Relationship between Entrepreneurial Orientation and Business Performance

This section examines the relationship between entrepreneurial orientation and business performance with demographic characteristics as moderators in SMEs in Nay Pyi Taw. It analyzes the effect of entrepreneurial orientation and business performance, by moderating variable demographic data: education and experience.

(a) Moderating Effects of Educational Background on the Relationship between Entrepreneurial Orientation and Business Performance

Formal education can help one accumulate absorptive capacities such as confidence, knowledge, and skills. Highly educated entrepreneurs may lead to successful business performance. Table (4.7) presents the moderating effects of educational

background on the relationship between entrepreneurial orientation and business performance.

Table (4.7) Moderating Effects of Educational Background on the Relationship between Entrepreneurial Orientation and Business Performance

Variables	Model 1				Model 2			
	Unstandardized Coefficients		Standardized Coefficients (Beta)	Sig	Unstandardized Coefficients		Standardized Coefficients (Beta)	Sig
	B	Std. Error			B	Std. Error		
(Constant)	4.507	.031		.000	4.377	.059		.000
Innovativeness	.026***	.009	.094	.008	.032	.042	.119	.442
Pro-activeness	.027**	.011	.100	.011	.049**	.024	.178	.048
Risk Taking	.084***	.012	.307	.000	.162***	.033	.593	.000
Education	.194***	.015	.544	.000	.135***	.027	.378	.000
<u>Inno Edu</u>					.026	.020	.212	.181
<u>Proact Edu</u>					.006	.015	.048	.706
<u>RiskTak Edu</u>					.041**	.017	.261	.014
Δ R Square	.003							
R Square	.958				.960			
Adjusted R Square	.956				.958			
F Value	643.750***				384.316***			

Source: Survey Data (2022)

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to the regression result of Model 2, if entrepreneurs have risk taking personality traits their business performance will be higher. Moreover, if they have higher education qualifications their risk taking will enhance the business performance. Thus in this study, it is found that education has partial moderating effects on relationship between risk taking and business performance. When education plays as the moderating factor, it reinforces the effect of risk taking on business performance. When the risk taking behaviour is increased by 1 unit, it will increase business performance 0.041 units while education plays as a moderating factor.

Entrepreneurship is not for everyone. In the world of business, there is a great amount of risk and uncertainty that leads many people away from starting a new business venture. Even though it is fraught with uncertainty, taking risks is one of the most important business practices since it frequently results in long-term success. Education boosts self-confidence, lowers perceived risk, and equips entrepreneurs with the cognitive

abilities they need to more effectively assess and seize business possibilities. Additionally, a higher degree of education can give a person the cognitive abilities they need to properly analyze possibilities as they present themselves, which increases the likelihood that the business will be productive and efficient. Therefore, education strengthens the effect of risk taking practices on business performance.

(b) Moderating Effects of Experience on the Relationship between Entrepreneurial Orientation and Business Performance

Experience is the knowledge or mastery of an event or subject gained through involvement in or exposure to it. Entrepreneurs with past experience make entrepreneurs matured in their business and increases successful probability of the business. Table (4.8) presents the moderating effects of experience on the relationship between entrepreneurial orientation and business performance.

Table (4.8) Moderating Effects of Experience on the Relationship between Entrepreneurial Orientation and Business Performance

Variables	Model 1				Model 2			
	Unstandardized Coefficients		Standardized Coefficients (Beta)	Sig	Unstandardized Coefficients		Standardized Coefficients (Beta)	Sig
	B	Std. Error			B	Std. Error		
(Constant)	4.097	.021		.000	4.130	.017		.000
Innovativeness	.058***	.021	.211	.008	.014	.022	.052	.520
Pro-activeness	.049***	.018	.179	.007	.073***	.021	.268	.001
Risk Taking	.187***	.014	.683	.000	.220***	.011	.806	.000
Experience	.025	.029	.068	.387	.058	.041	.156	.158
<u>Inno_Exp</u>					.018	.040	.066	.649
<u>Proact_Exp</u>					.085**	.034	.439	.014
<u>RiskTak_Exp</u>					.185***	.028	.722	.000
Δ R Square	.043							
R Square	.895				.937			
Adjusted R Square	.891				.933			
F Value	242.585***				237.615***			

Source: Survey Data (2022)

