



Department of Management

Organizing Innovation

**Entrepreneurial Orientation and its Impact on Building a Competitive
Advantage of Small and Medium Enterprises(SME) in the Industrial
Sector in Jordan**

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Entrepreneurial Orientation and its Impact on Building a Competitive Advantage of Small and Medium Enterprises(SME) in the Industrial Sector in Jordan

Prepared By:Dina Ayman AL-Azazi

Abstract

The current research sought to determine the impact of entrepreneurial orientation (Innovativeness, Risk-Taking, ,Proactiveness, Aggression, Autonomy) on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan. In order to conduct this study, a number of small and medium-sized companies in the industrial sector in the city of Amman were selected to represent the study population .

As for the nature of the data collection method, the questionnaire was adopted as tool for data collection through which distribution of forms on a sample of owners and managers, working in the industrial companies investigated, as (400) forms were distributed, and (267) of them were valid for analysis, Analyzing data was conducted using the Social Science SPSS (v25). Additionally, the main findings of the study indicate that there is a significant impact of the entrepreneurial orientation on building competitive advantage of small and medium sized enterprises.

The results indicate that the entrepreneurial orientation variables (innovation, proactivity, autonomy) significantly affect the building of competitive advantage on small and medium-sized companies in the industrial sector in Jordan, while the entrepreneurial orientation variables (risk taking and aggressiveness) do not have an impact on building competitive advantage of small and medium-sized companies. In the industrial sector in Jordan compared to the other dimensions. Based on the above results, the study offers several recommendations, most notably the necessity of adopting the pioneering approach of small and medium-sized companies in the industrial sector in their future plans to benefit from their outputs to achieve competitive advantage.

Keywords: Entrepreneurial orientation(EO), competitive Advantage(CA), Innovativeness, Risk-Taking ,Proactiveness, aggressiveness,autonomy,small and medium enterprises(SME),Jordan.

CHAPTER ONE

Introduction

1.1 Background

In an increasingly complex and expanding competitive environment, with the prevailing uncertainty and multiplicity of choices, contemporary organizations are challenged to find a niche that makes them a market leader.

This is what prompted it to be fully vigilant and seize opportunities in the areas of activities that would enable it to achieve distinction and superiority over others in a market characterized by fierce competition at all levels. It does not stop there, but it goes beyond when the organization begins to transition to processes, practices, and decision-making activities that are creative, flexible, and risk-taking, which will enable them to enter into a new business world (Covin & Wales., 2019). Where the competitive advantage represents an ambition for each organization, as organizations seek, with their different objectives, sizes, and types, to achieve success and goals but reaching this is not easy in light of the fierce competition in the market, so organizations seek to employ their diverse capabilities in new ways that enable them to succeed (Hubbard et al., 2014).

Therefore, organizations wishing to compete effectively in the twenty-first century must not only identify and exploit new opportunities, but must act differently and uniquely from their competitors to ensure they gain a competitive advantage. (Bettis et al., 2014). This applies to small and medium-sized companies, as this sector has faced many challenges, especially in Jordan, starting with the development of Jordan into a highly open and unregulated market economy (Al-Alaq, 2010 as cited in Al-Zoud., 2018). Therefore, facing rapid changes in both customer needs and desires requires organizations to excel in exploring available opportunities and providing services in a distinctive way to acquire new customers and retain existing customers. (Sadiku-Dushi et al., 2019).

It also requires SMEs to be able to adapt and anticipate these changes quickly by developing market-driven innovations. The ability to adapt in the face of market changes

and respond as quickly as possible to ensure they are always the first to enter the market. (Sulistyo & Ayuni., 2020). It is for this reason that the primary focus has become to direct the attention of companies and organizations to the entrepreneurial activities that are seen as essential to the company's success in today's competitive business environment (Abdullah et al., 2019).

As Palmer, C et al. (2019) stated, a company's entrepreneurial orientation is the single most important factor in its success. As a result, entrepreneurial orientation is critical because it serves as the foundation in the process of developing an entrepreneurial strategy that managers and decision-makers in firms use to establish corporate goals, sustain vision, and ensure competitive advantages for their organizations (Abu Dawla & Hammoud., 2019). Entrepreneurial orientation helps businesses develop capabilities that enable them to accomplish their goals, obtain long-term competitive advantages, lead people, readily accept new ideas, gain first-mover advantage, and be more focused on the success of the company (Adeiza et al., 2017).

On this basis, this research will look at the impact of entrepreneurial orientation in building the competitive advantage of small and medium business organizations.

1.2 Problem Statement

small and medium-sized enterprises constitute the backbone of varied business settings around the world, as well as a primary driver of economic growth and advancement (Hossain & Al Asheq., 2019). It is also the central hub of the industrial sector in most developing and industrialized countries, where small and medium-sized companies represent 90 to 95 percent of companies worldwide, and in most countries, they provide 60 to 70 percent of job opportunities (Arshad et al., 2020). As for Jordan, Small and medium-sized enterprises account for around 99.5 percent of all economic entities and employ roughly 60% of the workforce (Jordan chamber of industry). Scholars and experts also agreed that small and medium enterprises (SMEs) are the foundation of a country's economic development because they contribute to economic growth, job creation, innovation, and export growth (Nikolić et al., 2019).

But with all these characteristics, today's small and medium-sized enterprises are facing a new reality. The global economy has changed dramatically in the past decade. Globalization and rapid changes in the market, coupled with the increasing complexity and urgency nature of customers along with environmental disruptions, present significant challenges to small and medium-sized businesses. As a result of these conditions, companies need to rethink their operations and methods and look for new ways to compete (Coelho et al., 2022). It was found that small and medium-sized companies are good at seeing opportunities, but they are not adept at establishing the competitive advantages required to take advantage of these chances (Ireland et al., 2003 as cited in Zeebaree & Siron., 2017). This was due to the lack of innovation in these companies, insufficient research and development, weak systems, and a failure to embrace new organizational skills, which were all main barriers to gaining a competitive advantage (Arshad et al., 2020).

Where this sector in Jordan faced many challenges represented in the weakness of entrepreneurial skills, the difficulty of accessing new markets, and the difficulty of keeping pace with the evolving market requirements (Jordan chamber of industry).

Hence the need for companies to adopt new approaches and methods and adopt pioneering strategies to raise the status and role of the organization, whether small or medium, to achieve a competitive advantage that enables it to reach its goals and continue. Therefore, the entrepreneurship approach is no longer an option, but rather has become an urgent necessity for owners of small and medium-sized enterprises and an essential element in their role in identifying opportunities and improving business (Arshad et al., 2020).

The research advocates that when this approach is followed according to evidence-based recommendations, it will expand opportunities in the market, and the organization will be able to make changes related to the industry, its product structure, and the ever-changing needs of customers at present and thus can be useful in addressing the challenges facing small and medium-sized companies.

1.3 Research Questions

The main research question that this research attempts to answer is

1. What is the impact of entrepreneurial orientation on building competitive advantage of small and medium enterprises in the industrial sector in Jordan?
2. What is the level of entrepreneurial orientation adopted by small and medium enterprises?
3. What is the level of competitive advantage adopted by small and medium enterprises?

Sub questions

1. What is the impact of Innovation on building a competitive advantage on SMEs in the industrial sector in Jordan?
2. What is the impact of Proactiveness on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?
3. What is the impact of Risk-Taking on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?
4. What is the impact of Aggressiveness on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?
5. What is the impact of Autonomy on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?

1.4 Research Purpose And Objectives

The main purpose of this study is to investigate the impact of entrepreneurial orientation (Innovation, Proactiveness, Risk-Taking, Aggressiveness, Autonomy) on building competitive advantage of small and medium enterprises in the industrial sector in Jordan.

Specifically, this study sought to determine:

1. The level of entrepreneurial orientation adopted by small and medium enterprises
2. the level of competitive advantage adopted by small and medium enterprises
3. The impact of Innovation on the competitive advantage.
4. The impact of Proactiveness on the competitive advantage.
5. The impact of Risk-Taking on the competitive advantage.
6. The impact of Aggressiveness on the competitive advantage.
7. The impact of Autonomy on the competitive advantage.
8. provide recommendations to improve the competitive advantage.

1.5 Significance Of the Research

The current study's significance stems from the nature of the variables covered by this study, where the subject of entrepreneurial orientation is one of the most interesting topics in recent times, and it has attracted the attention of many researchers and scholars due to its relationship to increasing competitive advantage in small and medium-sized enterprises. Since these two dimensions are current and important variables for any organization that wants to keep up with rapid changes while still trying to evolve and expand in a competitive environment, as a result, the significance of the research can be explained as follows:

1.5.1 The theoretical Contribution:

- establishing a clear conceptual framework for the main study variables (entrepreneurial orientation, competitive advantage) in order to analyze their contents and understand their significance and benefits
- Increasing the level of clarity in the concepts and dimensions of the main and sub-variables by collecting and analyzing the opinions of researchers, drawing attention to addressing the subject of the study in different sectors and accessing more comprehensive and deeper studies that enhance the importance of the subject of the study and enrich the theoretical literature on this subject in general.
- Shedding light on the importance of the entrepreneurial approach and its contribution to influencing the efforts of the organizational revival of companies, especially in

light of emergency crises that require action quickly and the development of the necessary plans.

- Contribute to supplying the Arabic library with a study that sheds light on contemporary variables in administrative and strategic literature, motivating other researchers and paving the way for them to expand the study and analysis of these variables in other sectors and cover the aspects that this study was not able to cover.

1.5.2 The practical Contribution:

-Contribute to reflecting the reality of the entrepreneurial orientation of medium and small companies in the industrial sector and its impact on building a competitive advantage to enhance their future performance.

-Providing empirical finding that helps officials in medium and small companies to strengthen their strengths and address weaknesses and threats they may face.

-It is one of the few studies in Jordan that investigates the value and impact of entrepreneurial orientation in building a competitive advantage where the importance of entrepreneurial orientation is related to a variety of concepts, including:

- Searching for innovation, creativity, and modernization that takes place inside and outside the organization.
- The ability to adapt quickly to changes in the marketplace, market structure, consumer requirements, technology, and social values.
- A commitment to enhancing and improving the market's competitive advantage.
- The potential to achieve long-term viability and financial results

-Presenting a set of recommendations on how to enhance the entrepreneurial approach because of its positive impact on the performance of companies and thus enhancing and supporting their competitive advantage.

-Contribute to setting a step for scholars and researchers to conduct more studies in aspects that will not be exposed to this research

1.6 Research Hypotheses

The above questions will be answered by testing the following hypothesis:

Main Hypothesis:

H0: entrepreneurial orientation (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at significant level ($\alpha \leq 0.05$).

Based on Entrepreneurial orientation components the main hypothesis can be divided into the following **sub-hypotheses**:

H01: Innovation does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H02: Proactiveness does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H03: Risk Taking does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H04: Aggressiveness does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H05: Autonomy does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

1.7 Conceptual framework

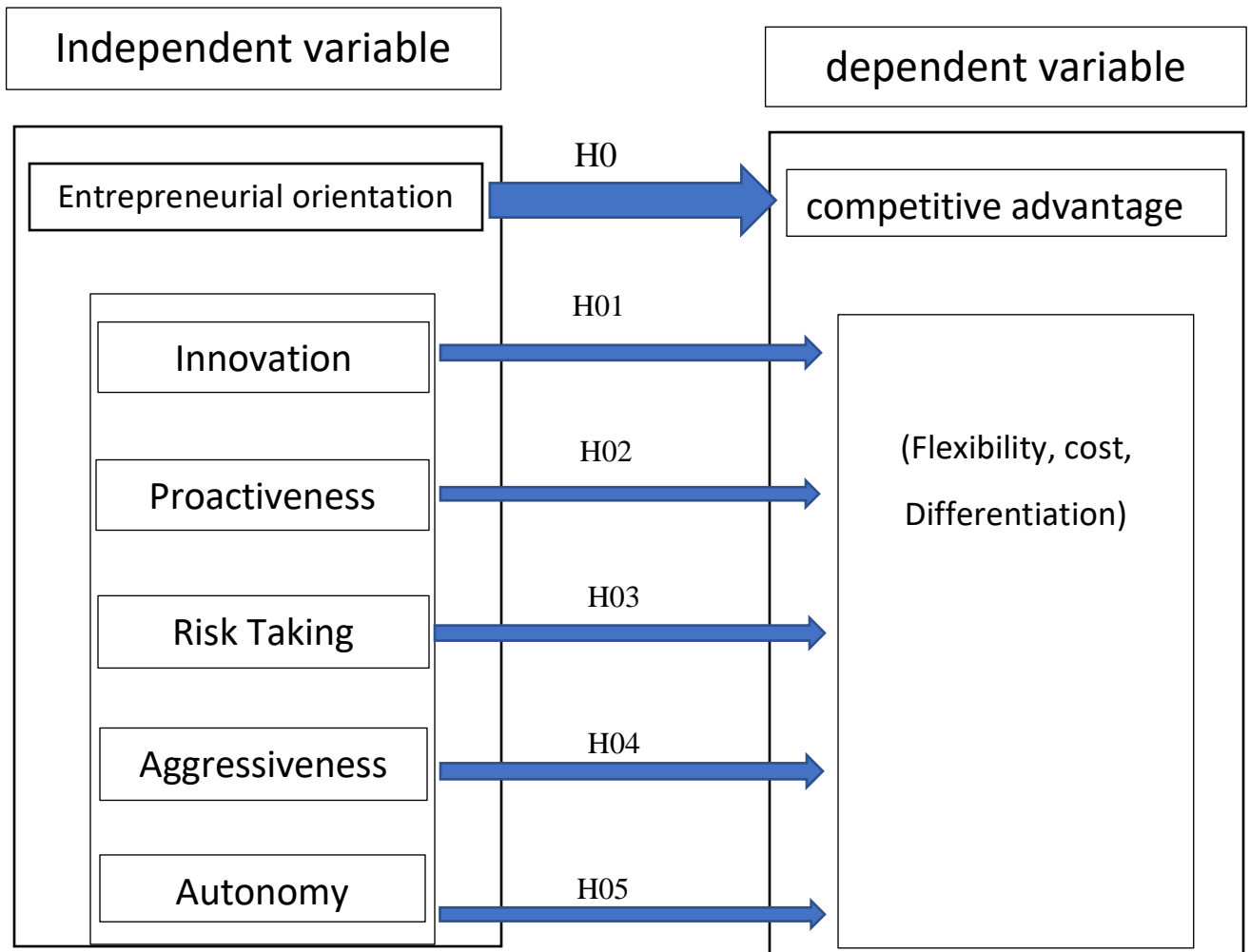


Figure 1.1 study model

Sources: Model was developed based on the previous studies: Independent variable: Cho& Lee, (2018), Diabate et al (2019),

Hoque, A. S. M. M. (2018). dependent variable: Tomioka, A. M., & das Neves, J. M. S. (2020), Khaddam et al (2020). Sadq.

et al., (2018).

1.8 Operational Definitions

Entrepreneurial orientation:

It is the approach used by a company to make new choices, practices, procedures, and habits to help it be more inventive and successful in seizing opportunities.

Innovation:

It is a strategy for gaining a competitive advantage by developing items that no one else can, performing tasks better than anyone else, or providing superior, cheaper, and faster services. By gaining knowledge, technological abilities, and creativity and development experience, as well as introducing new ideas

Proactiveness:

It describes a firm's tendency to lead rather than follow, to be the first to introduce new products, processes, and/or services, and it involves introducing new products or services ahead of the competition and acting in anticipation of future demand to generate change and shape the environment.

Risk-taking:

Risk includes a firm's tendency to take risks as necessary to succeed in a competitive environment, its tendency to act boldly and aggressively in the face of uncertainty, as well as a tendency to take actions such as venturing into new, unknown markets, and allocating a large part of resources to projects with uncertain outcomes.

Aggressiveness:

It is characterized by a hostile posture and a vigorous response to competitor's acts, and it represents the intensity of a firm's efforts to outperform industry rivals.

Autonomy:

A type of authority given to members of an organization that allows them to think independently to identify opportunities and spend the time needed to perform them, leading to more work flexibility.

Competitive advantage:

Refers to the characteristics and capabilities that companies possess that enable them to provide high quality goods and services at competitive prices and keep pace with the changing needs of customers through optimal exploitation of all available resource and it was measured in this research by:

Flexibility: Flexibility refers to an organization's ability to respond effectively to changing conditions, customer requirements, and market needs by introducing new products and quickly adjusting production in line with changes in demand.

Cost: It means the organization's ability to reduce the cost of goods and services it provides to its customers compared to competing organizations.

Differentiation: it is the firm's ability to increase product quality through innovative product and unique features.

1.9 research limitations

Human limits: This study will be conducted on company owners and managers in the industrial sector of small and medium-sized companies

Determining the location: The study will be conducted in Jordan, Amman, specifically.