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to the regression result of Model 2, a partial positive moderating effect is observed where experience strengthens the relationship between proactiveness and business performance. If entrepreneurs have proactiveness personality traits their business performance will be higher. Moreover, if they have previous experiences their proactiveness activities will enhance the business performance. Thus in this study, it is found that experience has partial moderating effects on relationship between proactiveness and business performance. When experience plays as the moderating factor, it reinforces the effect of proactiveness on business performance. To become a successful entrepreneur, entrepreneurs are aware of the competitors in the same field, they also have to know every inch of their customers, so entrepreneurs have to constantly look at the consequences of the competitors and their customers. Failure to anticipate or react to competition, technology, or marketplace change can lead a business into the danger zone. Prior experience helps one to understand the opportunities that exist. The entrepreneurs are more familiar with the needs and wants that exist. Therefore, they can predict or foresee an opportunity to that meets those needs or wants. When the pro-

activeness behavior is increased by 1 unit, it will increase business performance .085 unit while experience plays as a moderating factor.

Regression result of Model 2 also indicates that if entrepreneurs have risk taking personality traits their business performance will be higher. Moreover, if they have previous experiences their risk taking activities will enhance the business performance. Thus in this study, it is found that experience has partial moderating effects on relationship between risk taking and business performance. When experience plays as the moderating factor, it reinforces the effect of risk taking on business performance. Experienced people have more confidence and are not afraid of risks since they have skills and knowledge. The entrepreneur's prior knowledge can decrease the amount of uncertainty and it can give motivation or encourage them to bear uncertainty. Therefore, they have the strength to overcome the fears for taking the risks. It can be concluded that most of the respondents have the risk taking behavior when they have strong work experience.

CHAPTER 5

CONCLUSION

This chapter presents the findings and discussions, suggestions and recommendations and need for further research. It explores entrepreneurial orientation of the respondents from SMEs in Nay Pyi Taw. This study also describes the effect of entrepreneurial orientation on business performance. In addition, it presents the moderating effects of education and experience between entrepreneurial orientations and business performance. Based on the findings, this study suggests and makes recommendations in order to improve the performance of the business.

5.1 Findings and Discussion

This study aims to analyze the effect of entrepreneurial orientation on business performance of SMEs in Nay Pyi Taw and examine the moderating effect of demographic characteristics of entrepreneurs on the relationship between entrepreneurial orientation and business performance of SMEs in Nay Pyi Taw. The primary data are collected by using structured questionnaires from 119 people from SMEs in Nay Pyi Taw. Linear regression is done in order to analyze the effect of entrepreneurial orientation on business performance while education and experience play as moderators.

Regarding first objective, the effect of entrepreneurial orientation on business performance of SMEs in Nay Pyi Taw, it is found that all entrepreneurial orientations: innovativeness, pro-activeness, and risk taking have a strong positive effect on business performance of SMEs. Among those significant orientations, risk taking is the main determinant of performance of SMEs in Nay Pyi Taw since business leaders accept risk as a cost of opportunity and innovation. Without taking the risks, no one can achieve the great success. Taking risks, however, does not mean going into business blindly and then expecting great results. Taking risks in entrepreneurship involves careful planning and hard work. Therefore, it is found that most respondents have taken risks to get their businesses to where they are now.

The study shows that proactiveness has a positive effect on business performance of SMEs in Nay Pyi Taw. Proactive people have a greater desire to become

entrepreneurial leaders in order to help create value for their firms. Entrepreneurs' proactive behavior is an essential strategy to achieve business goals in a dynamic business environment. It is found that respondents are always proactive in their business operations. They used to do advanced searching of new technologies for innovative products that can meet the future demand of markets. In addition, proactive action on product innovation, cost-effective machinery, and searching for new markets have facilitated SMEs to gain brand reputation. Therefore, respondents state that their businesses are improved and achieve desired goals.

The study finds out that innovativeness also affects on business performance of SMEs in Nay Pyi Taw. There are high competitions in the markets and businesses are trying to innovate their products or services in order to attract more customers. By offering innovative products or services, many SMEs achieve better business performance in terms of more customers, profits, market shares etc.

Regarding the second objective, when education plays as a moderating variable, it is found that education has a partial positive moderating effect on relationship between risk taking and business performance. On the other hand, it does not effect on other relationships. According to the regression result, education enables people to make the right decision about risk taking and business performance. Furthermore, work experience has a partial effect on the relationship between risk taking and business performance as the more work experience, the more people have confidence to take the risks. The study also reveals that work experience has a partial effect on the relationship between pro-activeness and business performance. As the people get experience over time, they can foresee the needs and wants of customers, and market trends. By pro-activeness, firms could offer better products or services so that customers are satisfied and become loyal customers.