Time limit: This study will be implemented during the second semester of 2022

CHAPTER TWO

Literature Review and Previous Studies:

This chapter includes definition of Entrepreneurial orientation, definitions and components of Entrepreneurial orientation and competitive advantage. Moreover, it includes previous studies. Finally, it summarizes what differentiate this study from previous ones.

2.1 Entrepreneurial orientation:

Miller (1983), who created the notion of Entrepreneurial orientation based on the three dimensions of Entrepreneurial orientation (innovation, proactivity, and risk-taking), According to academics, these characteristics operate together as a coherent unit to give the company the strategic direction it needs to succeed. The model was then expanded to a five-factor model by Lumpkin and Dess (1996), who added two additional elements (independence and competitive aggressiveness). They thought that it was possible to combine these five dimensions together to serve companies in several different ways (Neneh, & Van., 2017). As for Oni et al (2019), he defined entrepreneurial orientation as a company's willingness to seize opportunities, adopt innovative manufacturing or service methods, In the face of the chaotic and hostile economic climate, the entrepreneurial attitude also includes the desire to supervise one's business while maintaining an aggressive competitive stance against competitors.

Entrepreneurial orientation was referred to as a strategy to identify and exploit new opportunities, as well as create new principles for companies to become market leaders. It is a key factor in the growth of new goods, as well as success in financial and non-financial markets and social performance (Cho & Lee., 2018). Entrepreneurial orientation is considered an important component of corporate organizational culture because it represents the managerial capacity that allows companies to gain competitive advantage through effective and proactive programs (czAvlonitis & Salavou 2007 as cited in Syrjä et al., 2019).

Wales (2016) described entrepreneurial orientation as a company's entrepreneurial decision-making processes, management philosophies, and strategic practices. Entrepreneurial orientation refers to internal organizational management methods, especially in SMEs, being innovative and proactive in order to achieve higher performance and competitive advantage in the marketplace (Ključnikov et al., 2019). Entrepreneurial orientation can also be defined as the process of seeking, creating, and exploiting possibilities, it includes all decisions and actions related to launching and performing a new enterprise under uncertainty (Wach et al., 2018).

The concept of entrepreneurial orientation exists in having a person with a creative idea, resources, dedication, and commitment to work on that idea in order to develop the business, either by forming a new company or restructuring an existing company to take advantage of future opportunities (Arshad et al., 2020). Entrepreneurial orientation refers to the fundamental policies and practices that guide the development of entrepreneurial activities and decisions, as well as the procedures that decision-makers employ to help their firms achieve their goals, support their vision, and gain competitive advantages. (Martenset al., 2018).

Entrepreneurial orientation is also seen as the foundation for establishing a competitive edge since it clarifies how businesses can modernize their operations to pursue new growth paths. (Abu-Rumman et al., 2021). It also considered the entrepreneurial orientation as one of the most used concepts in the strategic literature to enhance the company's competitiveness, growth, success, profitability, and performance. Moreover, entrepreneurial orientation is a source of competitive advantage and thus may help organizations overcome obstacles they face in gaining a competitive advantage (Neneh & Van., 2017).

It has been pointed out that companies that are proactive, innovative, and brave in taking risks will be able to create unique and noteworthy products more often than their competitors, Continuous innovation will lead to the optimal use of inputs to achieve effective business results, the product will be produced with better quality, customer satisfaction can be met by obtaining competitive prices for the product, and the demand for the product will increase, which ultimately leads to improved competitiveness. As for

improving proactive thinking, it will enhance the ability to seize new business opportunities, advance excellence in recognizing customer desires, and develop commercial capabilities ahead of competitors, enabling companies to create products that are superior to their competitors and produce unique and remarkable products more than their own, and dare to assume uncertain risks for better outcomes. (Ritonga, 2019).

In summary, entrepreneurial orientation is the desire of a company to take a step toward implementing a new business procedure, initiative, or new enterprise.

2.1.1 innovation

Innovation is everywhere today, Organizations are including the term "innovation" in their vision, mission, and objective statements. Companies utilize innovation as a strategy to gain a competitive edge by creating products that no one else can, doing things better than everyone else, or delivering superior, cheaper, and faster services. By acquiring information, skills in technology, and experience in creativity and development, and presenting new ideas in the form of product innovation, process innovation, or business model innovation, this strategy helps the company to generate long-term rivalry (Aziz & Samad, 2016).

Organizations strive to be competitive through innovation and continuous improvement of products, processes, or services, as it is believed that organizational effectiveness and competitive advantage are affected by innovation. Innovation is a type of prosocial behavior that is critical to the success of an organization. Usually, in order to gain a competitive advantage and ensure long-term economic sustainability, priority is given to innovation in the organization's strategy (Hoang, 2019). In business practices, workplace organization, or external relations, innovation is described as the introduction of a new or significantly improved product (good or service), a new marketing method, or a new organizational method (Keller et al., 2018).

Innovation refers to new technical, economic, organizational, and social methods that are implemented and used but are not inherently marketable in a direct monetary sense (Meissner & Kotsemir., 2016). The efficient implementation of new or borrowed inventions from other industries or organizations(Taylor, 2017). Innovation refers to a

company's desire to pursue and support new ideas, novelty, experimentation, and creative processes that may lead to new products, services, or technological processes, as well as a fundamental desire to move away from existing technologies and venture outside the current scope (Lumpkin & Dess, 1996 as cited in Syrjä et al., 2019). It also considered as the process and result of producing or inventing something new and useful that has far-reaching economic and technological implications (Edwards-Schachter, 2018). "Innovation" means new directions in the exploitation of a business's existing resources for new things like new goods, new production methods, new suppliers or sources of raw materials, the use of new markets, and new management approaches (Schumpeter, 1949 as cited in Distanont & Khongmalai, 2020).

In summary, innovation is related to generating new ideas related to the performance of organizations or the products that they produce in a manner and style characterized by creativity and distinction.

2.1.2 Proactiveness

The proactiveness scale assesses how well companies understand business opportunities and take action to capitalize on them before their rivals (Boso et al., 2017). which means the company's relentless pursuit of potential markets by predicting and acting on possible consumer desires and needs, which can include the launch of new goods or services ahead of rivals (Mumaraki,2020). Proactiveness is a focus on the future, with proactive companies anticipating future client requirements, identifying new opportunities, and launching new products ahead of the competition. Proactive firms lead and influence their business environments rather than merely reacting to change. It was discovered that the degree to which corporations steadily enhance existing products, develop new products, and enter new markets is strongly proportional to their proactivity (Zhang & Hartley, 2018).

Companies that employ a proactive strategy outperform their competitors that lack the "proactive" component. These companies can analyze the existing market and anticipate future needs and requests. This enables the organization to respond rapidly to new changes by resolving issues and reducing risk. These shifts were predicted by forward-thinking businesses. The consequence will be seen in the financial, operational, and marketing

performance of the company (Hossain & Azmi, 2020). It reflects a future perspective in which businesses attempt to produce new goods or improvements to existing ones, anticipating changes and opportunities in the business environment, encouraging changes in current strategies, and identifying future market trends (Fredyna et al., 2019). It is a strategic approach to pursuing novel prospects and introducing new products and services in order to improve corporate competitiveness (Jafaridehkordi et al., as cited in Al-Omoush et al., 2020). Proactiveness means taking an active scan of the external environment to discover new market opportunities, to encourage innovation and change within the organization; to forecast institutional change and social trends, and to re-design or change business processes or products in order to resist adverse changes in the environment (Zhao & Smallbone, 2019).

In summary, the organization's attempts to capture potential opportunities and forecast near-term opportunities in order to exploit them, as well as attempt to predict future customer desires before competitors do.

2.1.3 Risk-taking:

Human beings have been concerned with risk since the start of recorded history, and most probably before all that. Any consciously or unconsciously managed behavior that has a real effect on the outcome, as well as the possible benefits or costs to one's or others' physical, economic, or psychological health is referred to as risk-taking (Zinn, 2019).

It's a decision that rules out the probability of negative results in favor of the possibility of positive outcomes. It either overestimates the potential reward or underestimates the potential harm (less than expected), or it does both (Nigg, 2017). The risk-taking tendency, or the degree to which a person can face challenges with uncertainty, can both generate and offer people opportunities (Herdjiono et al., 2017). Also, risk-taking is an individual-specific capability. It can be considered as a firm's rare and valuable resource that is inimitable in nature, thereby leading to outstanding firm performance (Al Mamun & Fazal, 2018).

The risk dimension highlights the company's strategic position, which includes its readiness to take risks by stepping into the unknown, borrowing extensively, and

dedicating considerable resources to projects in uncertain situations with unpredictable outcomes (Farooq & Vij, 2018). The inclination of an individual to assume a certain level of risk associated with one's business enterprise, particularly when making business decisions, is defined as a risk-taking propensity (Chipeta & Surujlal, 2017). Risk is also referred to as a company's tendency to offer a product to customers that is not well known or acceptable in the market. For example, rather than being content with serving customers' stated needs, the company may adopt a risky strategy by offering a product to serve customer needs that do not exist yet (Musawa & Ahmad, 2019).

In summary, Risk-taking is the firm's ability to see future opportunities and take a risk in exploiting these opportunities boldly, despite the complete uncertainty of their success, in order to achieve a specific goal.

2.1.4 Aggressiveness

Aggressiveness is known as the degree to which a company threatens its foreign market competitors directly and aggressively in order to take advantage of foreign market opportunities (Boso et al., 2017). Aggressiveness also referred to as the proclivity of a company to challenge its competitors actively and passionately in order to gain entry or enhance position in the marketplace, that is, to outperform industry rivals. (Lumpkin. & Dess, 1996 as cited in Stambaugh, et al., 2020). It is thought to reflect the strength of a company's effort to outperform market competitors, and is characterized by a strong offensive stance as well as a strong response to competitor behavior (Syrjä et al., 2019).

It encapsulates the distinct concept of overcoming rivals, which refers to the level of intensity and circumstances that entrants often face when competing against established competitors (Kozubíková et al., 2017). An aggressive stance that companies adopt by allocating resources in order to gain positions in a particular market faster than their competitors, it is based on product innovation, market development and high investment to improve market share and achieve a competitive position (Aroyeun et al., 2018). The company's ability to make aggressive decisions in dealing with its competitors aggressively by improving product quality, manufacturing capacity, and other factors to entice consumers to buy (panjaitan et al., 2021).

Aggressiveness refers to the strength of the company to compete with its competitors through its competitive repertoire, which is a set of market actions such as a change in price, product line or service that the company uses in a certain period to proactively advance over competitors and respond to their actions (Yu et al., 2009 as cited in Nadkarni et al., 2016). It is defined as a company's strategy of devoting resources to achieve market share in a certain market faster than its competitors. To improve market char and attain a competitive position, it can be based on product innovation, market development, and significant investment (Venkatraman 2003 as cited in Tamunosiki-Amadi et al., 2019).

In summary, it is the organizations' hostile tendency to make strong competition between themselves and their rivals in order to gain a larger market share.

2.1.5 Autonomy

Autonomy known as the degree to which a job gives an individual the freedom to plan their work and decide how it will be completed. Increased job autonomy has been shown to boost job satisfaction and, in some cases, incentive to complete tasks (Beabout, 2021). It is a self-directed action taken by a person or a group with the aim of developing a business idea or vision and seeing it through to completion (Syrjä et al., 2019).

Autonomy refers to a company's employees' ability to make decisions on their own when it comes to developing new products and getting them to market in other countries. (Boso, et al., 2017). Autonomy refers to a company's ability and willingness to execute self-directed actions in pursuit of market opportunities, allowing them to make swift and independent judgments and build new markets with service or product (Al Mamun & Fazal, 2018).

Autonomy also defined as the independent work of an individual or group in coming up with an idea or vision and implementing it to the end (Hernández-Linares et al., 2019). Autonomy is described as the ability of an individual or a group of individuals to complete a big task or plan for the company on their own (Lee et al., 2019).

Autonomy in the workplace allows people to be creative and create business operations while also taking responsibility for success and failure. A company's ability to facilitate autonomy among employees has been linked to improved business performance. (Sherif,

et al., 2019). Individual or group autonomy refers to their ability to bring ideas to life and carry them through to completion on their own. It refers to a person's ability to pursue opportunities through their own terms (Purnomo et al., 2019). As for business organizations nowadays, they need work environments characterized by creativity and innovation in order to obtain a competitive advantage, so companies must rely on employees as a source of innovations in products, processes, methods, and processes, where showing employees' ability to innovate in the workplace helps organizations to benefit of their ideas in order to overcome their competitors (Li et al., 2021).

Autonomy focuses on the autonomous acts by an individual or team whose aim is to introduce a new product or service from start to finish, it gives rise to independent spirit and allows employees to have their own rule, free from controlling interferences by others. Managers must therefore encourage these personnel rather than blame them when they make mistakes. Employee encouragement is a tactic for retaining employees and making them feel like they are contributing to the organization's aims and objectives (Chinomona, 2019).

In summary, it is described as an individual's or a group's independent action in advancing a company concept or vision and seeing it through to completion.

2.2 competitive advantage

Competitive advantage is a collection of factors that distinguishes SMEs from their rivals and gives them a distinct and superior market position. The three dimensions of competitive advantage (innovation, differentiation, and low-cost leadership) (Udriyah et al., 2019). competitive advantage is described as increased efficiency that is expressed in lower costs or differentiated goods that are sold at a premium price which firms in one area can compete with firms in other regions (Sachitra, 2016).

A company's ability to outperform and differentiate itself by providing greater economic value in the same market is referred to as competitive advantage. Access to natural resources, or substantially to the core of the company, such as better technology, appropriate cost structure, or advantages Others in the value chain or company resources, consider an example of competitive advantages (Schweizer & Koscher, 2021). A company

that gains a competitive advantage raises the value of its products, strengthens its profile, expands into new markets, and is in a better position to deal with the environmental pressures of stakeholders so that all companies seek to obtain it (Moravcikova et al., 2017). It is the creation of better products or services to those provided by the most of competitors (Popa & Gora, 2020).

The competitive advantage lies in allowing the company to distinguish the quality of its products or services, even if it is at a cheap cost, in order to provide higher value to its customers and serve them better than competitors' products and services (Al Badi, 2018). Competitive advantages provide high-quality products at a lower cost to customers, as well as flexibility in the manufacturing of one-of-a-kind items to meet customers' needs and maintain a strong competitive position (Jia & Wang, 2019).

The integration of human resource skills, motivations, and attitudes with the organization's systems, procedures, and practices is defined as a company's competitive advantage (Singh et al., 2019). The competitive dimensions differ from one company to another, due to the factors that can directly affect these options. In this study, the following dimensions have been adopted:

2.2.1 Flexibility

It is the foundation for creating the organization's competitive advantage by promptly adapting to changes in the design of the job and meeting the demands of the client? Furthermore, it demonstrates the organization's ability to adapt processes to new approaches, which could include modifying the process' performance as well as the way and when the processes are carried out (Khaddam et al., 2020).

2.2.2 Differentiation

is defined as an organization's attempt to offer products or services that are distinct from those offered by other organizations, by using the latest technologies in its products or making changes based on customer demand, to differentiate itself from other organizations and gain a competitive advantage (Sadq et al., 2018).

2.2.3 Cost

It is the Organizations attempted to acquire competitive advantage by lowering their product costs, by produce and promote items at the lowest feasible cost relative to their competitors, allowing them to sell at a cheaper price (Alghamdi, 2016).

In summary, it means the organization's performance for their activities in a more efficient and effective manner, in a way that makes it unique in creating value that other competitors cannot achieve in the performance of their activities.

2.3 previous studies:

This section contains previous research that covers the following topics: the study's goal, the methodology used, the population and sample, the community it refers to, the study results, and any recommendations.

1. **AlQhaiwi & Abukaraki (2021)** The purpose of this study was to determine the impact of Entrepreneurial orientation on Creative behavior in Managers. The descriptive-analytical method and the probability sampling technique are used in this research. To cover a random sample of 191 managers in Amman, questionnaires were devised, verified, and validated. The SPSS application was used to insert and process validated and usable questionnaires. The 134 questionnaires had a high overall reliability of 0.940. The main significant results of the study find that medium-sized businesses in Amman have a high level of entrepreneurial attitude and creative conduct and There is a substantial link between managers' creative behavior (problem sensitivity and flexibility of thought) and their entrepreneurial oriented qualities (risk-taking, proactiveness, self-autonomy, and competitive aggressiveness). Also, it found that Entrepreneurial orientations (risk-taking, proactiveness, self-autonomy, and competitive aggressiveness) have a statistically significant impact on encouraging managers' innovative activity. A collection of general and specific recommendations has been made to the government regarding the encouragement of entrepreneurship at the level of medium-sized firms in order to increase chances for development and expansion while also positively impacting government income

2. **El-Masry et al (2021).** This study intended to build a framework for entrepreneurship in Egypt to cope with the required level of competitive advantage that SMEs must acquire in the Egyptian setting Through the mediating role of sustainability. Using a quantitative methodology, primary data was obtained from Egyptian SMEs in the food and beverage sector (questionnaire). The survey is aimed at first-line managers of SMEs in Egypt's food and beverage industry. The sampling method is non-random and convenient. The study's sample size is 401 questionnaires. The AMOS program was used to develop Structural Equation Modeling (SME).as evidenced by the outcome There is a strong link between entrepreneurial mindset, long-term viability, and competitive advantage.