5.2 Suggestions and Recommendations

In order to improve the business performance, SMEs in Nay Pyi Taw could improve their performance by focusing entrepreneurial orientations that affect the business performance.

Risk taking is the main determinant of performance of SMEs in Nay Pyi Taw. SMEs should take some calculated risk rather than to survive in the comfort zone.

Government should encourage SMEs by arranging the relevant training in order to manage and accept a change risk for their business success. For an overall understanding of all risks, opportunities, and their respective interdependency, SMEs should implement enterprise risk management. This enables the management to oversee risk exposure and its potential effect on business objectives. SMEs should also need to develop new capabilities and practices to face challenges. Hence, SMEs should implement effective risk management to face the existing weaknesses revealed by the current guidelines of risk management due to the instability of the economic system. To keep up with these changing environments, SMEs should apply risk management techniques in their business strategy, not only to mitigate potential loss but also to exploit new business opportunities arising from sustainability.

Regarding proactiveness, SMEs should cultivate a more proactive organizational culture in which both top managers and owners would be able to recognize opportunities in times of crises. In addition, they should proactively monitor market signals and awareness of customer needs. Proactiveness is related to the business performance because it allows firms to respond to market signals earlier than their competitors. The ability to learn faster than competitors will be the only sustainable competitive advantage.

For innovativeness, SMEs should provide training for top managers and owners so that they are capable of coming up new ideas. SMEs should encourage flexible work practices for innovation. Moreover, government should encourage SMEs by arranging workshops, forums and trainings in order to improve in their business performance.

5.3 Limitations and Needs for Further Research

Situational and time constraints were the main limitations of this study. There are limitations in regard to what has been compiled, analyzed, presented and discussed in this study. First of all, when analyzing the moderating variables, likert scales were used in this study. In further studies, it is recommended that moderating effect of entrepreneurs experience should analyze with quantity type data by entering the year's of experience as perceive for more valid results. And for education variable, Yes or No (0, 1) questions should use for more validity.

Secondly, respondents for this study were chosen from SMEs in Nay Pyi Taw. It is recommended, that future researchers should choose wider geographical areas for

generalizing our study results. In addition, this study only covers three entrepreneurial orientations: innovativeness, proactiveness, and risk taking. Therefore, further study should also examine the effect of other entrepreneurial orientations such as competitive aggressiveness and autonomy to cover all entrepreneurial orientations. For future research, a more comprehensive model of internal characteristics of SMEs needs to be developed such as market orientation, learning capability and relational flexibility so as to improve business performance on an ongoing basis.

REFERENCES

- Abereijo, I. O., & Aderemi, H. O. (2007). Evaluation of the impact of entrepreneurial characteristics on the performance of small scale manufacturing industries in Nigeria. *Journal of Asia Entrepreneurship and Sustainability*, 3(1), 113-135.
- Aye, T. N. (2018). *Entrepreneurial Characteristics and Business Performance of SMEs in Yangon (Unpublished M.com Thesis)*. Yangon: Yangon University of Economics.
- Bechard, J., & Gregoire, D. (2007). Archetypes of Pedagogical innovation for entrepreneurship in higher education: model and illustrations. *In Handbook of Research in Entrepreneurship Education*, 1(1), 213–261.
- Carton, R. B., & Hofer, C. W. (2006). *Measuring Organizational Performance: Metrics for Entrepreneurship and Strategic Management Research*. Northampton: Edward Elgar.
- Chong, H. G. (2008). Measuring performance of small-and-medium sized enterprises: the grounded theory approach. *Journal of business and Public Affairs*, 2(1), 1-10.
- Covin, J. G., & Miles, M. P. (1999). Corporate entrepreneurship and the pursuit of competitive advantage. *Entrepreneurship Theory and Practice*, 23(3), 47-63.
- Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10(1), 75-87.
- Covin, J. G., & Slevin, D. P. (1991). A Conceptual Model of Entrepreneurship As Firm Behavior. *Entrepreneurship: Theory and Practice*, 16(1), 7-24.
- Covin, J. G., Green, K. M., & Slevin, D. P. (2006). Strategic Process Effects on the Entrepreneurial Orientation-Sales Growth Rate Relationship. *Entrepreneurship Theory and Practice*, 30, 57-81.
- Davidsson, P., Kirchhoff, B., Jatemi, J. A., & Gustavsson, H. (2002). Empirical analysis of business growth factors using Swedish data. *Journal of Small Business Management*, 40(4), 332-349.
- Dess, G. G., & Lumpkin, G. T. (2005). The role of entrepreneurial orientation in stimulating. *Academy of Management Perspectives*, 19(1), 147-156.
- Dess, G. G., & Robinson, R. B. (1984). Measuring organizational performance in the absence of objective measures: The case of the privately-held firm and conglomerate business unit. *Strategic Management Journal*, 5(3), 265-273.