3. **Khan et al (2021).** This research study Impact of Entrepreneurial Orientation Dimensions on Performance of Small Enterprises: Do Entrepreneurial Competencies Matter, the study aims to see how entrepreneurial orientation (EO) influences enterprise performance (EP) during Covid-19. Furthermore, the mediating effect of entrepreneurial skills (EC) in impacting the EO and EP link has been explored in the context of this relationship. Using data from 386 small businesses as a sample identified through systematic random sampling, this quantitative study employs techniques for operationalizing and quantifying the variables under consideration, followed by various statistical operations using SPSS and AMOS in order to test and explore the relationship as proposed in the conceptual framework. The findings demonstrated that there is a positive association between all the constructs, both directly and through the mediator (EC), The risk-taking propensity (RTP) and enterprise performance, on the other hand, had the highest direct relationship. Furthermore, when EC is used as a mediator between the dependent and independent variables, it has a positive effect, The results show that RTP route emerged as the most powerful link once more. Overall, the study concludes that small businesses require proper preparation for entrepreneurship, including the integration of leadership and entrepreneurial skills, in order to achieve better results from entrepreneurial endeavors.

4. **Yi et al (2021).** The study aims to investigate the impact of an entrepreneurial approach on new product innovation, competitive advantage and performance in South Korea, data were obtained from 424 small and medium-sized enterprises (SMEs). A structural equation modeling approach was used to examine the proposed hypotheses. According to the results, it was found that the entrepreneurial orientation has a significant beneficial effect on both the originality of the new product and the feasibility of the new product. Which positively affects the competitive advantage, and the results show that the correlation between the entrepreneurial attitude and the feasibility of the new product is strongly moderated through the life cycle of the company. The research provides practical and theoretical insights into the dynamics of entrepreneurship, new product innovation, and new product performance. According to the findings, SME managers must acquire an entrepreneurial mindset early in the company's life cycle and focus on creating new, emerging products using advanced technology and product designs to help solve unique market requirements more efficiently than competing products, to improve the competitive advantage and performance of new products
5. **Makhloufi et al (2021)** The purpose of this research is to find out how Entrepreneurial Orientation can help organizations improve their innovation capability by supporting organizational learning. The study used a cross-sectional survey targeting Algerian enterprises to evaluate the assumptions, the results show that the capacity to innovate is favorably connected with EO. even though both OLC and AC partially boost EO's interaction influence on innovation capabilities as a mediator function, the more entrepreneurially oriented a business is, the more learning and knowledge generation processes are engaged in the interaction connection.
6. **Abdallah (2020).** The purpose of this study was to examine the impact of entrepreneurial orientation on business performance in Jordanian information technology (IT) SMEs. Three independent factors (innovativeness, risk-taking, and proactiveness), one dependent variable (business performance), and one moderating variable make up the model developed in this study (Artificial Intelligence). A

quantitative data collection strategy was used; a questionnaire based on a "five-point Likert" scale was issued to employees working in Jordanian IT SMEs, and (442) questionnaires were collected. Multiple Linear Regression Analysis and Hierarchical Regression Analysis were used to analyze the data.

The outcomes of the study revealed that entrepreneurial approach has a significant impact on business performance in Jordanian IT SMEs. Furthermore, data indicated that each of the entrepreneurial orientation variables (innovation, risk-taking, and proactive) had a significant impact on IT SMEs' business performance in Jordan, with risk-taking having a greater impact than the other dimensions. Furthermore, the results of this study revealed that artificial intelligence mitigates the impact of entrepreneurial orientation on company success in Jordanian IT SMEs. The study suggests that IT SMEs use entrepreneurial orientation in their long-term planning to take advantage of opportunities aligned with rapid environmental changes, focus on the increasing reliance on modern and advanced software in their businesses, and continue to use artificial intelligence because of its role in enhancing the relationship between entrepreneurial orientation and business performance in SMEs in Jordan.

7. **Sadalia et al (2020).** The study's goals were to discover the relationship between entrepreneurship and financing and the competitive advantages of micro, small, and medium enterprises in North Sumatra, find the relation between innovations and financing and the competitive advantages of micro, small, and medium enterprises in North Sumatra, discover the relationship between financing and the competitive advantage of micro-enterprises and SMEs in North Sumatra, and discover the relationship between financing and the competitive advantage of micro-enterprises and SMEs in North Sumatra. A quantitative descriptive method was adopted in this investigation. The sample for this study contained 300 respondents to meet the sample criteria regarded most suited for maximum likelihood analysis in SEM. The population in this study was all MSMEs in North Sumatra, and the population for this study was all MSMEs in North Sumatra. AMOS software was used to process the data using structural equation modeling (SEM). The study's findings reveal that entrepreneurial orientation has a significant positive relationship with finance and business competitive

advantages, (innovation has a significant positive relationship with finance and business competitive advantage, and finance can act as an overlapping variable that mediates the relationship between entrepreneurial orientation and innovation and business competitive advantages

8. **Jiménez-Jiménez et al (2020).** This study looked at the entrepreneurial orientation of family businesses versus non-family businesses, with the goal of discovering the link between entrepreneurial orientation and performance, particularly in terms of new product success, which was higher for family businesses than non-family businesses. This study's sample covers family and non-family firms with more than 20 employees in the manufacturing and service industries in an area of Spain. Personal interviews with senior managers in the organization were conducted using a structured questionnaire, which included 268 companies (home and non-family) According to our findings, EO is associated to NPS in a good way. In addition, the association between these two variables is stronger in family businesses than in non-family businesses. As a result, it is worthwhile for family businesses to invest in their EO, or the search for new opportunities and participation in new ideas and processes, because it allows them to achieve better results than other businesses, allowing them to strengthen their competitive position.
9. **Galbreath et al (2020).** The study's goal is to investigate the link between entrepreneurship orientation (EO) and company performance in Italy, one of the world's oldest economies. As a moderate variable, competitive strategy affects contingency planning. Relationships were investigated in a sample of 229 Italian for-profit enterprises using a combination of primary and secondary data sources. Additional tests were conducted by firm size groups and sample mean regression analysis was applied. In the sample companies, the investigation revealed that EO is positively connected with company performance. Furthermore, the competitive strategy had a moderating effect: a low-cost strategy had a negative impact on the relationship, whereas a differentiation strategy had a favorable impact. While the results do not appear to be influenced by firm size combinations.

10. Sulisty & Ayuni (2020). The goal of this research is to see how entrepreneurial orientation and social capital affect innovation skills and performance in small and medium businesses in order to get a competitive edge (SMEs). The descriptive and explanatory method was employed in this study. With up to 254 respondents, the sample for this study is small and medium handicraft owners in Semarang, Jepara, and Kudus. Small and medium-sized businesses that have been in operation for at least five years, employ more than ten people, and are still in operation are sampled. Data was gathered by closed and open-ended questionnaires, as well as interviews, using the survey method. AMOS software was used to analyze the data using a structural equation model. The study found that entrepreneurial orientation and social capital have a considerable impact on creativity and performance skills. Small businesses' ability to innovate has a substantial impact on their performance and competitive advantage.

11. Kiyabo, & Isaga. (2020). The primary goal of this research is to assess the effect of the entrepreneurial orientation on the performance of small and medium-sized businesses through the lens of competitive advantage, as measured by corporate growth performance and small and medium-sized business personal wealth. The study's specific goals were to evaluate the impact of entrepreneurial orientation on competitive advantage, the impact of competitive advantage on small and medium-sized firm performance and the moderating influence of competitive advantage on the relationship between entrepreneurial orientation and small and medium-sized firm performance. Data was collected from 300 owners and managers of SMEs in the welding industry in Dar es Salaam, Tanzania, using the survey method with cross-sectional configuration. The study's findings show that when both firm growth and personal wealth performance measures were used, entrepreneurial orientation influenced competitive advantage positively and significantly, competitive advantage influenced SMEs' performance positively and significantly, and competitive advantage mediated the relationship between entrepreneurial orientation and SMEs' performance.

12. Ritonga (2019). The purpose of this research is to find out how entrepreneurship orientation and competitive advantage effect the performance of micro and small food and beverage businesses in Padang City. This study uses descriptive and associative research methods. The participants in this study are 694 food and beverage entrepreneurs from Padang City's micro and small businesses. The sample is determined using the Two Stage Cluster Random Sampling approach, and the total number of persons is 54. Questionnaires are used to collect data, and they are initially evaluated for validity and reliability before being circulated. Path Analysis was utilized to analyze the data in this study. The findings reveal that the entrepreneurial orientation variable has a substantial impact on the competitive advantage of micro and small food and beverage businesses in Padang. This indicates that if the entrepreneurial orientation improves, the competitive edge will improve as well. 2) In Padang, the entrepreneurship orientation variable has a substantial impact on the performance of micro and small food and beverage businesses. Its affect is beneficial in nature. This suggests that if entrepreneurship orientation is enhanced, the performance of micro and small food and beverage businesses in Padang will improve as well. 3) The competitive advantage variable has a large and favorable impact on micro and small food and beverage businesses in Padang. This study suggests that businesses can improve their competitive edge by: executing manufacturing activities more effectively and efficiently in order to lower production costs, resulting in products with competitive prices while preserving product quality, enhancing entrepreneurship orientation by adopting a more proactive attitude toward changes, not being resigned to the circumstances, and being eager to identify market prospects for products and to introduce items ahead of competition. Second, by expanding new firms in different locations, developing new products, and entering new markets, you can boost your confidence to take risks.

13. Ključnikov et al (2019). The aim of this research is to discover the differences in entrepreneurial orientation (EO) between old and young, males and females, and more and less educated SMEs executives from different countries. To determine the

discrepancies in EO, the Mann-Whitney U test was used to compare 1141 Czech and 479 Turkish executives. SPSS Statistical Software was used by the researcher to conduct the analyses. The research shows that organizational risk-taking and competitive aggressiveness vary by gender, but that innovativeness, proactiveness, and autonomy are not. Although there are substantial variations between elderly and young executives in proactiveness, autonomy, and innovativeness, there are no differences in risk-taking and competitive aggressiveness. In terms of educational attainment, more educated executives are more creative, constructive, and autonomous, while less educated executives are more risk-taking and competitively aggressive. Masculinity, fear of failure, perceptions of challenges, executive motivation, and company position may all be factors in these findings. This study finds similarities and disparities in gender, age, and education levels, as well as SMEs' executives and their EO, by incorporating survey respondents from various countries and all dimensions of EO into the analyses. This study also proposes policies for governments and organizations to close the distance between executive EO and EO of the general public. These details not only distinguish this study from others, but they also contribute to its originality.

14. Utami & Wilopo (2018). The purpose of this research is to describe the impact of entrepreneurial orientation on competitive advantage and company performance, particularly for small and medium-sized businesses in Baguyuban Armangite, Malang. It also tries to put the model to the test in terms of determining the most critical variable that affects business performance. The path analysis method is used as a statistical tool in this research. The findings of this study suggest that SMEs in Indonesia should strengthen their entrepreneurial approach to business development. Entrepreneurial orientation is well acknowledged to have a substantial impact on competitive advantage and business performance. This study suggests that the findings of this thesis be used as a foundation for future research on other variables in Indonesia, such as social capital, entrepreneurial education, culture, and customer behavior, as a developing country with a huge population. In the chosen sector, this study has limitations. Future research should focus on other industries, such as large manufacturing firms or service and technology firms, according to the researcher.

15. Aroyeun et al (2018). The purpose of this study was to look at the impact of competitive aggression on the competitive advantage of SMEs in Ogun State, Nigeria. For this study, a survey research design was used. The primary data was collected using a set of standardized questionnaires on competitive aggressiveness and competitive advantage of SMEs that were self-administered. A total of 386 businesses were examined in order to obtain a representative sample. The Cronbach Alpha reliability test was used to test the validity and reliability of the research instrument in a pilot study. Both descriptive and inferential statistics were used to analyze the data. According to the results of this study, competitive aggression has a positive significant impact on SMEs' competitive advantage.

It was noted that competitive aggressiveness influenced SMEs' competitive advantage in Ogun State, Nigeria, and that entrepreneurs should use appropriate price mechanisms, invest in advertising and promotion, sales, and aggressive growth to improve their competitive advantage, which is essential to organizational performance, and that establishing healthy client relationships is an important factor to consider.

16. Neneh & (2017). The study aims to investigate the impact of EO and its dimensional characteristics (innovation, risk-taking, and proactivity) on the growth of SMEs (employment, sales, and asset growth). The results showed, based on data from 285 SMEs, that the EO has a strong positive relationship with SME growth (employment growth and sales), as it was found that most SMEs have a moderate degree of EO, and the data revealed a rise in proactive activity. Innovation (a combination of proactive and innovative), had a significant positive relationship to sales growth. The only component that had a measurable impact on employment and asset growth was a risk. On this basis, the study recommended companies to seize opportunities and exploit them continuously. To survive in today's economic environment.

17. Zeebaree & Sironn (2017). the study aims to look at the link between entrepreneurial orientation and competitive advantage (CMA), as well as the moderated effect of financial support (FNC) in the relationship between entrepreneurial orientation and CMA. This study used survey tools to take a quantitative approach. A total of 680 managers from 3526 SMEs in the Kurdistan Region Government (KRG) in Iraq were

selected for the study. The link between the variables was investigated using structural equation modeling. Entrepreneurial inclinations have a considerable impact on CMA, the results show that FNC also played a moderating impact in the association between entrepreneurial orientation and CMA in SMEs in Iraqi KRG, according to the findings. Indeed, the link between EO practices and CMA is stronger for companies that receive government support. and found that the entrepreneurial orientation aspects had a positive impact on competitive advantage.

18. Ibrahim & Mahmood (2016). The impact of the entrepreneurial approach and competitive advantage on SME performance in Nigeria was investigated in this study. It also investigated whether competitive advantage plays a role in the relationship between entrepreneurial orientation and SME performance. Data were collected from a total of 283 respondents from SMEs in Kano, Nigeria, using self-administered questionnaires. For data analysis and hypothesis testing, this study used Partial Least Squares Structural Equation Modeling. The findings show that entrepreneurial orientation and SME performance have a strong and favorable association. Similarly, the results show that competitive advantage and performance have a considerable positive association. Orientations of entrepreneurs and competitive advantage are key factors of firm performance.

19. Khadhraoui et al (2016). This study looked at the impact of entrepreneurial orientation on spin-off performance and customer satisfaction, as well as the moderator effect of network capabilities on the relationship between entrepreneurial orientation and performance. The relationship between the dependent and independents variables has been measured by a questionnaire distributed to 56 managers of Tunisian spin-offs. and the research variables have been analyzed through using SPSS and Smart PLS. he findings show that the entrepreneurial approach has a beneficial impact on the performance and customer satisfaction of Tunisian spin-offs. However, the findings show that network skills have little effect on the link between entrepreneurial orientation and performance.

2.4 The difference between the previous studies and the current study

After referring to many previous studies and based on what was mentioned previously, it can be concluded that the relationship between the entrepreneurial orientation and building competitive advantage has become an important topic for research in the previous studies and that it was addressed in different dimensions and countries. By looking at previous studies, their objectives, and the methods that were used in the research, the current study differs from previous studies by the following:

- While most of the previous studies addressed each of entrepreneurial orientation and competitive advantage variables individually, this is one of the few studies that addressed both combined.
- Almost of the previous studies have discussed the impact of entrepreneurial orientation on competitive advantage in different sectors and industries, but the current study has applied to the industrial sector in Amman as the study population.
- Most of the past research has taken place in nations outside of the Arab world. The current research is being carried out in Jordan, one of the Arab World's countries.
- Risk-taking, proactiveness and innovativeness have all been identified as prerequisites for entrepreneurial orientation in numerous studies. Only a few of them, though, focused on aggressiveness or autonomy. This identifies the first gap that needs to be addressed in this research.

Chapter Three

Research Methodology.

3.1 Introduction

This chapter deals with a description of the study methodology that was followed, a statement of the study's approach, the community and the sample that were selected and their characteristics. It also shows the steps for preparing and developing the study tool and its stability, the study procedures that were conducted, and the statistical methods that were used in data processing.