- Dickson, P. H., Solomon, G. T., & Weaver, K. M. (2008). Entrepreneurial selection and success: does education matter? *Journal of Small Business and Enterprise Development*, 15(2), 239 – 258.
- Drucker, P. F. (1998). The discipline of Innovation. *Harvard Business Review*, 95-103.
- Engelen, A., Gupta, V., Strenger, L., & Brettel, M. (2013). Entrepreneurial Orientation, Firm Performance, and the Moderating Role of Transformational Leadership Behaviors. *Journal of Management*, 41(4), 1069–1097.
- Erikson, T. (2002). Entrepreneurial capital: The emerging venture's most important asset and competitive advantage. *Journal of Business Venturing*, 17(2), 275-290.
- Ferreira, J. M., & Azevedo, S. G. (2008). Entrepreneurial orientation (EO) and growth of firms: key lessons for managers and business professionals. *Problems and Perspectives in Management*, 6(1), 82-88.
- Ferreira, J. M., Fernandes, C. I., Kraus, S., & McDowel, W. C. (2021). Moderating Influences on the Entrepreneurial Orientation: Business Performance Relationship in SMEs. *International Journal of Entrepreneurship and Innovation*, 1(9), 424–440.
- Fitzsimmons, J. R., Steffers, P., & Douglas, J. (2005). *Growth and profitability in small and medium sized Australian firms*. Melbourne: GSE Entrepreneurship Exchange.
- Frese, M., & Gielnik, M. M. (2014). The Psychology of Entrepreneurship. *Article in Annual Review of Organizational Psychology and Organizational Behavior*, 1(1), 413-438.
- Gathungu, J., & Wainaina, G. (2016). Effect of entrepreneur characteristics on performance of non-timber forest products small and medium enterprises in Kenya. *Africa Management Review*, 6(3), 16-26.
- Gottschalk, S., Greene, F. J., Hower, D., & Muller, B. (2014). If you don't succeed, should you try again? The role of entrepreneurial experience in venture survival. *Zentrum fur Europäische Wirtschaftsforschung*, 14-90.
- Gupta, V., MacMillan, I. C., & Surie, G. (2004). Entrepreneurial Leadership: Developing and Measuring a Cross-Cultural Construct. *Journal of Business Venturing*, 19, 241-260.
- Hall, A., Melin, L., & Nordqvist, M. (2001). Entrepreneurship as radical change in the family business: Exploring the role of cultural patterns. *Family Business Review*, 14(3), 193-208.
- Hult, G. T., Hurley, R. F., & Knight, G. A. (2004). Innovativeness: Its antecedents and Impact on Business Performance. *Industrial Marketing and Management*, 33, 429-438.

- Jeffrey, G., & Covin, W. J. (2012). The Measurement of Entrepreneurial Orientation. *Entrepreneurship Theory and Practice*, 36(4), 677-702.
- Jo, H., & Lee, J. (1996). The relationship between an entrepreneur's background and performance in a new venture. *The International Journal of Technological Innovation, Entrepreneurship and Technology Management*, 16(4), 161-171.
- Kabir, M., Ibrahim, H. I., & Shah, K. M. (2017). Entrepreneurial Competency As Determinant For Success Of Female Entrepreneurs In Nigeria. *Indonesian Journal of Business and Entrepreneurship*, 3(2), 143-151.
- Kaplan, R. S., & Norton, D. P. (2001). Transforming the Balanced Scorecard from Performance Measurement to Strategic Management: Part I. *Accounting Horizons*, 15, 87-10.
- Kaufmann, A., & Tödting, F. (2002). How effective is innovation support for SMEs? *An analysis of the region of Upper Austria*, 22(3), 147-159.
- Kim, S. W. (2006). Effects of supply chain management practices, integration and competition capability on performance. *Supply Chain Management*, 11(3), 241-248.
- Kreiser, P. M., Marino, L. D., & Weaver, K. (2002). Assessing the Psychometric Properties of the Entrepreneurial Orientation Scale: A Multi-Country Analysis. *Entrepreneurship: Theory and Practice*, 26(4), 71-95.
- Kresler, P. M., & Davis, J. (2010). Entrepreneurial Orientation and Firm Performance: The Unique Impact of Innovativeness, Proactiveness; and Risk-Taking. *Journal of Small Business and Entrepreneurship*, 23(1), 56-71.
- Kropp, F., & Zolin, R. (2005). Technological entrepreneurship and small business innovation research programs. *Academy of Marketing Science Review*, 5(7), 1-14.
- Lee, C., Lee, K., & Pennings, J. M. (2001). Internal capabilities, external networks, and performance: a study on technology-based ventures. *Strategic Management Journal*, 22(6-7), 615-640.
- Lee, D. Y., & Tsang, E. W. (2001). The effects of CEO Personality, background, and network activities on venture growth. *Journal of Management Studies*, 38, 583-600.
- Lumpkin, G. D., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-172.
- Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5), 429-451.