3.2 Study Design:

The current study is considered a descriptive and cause/effect study. It aimed to study the impact of the entrepreneurial orientation on building a competitive advantage on small and medium-sized enterprise in the industrial sector in Jordan, specifically in the city of Amman.

This study starts with a literature review to develop a model for the study. Then, a panel of judges was used to check the validity of the questionnaire, and a questionnaire was distributed to a number from owner and manager to collect data. The gathered data was checked and coded using SPSS. After testing the tool's normality, validity, and reliability, the correlation between variables was tested and multiple regressions were carried out to test the hypotheses.

3.3 population and sample

The population of the study is the small-medium-sized enterprises in the industrial sector in Jordan, which totals 1232 companies according to the Amman Chamber of Industry.

Where the researcher went to companies that had from 10 to 49 employees, as well as from 50 to 250 employees, according to the classification of the Amman Chamber of Industry that was adopted in this study in order to distribute the questionnaire.

The Amman Chamber of Industry divided the industrial companies as follows: micro industrial companies (less than 10 employees), small industrial companies (between 10-49 employees), medium industrial companies (between 50–250 employees); and large industrial companies (more than 250 employees).

procedure for data collection

A sample was taken from owners and managers of small and medium-sized companies in the capital, Amman, in the industrial sector, who were available at the time of distributing the questionnaires and ready to participate.

The researcher distributed a total of 400 questionnaires to the study sample, represented by the owners and managers of small and medium-sized companies in the industrial sector in Amman.

It relied on the traditional method of distributing the questionnaire, by distributing it to 400 managers and owners to ensure an accurate result, 280 of which were retrieved, and after examining the retrieved questionnaires, 13 of them excluded due to lack of data in them. Consequently, the number of valid questionnaires for analysis became a total of 267, which indicates 66% of the respondents' rate.

3.4 Data Collection Methods:

For fulfilling the purposes of the study, the data collected from two sources: secondary and primary data as follows:

1.4 Secondary data:

To addressing the theoretical framework of the study, the researcher turned to secondary data sources, which are represented in Arab and foreign books and references, articles and reports, previous research and studies that dealt with the subject of the study, research and reading on various internet sites. The researcher's goal was to resort to secondary sources in the study, to identify the foundations and sound scientific methods in writing studies, as well as to take a general perception of the latest developments that occurred in the subjects of the study.

1.4.1 Primary data:

To address the analytical aspects of the subject of the study, the primary data collection was resorted to through the questionnaire as a main tool for the study. Which included several statements that reflected the objectives and questions of the study, to be answered by the respondents, and the Five-Year Likert Scale was used, so that each answer took a relative importance.

3.5 Study Instrument:

The questionnaire design consists of several steps. This started with collecting information from the previous literature about the variables that were considered for this analysis, and then deducing the variables that would be studied in this research.

Then the questionnaire was designed and organized to make the questions clear and accurate. The questionnaire was created in two languages (Arabic and English) to ensure that the research objective was clear.

Questionnaire questions consist of closed questions displayed on a Likert scale, which is easier and faster for respondents (managers and owners) to answer. They can express their impressions by choosing the most appropriate, relevant, and applicable option for the question. Due to its simplicity, the Likert scale is considered one of the most suitable methods by researchers.

Three sections of the research questionnaire were formed. The first section was a cover letter, which included the purpose of the research and the value of the participants' contributions, emphasizing the privacy and confidentiality of the participants to encourage a high response rate, the estimated time required to complete the survey, and publicizing the researcher's Contact information.

The second part of the survey was the demographic data, which included the respondent's gender, age group, level of education, experience, and work position.

The third part was concerned with the

3.5.1 Independent Variables

Entrepreneurial orientation: includes the following sub-variables: Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy.

3.5.2 Dependent Variable

Competitive advantage: includes the following dimensions: Differentiation, flexibility, cost.

Each variable is measured by five items and five-point Likert-type scale is used to rate the owners and managers' perceptions about items implementation, ranging from value one (strongly not agree) to value five (strongly agree) used through the questionnaire.

3.6 Methods of Data Analysis

The researcher used descriptive statistical methods to extract results from the questionnaire data and then tested hypotheses descriptively for all study variables using central tendency measures (Arithmetic Mean, Standard Deviation, and descriptive analysis) according to the Fifth Likert Scale using the Statistical Package for Social Sciences (SPSS) program. Furthermore, the researcher used the Cronbach's Alpha test to verify the reliability by describing of the study tool by describing the data from the observations of the study sample using frequencies and relative proportions. In addition, Multiple Linear Regression Analysis was used to examine the impact of entrepreneurial orientation aspects (Innovation, Proactivity, Risk Taking, Aggressiveness, and Autonomy) on competitive advantage in Jordan's SMEs industrial sector.

3.7 The validity and reliability of the study tool

Honesty is a necessary feature inherent in every tool to be applied to obtain accurate data and information regarding the phenomenon under study. When the researcher seeks to verify the validity of the tool that he developed, he first begins to work on collecting evidence from which he can conclude that the tool is valid for measuring the characteristic that the tool was designed to measure.

3.7.1 Validity

The researcher created a tool to be filled out by the study sample observations, which were represented by owners and managers of SMEs in Jordan's industrial sector, and it was necessary to ensure the face validity of the questionnaire in order to meet the study's objectives, as the researcher presented the study tool to a to ten university members specializing in business management and scientific research from public and private

universities as indicated in appendix (1) to be evaluated. The contents of some of the questionnaire paragraphs were changed by adding and eliminating portions and to create stability and balance between the paragraphs of the study tool, all necessary changes were implemented.

3.7.2 Reliability

The researcher used Alpha Cronbach's test to measure the consistency in the respondents' answers to all the questions on the scale, as obtaining $\text{Alpha} \geq 60.0$ is considered acceptable in the applied aspect of administrative and human sciences in general(Sekaran, U & Bougie, R. 2010).

Table (3.6) shows the stability values of the main study variables, which rang (0.67 – 0.80), and total questionnaire items was (0.92), this indicates to acceptable Cronbach' Alpha value for each domain. The indicators of Alpha Cronbach indicate that the study tool, in general, has a high stability coefficient and its ability to achieve the objectives of the study according to (Sekaran, U & Bougie, R. 2010).

Table (3.1) Cronbach' Alpha value for each domain

Variables	Cronbach' Alpha value
Innovation	0.80
Proactiveness	0.79
Risk Taking	0.75

Aggressiveness	0.67
Autonomy	0.79
Entrepreneurial orientation	0.91
competitive advantage	0.71
Total	0.92

3.8 Demographic analysis

This paragraph explains the answer to the personal and functional characteristics of the study sample members, which are included (gender, administrative level, educational level, and age), and Table (1) explains this. Where it turns out that:

Table 3. 2: Distribution of the study sample by gender

Variable	Classification	Frequency	Percent %
Gender	Male	170	63.7
	Female	97	36.3

Gender

As for the distribution of the study sample observations based on gender, it was found that the highest category (Male) by frequency (170) percentage (63.7%), but the lowest category (Female) by frequency (97) percentage (36.3%).

Table 3. 3: Distribution of the study sample by Age

Variable	Classification	Frequency	Percent %
Age	Less than 30	42	15.7
	30 – 39	72	27.0
	40 – 49	99	37.1
	50 or above	54	20.2

Age

The results show that (15.7%) of the study sample observations are less than 30 years, and that (27.0%) of the total sample observations are between (30 – 39)years, while the higher percentage of people with ages between (40 – 49) years reached (37.1) of the total sample observations, and The percentage of people with 50 years and above reached (20.2%) of the total sample observations, This explains that the majority of the study sample are of an age capable of evaluating the impact of entrepreneurial orientation and realize the importance of building a competitive advantage for their companies.

Table 3. 4: Distribution of the study sample by Education level

Variable	Classification	Frequency	Percent %
Education level	Bachelor	185	69.3
	Higher Diploma	23	8.6
	Master	49	18.4
	PhD	10	3.7

Education level

the results from the above table shows that more than half of the study sample (69.3) hold a bachelor's degree. While the holders of a master's degree were (18.4%) of the total sample observations. While it was found that (8.6%) of the total sample observations are holders of Higher Diploma, and the holders of a doctorate were (3.7%) This result explains that the study sample members have a high educational level that enables them to fill out the study questionnaire with complete impartiality and objectivity.