- Lussiers, R. N., & Pfeifer, S. (2001). A crossnational prediction model for business success for business success. *Journal of Small Business Management*, 30, 228-239.
- Machirori, T., & Fatoki, O. (2013). The impact of firm and entrepreneur's characteristics on networking by SMEs in South Africa. *Journal of Economics*, 113-120.
- Martin, B., McNally, J., & Kay, M. (2013). Examining the formation of human capital in entrepreneurship: A meta-analysis of entrepreneurship education outcomes. *Journal of Business Venturing*, 28(2), 211 – 224.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770-791.
- Miller, D., & Friesen, P. H. (1978). Archetypes of strategy formulation. *Management Science*, 24(3), 921-933.
- Moers, F. (2000). *Financial and Non-financial Performance Measures and Managerial Short-Term Orientation: The Interactive Effect of Performance Targets*. Netherlands: Maastricht University School of Business and Economics.
- Morris, M. H., & Paul, G. W. (1987). The relationship between entrepreneurship and marketing in established firms. *Journal of Business Venturing*, 2, 247-59.
- Mueller, S., & Anderson, A. R. (2014). Understanding the entrepreneurial learning process and its impact on students' personal development: A European perspective. *The International Journal of Management Education*, 12(3), 500 – 511.
- Murphy, G. B., Trailer, J. W., & Hill, R. C. (1996). Measuring Performance in Entrepreneurship Research. *Journal of Business Research*, 36, 15-23.
- Muzenda, A. (2014). A conceptual model of the determinants of performance of tourism sector small and medium enterprises (SMEs). *International Journal of Business and Management*, 3(1), 30-35.
- Naldi, L., Nordqvist, M., Sjöberg, K., & Wiklund, J. (2007). Entrepreneurial Orientation, Risk Taking and Performance in Family Firms. *Family Business Review*, 20(1), 33-47.
- Oo, H. M. (2019). *Access to Finance and Performance of SMEs in Yangon (Unpublished MBA Thesis)*. Yangon: Yangon University of Economics.
- Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: The Free Press.
- Rae, D. (2004). Entrepreneurial learning: a practical model from the creative industries. *Journal of Education and Training*, 46(8), 492 - 500.

- Rae, D. (2007). Connecting enterprise and graduate employability: Challenges to the higher education culture and curriculum? *Journal of Education and Training*, 49(8), 605-619.
- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial Orientation and Business Performance: An Assessment of Past Research and Suggestions for the Future. *Entrepreneurship Theory and Practice*, 33(3), 761-787.
- Sarasvathy, S. D., & Menon, A. R. (2013). Failing firms and successful entrepreneurs : Serial Entrepreneurship as a temporal portfolio. *Small Business Economics*, 40, 413-434.
- Schoonhoven, C. B., Eisenhardt, K. M., & Lyman, K. (1990). Speeding Products to Market: Waiting Time to First Product Introduction in New Firms. *Administrative Science Quarterly. Special Issue: Technology, Organizations and Innovation*, 35(1), 177-207.
- Schumpeter, J. A. (1943). *The Theory of Economic Development*. Cambridge: Harvard University Press.
- Semrau, T., Ambos, T. C., & Kraus, S. (2016). Entrepreneurial orientation and SME performance across societal cultures: An international study. *Journal of Business Research*, 69(5), 1928–1932.
- Song, M., Droge, C., Hanvanich, S., & Calantone, R. (2005). Marketing and technology resource complementarity: An analysis of their interaction effect in two environmental contexts. *Strategic Management Journal*, 26(3), 259-276.
- Song, M., Podoyntsyna, K., Bij, H., & Halman, J. I. (2008). Success Factors in New Ventures: A Meta-analysis. *Journal of Product Innovation Management*, 25(1), 7-27.
- Steffens, P. R., Davidsson, P., & Fitzsimmons, J. R. (2006). *The performance of young firms: patterns of evolution in the growth-profitability space*. Hawaii: Academy of Management Conference.
- Suarez, J. (1994). *Closure rules, market power and risk-taking in a dynamic model of bank behavior*. London: LSE Financial markets group.
- Swierczek, F., & Ha, T. T. (2003). Entrepreneurial Orientation, Uncertainty Avoidance and Firm Performance. *Entrepreneurship and Innovation*, 4(1), 46-58.
- Swink, M. (2003). Completing projects on-time: how project acceleration affects new product development. *Journal of Engineering and Technology Management*, 20(4), 319-344.
- Tan, C. S. (2007). *Sources of competitive advantage for emerging fast growth small to-medium enterprises: The role of business orientation, marketing capabilities,*

customer value, and firm performance'. (Unpublished PhD thesis). Melbourne: RMIT University.

- Tu, P. A., & Diem, N. H. (2016). Entrepreneurial characteristics and private firm performance in the Mekong River Delta. *Can Tho University Journal of Science*, 3(2016), 38-48.
- Venkatraman, N. (1989). *Strategic Orientation of Business enterprises: The Construct, dimensionality and measurement*. Cambridge: Massachusetts Institute of Technology Sloan School of Management.
- Vora, D., & Polley, D. (2012). Applying entrepreneurial orientation to a medium sized firm. *Entrepreneurial Behaviour and Research*, 18(3), 352-379.
- Wall, T. D., Michie, J., Patterson, M., Wood, S. J., Sheehan, M., & West, M. (2004). On the validity of subjective measures of company performance. *Personnel Psychology*, 75(1), 95-118.
- Welmilla, I., Weerakkody, A. S., & Ediriweera, A. N. (2011). *The Impact of Demographic Factors of Entrepreneurs on Development of SMEs in Tourism Industry in Sri Lanka*. Sri Lanka: University of Kelaniya.
- Wijetunge, D. S., & Pushpakumari, M. D. (2012). Entrepreneurial orientation and business performance of small and medium scale enterprises of Western Province in Sri Lanka. *Kelaniya Journal of Management*, 2(2), 51-67.
- Wiklund, J. (1998). *Small Firm Growth and Performance: Entrepreneurship and Beyond*. Sweden: Jönköping University.
- Wiklund, J. (1999). The Sustainability of the Entrepreneurial Orientation--Performance Relationship. *Entrepreneurship: Theory & Practice*, 24(1), 39-50.
- Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24(13), 1307-1314.
- Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Venturing*, 20(1), 71-91.
- Yusuf, A. (1995). Critical success factors for small business : Perceptions of South Pacific entrepreneurs. *Journal of Small Business Management*, 33(2), 68-74.
- Zahra, S. A. (2008). Being entrepreneurial and market driven: implications for company performance. *Journal of Strategy and Management*, 1(2), 125-142.

Zhao, Y., Li, Y., Lee, S., & Chen, L. (2011). Entrepreneurial Orientation, Organizational Learning, and Performance: Evidence From China. *Entrepreneurship Theory and Practice*, 35(2), 293-317.

Zulkiffli, S. N., & Perera, N. (2011). *A literature analysis on business performance for SMES - subjective or objective measures?* Australia: University of Wollongong .

APPENDIX B

Effect of Entrepreneurial Orientation on Business Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.946 ^a	.894	.891	.09007

a. Predictors: (Constant), Risk Taking Mean, Innovativeness Mean, Proactiveness Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.883	3	2.628	323.892	.000 ^b
	Residual	.933	115	.008		
	Total	8.816	118			

a. Dependent Variable: Business Performance Mean

b. Predictors: (Constant), Risk Taking Mean, Innovativeness Mean, Proactiveness Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.730	.130		5.624	.000		
	Innovativeness Mean	.185	.062	.162	3.002	.003	.317	3.157
	Proactiveness Mean	.145	.056	.156	2.593	.011	.253	3.950
	Risk Taking Mean	.527	.037	.692	14.331	.000	.394	2.535

a. Dependent Variable: Business Performance Mean

Moderating Effects of Educational Background on the Relationship between Entrepreneurial Orientation and Business Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.979 ^a	.958	.956	.05726	.958	643.750	4	114	.000
2	.980 ^b	.960	.958	.05610	.003	2.586	3	111	.057

a. Predictors: (Constant), Edu_Dummy, Zscore: Innovativeness Mean, Zscore: Proactiveness Mean, Zscore: Risk Taking Mean

b. Predictors: (Constant), Edu_Dummy, Zscore: Innovativeness Mean, Zscore: Proactiveness Mean, Zscore: Risk Taking Mean, RM_Edu, PM_Edu, IM_Edu

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.443	4	2.111	643.750	.000 ^b
	Residual	.374	114	.003		
	Total	8.816	118			
2	Regression	8.467	7	1.210	384.316	.000 ^c
	Residual	.349	111	.003		
	Total	8.816	118			

a. Dependent Variable: Business Performance Mean

b. Predictors: (Constant), Edu_Dummy, Zscore: Innovativeness Mean, Zscore: Proactiveness Mean, Zscore: Risk Taking Mean

c. Predictors: (Constant), Edu_Dummy, Zscore: Innovativeness Mean, Zscore: Proactiveness Mean, Zscore: Risk Taking Mean, RM_Edu, PM_Edu, IM_Edu

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.507	.031		147.273	.000
	Zscore: Innovativeness Mean	.026	.009	.094	2.706	.008
	Zscore: Proactiveness Mean	.027	.011	.100	2.591	.011
	Zscore: Risk Taking Mean	.084	.012	.307	7.224	.000
	Edu_Dummy	.194	.015	.544	13.060	.000
2	(Constant)	4.377	.059		74.630	.000
	Zscore: Innovativeness Mean	.032	.042	.119	.772	.442
	Zscore: Proactiveness Mean	.049	.024	.178	2.000	.048
	Zscore: Risk Taking Mean	.162	.033	.593	4.855	.000
	Edu_Dummy	.135	.027	.378	4.982	.000
	IM_Edu	.026	.020	.212	1.346	.181
	PM_Edu	.006	.015	.048	.379	.706
	RM_Edu	.041	.017	.261	2.488	.014

a. Dependent Variable: Business Performance Mean

Moderating Effects of Experience on the Relationship between Entrepreneurial Orientation and Business Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.946 ^a	.895	.891	.09017	.895	242.585	4	114	.000
2	.968 ^b	.937	.933	.07049	.043	25.180	3	111	.000

a. Predictors: (Constant), Exp_Dummy, Zscore: Risk Taking Mean, Zscore: Proactiveness Mean, Zscore: Innovativeness Mean

b. Predictors: (Constant), Exp_Dummy, Zscore: Risk Taking Mean, Zscore: Proactiveness Mean, Zscore: Innovativeness Mean, RM_Exp, IM_Exp, PM_Exp

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.890	4	1.972	242.585	.000 ^b
	Residual	.927	114	.008		
	Total	8.816	118			
2	Regression	8.265	7	1.181	237.615	.000 ^c
	Residual	.552	111	.005		
	Total	8.816	118			

a. Dependent Variable: Business Performance Mean

b. Predictors: (Constant), Exp_Dummy, Zscore: Risk Taking Mean, Zscore: Proactiveness Mean, Zscore: Innovativeness Mean

c. Predictors: (Constant), Exp_Dummy, Zscore: Risk Taking Mean, Zscore: Proactiveness Mean, Zscore: Innovativeness Mean, RM_Exp, IM_Exp, PM_Exp

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.097	.021		198.366	.000
	Zscore: Innovativeness Mean	.058	.021	.211	2.693	.008
	Zscore: Proactiveness Mean	.049	.018	.179	2.722	.007
	Zscore: Risk Taking Mean	.187	.014	.683	13.831	.000
	Exp_Dummy	.025	.029	.068	.868	.387
2	(Constant)	4.130	.017		243.922	.000
	Zscore: Innovativeness Mean	.014	.022	.052	.646	.520
	Zscore: Proactiveness Mean	.073	.021	.268	3.452	.001
	Zscore: Risk Taking Mean	.220	.011	.806	19.509	.000
	Exp_Dummy	.058	.041	.156	1.422	.158
	IM_Exp	.018	.040	.066	.456	.649
	PM_Exp	.085	.034	.439	2.490	.014
	RM_Exp	.185	.028	.722	6.526	.000

a. Dependent Variable: Business Performance Mean

APPENDIX A
YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBE PROGRAMME

**Survey questionnaire for entrepreneurial orientation and business performance of
SMEs in Nay Pyi Taw**

Dear Survey Participant,

I am a MBA candidate from Yangon University of Economics. As part of the academic requirements for the Master of Business Administration (MBA) degree, students need to complete MBA Thesis. The purpose of my thesis paper is to analyze the moderating effect of entrepreneur's demographic characteristic on the relationship between entrepreneurial orientation and business performance of SMEs in Nay Pyi Taw. In particular, the research is expected to provide a better understanding of how demographic characteristics moderating on the relationship between entrepreneurial orientation and business performance of SMEs in Nay Pyi Taw. My intended respondents are owners/managers/supervisors of the firms.

I would appreciate your help in completing my MBA Thesis of filling out of the following questionnaires. Your answers will be handled strictly confidential and will exclusively be used for the purpose of this research. Your name will not be mentioned anywhere on the document so kindly answer the questions as honest and objective as possible in order to contribute to the success of this study.

Thank you so much for your time and support.

Sincerely,

EI THU ZAR MYO

MBA II – 45

MBA 24th Batch

QUESTIONNAIRE

There are THREE (3) sections in this questionnaire. Please answer ALL questions by checking or selecting numbers that BEST describe your situation. It will approximately take less than 15 minutes to complete.

SECTION A: Background information of the Respondent and Business

(A-1) Please indicate \surd your gender

	Gender	Tick \surd
1	Male	
2	Female	

(A-2) Please tick the number in the box best describes the range in which your age falls range in years

	Age	Tick \surd
1	Below 20 years	
2	20 – 30 years	
3	31 – 40 years	
4	41 – 50 years	
5	Over 50 years	

(A-3) To date, what has been your **highest** formal qualification?

	Level of Education	Tick \surd
1	Basic Education Level	

2	Some College (Certificate/ Diploma)	
3	University (Bachelor Degree-Level)	
4	Post graduate level (Masters/Doctorate Degree)	

(A-4) How many years of experience do you have in this firm?

	Years of Experience	Tick \checkmark
1	Below 3 year	
2	Between 3 to 6 years	
3	Between 7 to 9 years	
5	Over 9 years	

(A-5) Where does generally classify your industry to belong?

	Industry	Tick \checkmark
1	Clothing apparel & wearing	
2	Construction raw materials	
3	Food & Beverages	
4	Personal goods	
5	Household goods	
6	Paper & paper products/Literature & arts	
7	Industrial raw materials	
8	Mineral process and production	
9	Farming and Agricultural equipment	
10	Machinery and equipment	

11	Electrical equipment productions	
12	Vehicular manufacturing	
13	Miscellaneous	

(If your answer is “Miscellaneous” please specify -----)

SECTION B: Entrepreneurial Orientation (EO)

Please indicate the extent to which you agree or disagree with each of the following statements by selecting the appropriate level

1= Strongly Disagree

2= Disagree

3= Neutral

4= Agree

5= Strongly Agree

I	Innovativeness	1	2	3	4	5
1	The number of products offered by our firm has steadily increased over the past year.					
2	Our firm’s marketing process has changed over the past year.					
3	Our firm’s business structure has changed over the past year.					
4	Our firm finds investing in new ideas and implementing them.					
5	Our firm feels its products and processes require continuous improvements.					

II	Proactiveness	1	2	3	4	5
1	We typically initiates actions to which our competitors respond to					
2	We always find out future needs of customers.					
3	We always tries to take the initiative in every situations (e.g against competitors, Covid-19 situation)					
4	We excel at identifying opportunities.					
5	We offer more new products in relation to our competitors.					

III	Risk Taking	1	2	3	4	5
1	I assumed that the term risk taker is a positive attitude for my business.					
2	I am willing to take a risk concern with my business.					
3	I am willing to try new ways of doing things for my business.					
4	I enjoy getting into new situation where I can't predict how things will turn out					
5	In order to success my business, I am willing to change my business that involve risk.					

SECTION C: Business Performance (BP)

Please indicate the extent to which you agree or disagree with each of the following statements by selecting the appropriate level

1= Strongly Disagree

2= Disagree

3= Neutral

4= Agree

5= Strongly Agree

Sr.No.	Business Performance	1	2	3	4	5
1	Our firm is increased in the number of employees.					
2	Our firm is increased in the number of branches.					
3	Our firm's growth rate is satisfying.					
4	Diversifications of product line and service contents are satisfying.					
5	New customer's growth is steadily increased.					
6	We are satisfied with the return on our investments.					
7	In general, my company has achieved a very positive financial outcome.					

Thank you very much for your cooperation.