Table 3. 5: Distribution of the study sample by Job Position

Variable	Classification	Frequency	Percent %
Job Position	Manager	135	50.6
	Owner	132	49.4

Job Position

The study sample is limited to owners and managers, where the percentage of owners in the study sample was (49.4%), and the managers (50.6%).

Table 3. 6: Distribution of the study sample by Years of Experience

Variable	Classification	Frequency	Percent %
Years of Experience	10 or less	63	23.6
	11 – 15	72	27.0
	16 – 20	83	31.1
	21 or more	49	18.4

Years of Experience

Finally, as shown in Table it was found that (23.6%) of the total sample observations had experience (less than 10 years), while (27.0.3%) of the total sample observations had experience (11 to 15) years, and (31.1%) of the total sample observations had experience (16to 20) years, as for who have experience 21 or more years, they were (18.4%). The results of this analysis give an indication that the study sample has many years of experience that qualifies them to make decisions that will achieve the goals of the organization and reach the direction of entrepreneurship in the organization.

Chapter Four

Data analysis and hypotheses testing

4.1 Introduction

Achieving the objectives of the current study requires determining the reality of its variables and studying its specific hypotheses that have been assumed, in addition to describing its variables in a way that is easy to understand, and determining what the study seeks to achieve. Accordingly, the data and information contained in this chapter is concerned with analyzing the results of the study sample members' responses to the study variables using many descriptive statistical indicators to judge their nature and levels in the companies under study, in addition to testing the study's hypotheses

Where the researcher used the SPSS statistical package for social sciences to analyze the data. The results summarize descriptive statistics including mean, standard deviation, frequencies, and percentages for the demographics. The results also showed average scores of factors of study. Multiple regression was used to determine of the effect of the independent variables on the dependent variables.

4.2 Descriptive Analysis of Study Variables

To describe the reality of the interest of medium and small companies in the industrial sector in the entrepreneurial orientation (innovation, proactivity, risk-taking, aggressiveness, and Autonomy), the researcher used the arithmetic mean to determine the level of response of the study sample to its variables, The standard deviation to measure the degree of divergence of the responses of the study sample members from its arithmetic mean, The category length equation, which requires measuring the practice and level of the study variables, which was calculated according to the following equation:

$$\text{Class Interval} = \frac{\text{maximum class} - \text{minumum class}}{\text{number of classes}}$$

$$\text{Class Interval} = \frac{5-1}{3} = 1.33$$

According to (Najib & Baharudin., 2020). it will be:

The Low degree less than 2.33

The Medium degree from 2.34 – 3.66

The High degree from 3.67 and above.

Dimension one: Innovation

Table (4.1): Means and standard deviations for each item of Innovation level

No.	Statement	Mean	SD	Order	Importance
3	Managers strongly have emphasis on R&D, technological leadership, and innovations	4.09	0.869	1	High
2	Managers encourages brainstorming and team work to introduce new services/products.	4.06	0.876	2	High
5	The Managers has flexibility in using existing data to develop new knowledge	4.03	0.856	3	High
4	Managers make continuous investment in new technology	4	0.899	4	High
1	Managers actively responds to main competitors by new ways of doing the works and seek to follow up normal solutions	3.99	0.858	5	High
Total		4.03	0.65	---	High

The arithmetic means of the reality of the interest of medium and small companies in the industrial sector for innovation ranged between (3.99 – 4.09) with a total average of (4.03) as shown in the table 4.1. The higher means for item (Managers strongly have emphasis on R&D, technological leadership, and innovations) With an arithmetic mean of (4.09) and with a standard deviation of (0.869).

While the item “Managers actively responds to main competitors by new ways of doing the works and seek to follow up normal solutions” ranked fifth and the last one with an arithmetic mean (3.99) and with a standard deviation of (0.858), The overall average of the sample responses to the innovation dimension is (4.65) with a high degree of importance and a standard deviation (0.65). This reflects that decision makers in medium and small companies in the industrial sector encourage development, innovation and information sharing in order to develop products and services.

Dimension Two: Proactiveness

Table (4.2): Means and standard deviations for each item of Proactiveness level

No.	Statement	Mean	SD	Order	Importance
1	Managers always determine its objectives before any action of investments	4.03	0.856	1	High
2	Managers have a strongly tend to be ahead of others and introducing latest ideas or products, processes, technologies, & administrative techniques	4.01	0.911	2	High

5	Managers Seek out the latest information and use it for business gain	3.99	0.813	3	High
3	Managers evaluate new and emerging markets and identify how to take advantage of them	3.98	0.825	4	High
4	Managers are the first to identify customer need and wants	3.87	0.925	5	High
Total		3.98	0.64	---	High

The arithmetic means of the reality of the interest of medium and small companies in the industrial sector for Proactiveness ranged between (3.87 – 4.03) with a total average of (3.98) as shown in the table 4.2. The higher means for item (Managers always determine its objectives before any action of investments) With an arithmetic mean of (4.03) and with a standard deviation of (0.856).

While the item (Managers are the first to identify customer need and wants) ranked fifth and the last one with an arithmetic mean (3.87) and with a standard deviation of (0.952), The overall average of the sample responses to the Proactiveness dimension is (3.98) with a high degree of importance and a standard deviation (0.64). This reflects that decision makers in medium and small companies in the industrial sector agreed on the need to set goals and strive to keep pace with customers' requirements by identifying opportunities and modern technologies and exploiting them before competitors.

Dimension Three: Risk Taking

Table (4.3): Means and standard deviations for each item of Risk-Taking level

No.	Statement	Mean	SD	Order	Importance
4	Managers strive to be proactive in trying new technologies and innovations in the markets	4.02	0.797	1	High
5	Managers deal with complex projects characterized by uncertainty and ambiguity in order to achieve profit	3.98	0.987	2	High
1	The organization has become adopting more daring methods in trying to achieve its goals	3.94	0.756	3	High
2	Managers try to take advantage of risky market opportunities	3.93	0.877	4	High
3	The Manger of the organization has a strong proclivity for high-risk project	3.91	0.884	5	High
Total		3.95	0.61	---	High

The arithmetic means of the reality of the interest of medium and small companies in the industrial sector for risk-taking ranged between (3.91 - 4.02) with a total average of (3.95) as shown in the table 4.3. The higher means for item ((Managers strive to be proactive in trying new technologies and innovations in the markets) With an arithmetic mean of (4.02) and with a standard deviation of (0.797). While the item (The Manger of the organization has a strong proclivity for high-risk project) ranked fifth and the last one with an arithmetic

mean (3.91) and with a standard deviation of (0.884), The overall average of the sample responses to the risk-taking dimension is (3.95) with a high degree of importance and a standard deviation (0.61). This reflects that decision makers in medium and small companies in the industrial sector agreed that to enter new market, find new opportunities and gain profit they need to take a risky decisions.

Dimension Four: Aggressiveness

Table (4.4): Means and standard deviations for each item of Aggressiveness level

No.	Statement	Mean	SD	Order	Importance
4	Managers could develop plans in order to seize opportunities and face the threat of competitors.	4.18	0.748	1	High
5	Managers take the first step of action to beat the competition	4.13	0.794	2	High
2	The managers believe that owing to the nature of the environment, bold, wide – ranging acts are necessary to achieve firm objectives	4.05	0.793	3	High
3	Managers Respond to competitive action that threatens the organization rapidly	4	0.861	4	High

1	Managers adopt a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities	3.97	0.86	5	High
Total		4.07	0.53	---	High

The arithmetic means of the reality of the interest of medium and small companies in the industrial sector for Aggressiveness ranged between (3.97 – 4.18) with a total average of (4.07) as shown in the table 4.4. The higher means for item (Managers could develop plans in order to seize opportunities and face the threat of competitors) With an arithmetic mean of (4.18) and with a standard deviation of (0.748).

While the item (Managers adopt a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities) ranked fifth and the last one with an arithmetic mean (3.97) and with a standard deviation of (0.86), The overall average of the sample responses to the aggressive dimension is (4.07) with a high degree of importance and a standard deviation (0.53). This reflects that decision makers in medium and small companies in the industrial sector agreed that responding in an aggressive manner leads to improving the situation or overcoming competitors.

Dimension Five: Autonomy

Table (4.5): Means and standard deviations for each item of Autonomy level

No.	Statement	Mean	SD	Order	Importance
1	Managers encourage the employees to share and exchange information among departments	4.01	0.843	1	High

2	Managers allow employees to work on projects according to their knowledge and experience	3.96	0.857	2	High
4	Managers supports the efforts of individuals or teams that work autonomously	3.92	0.83	3	High
3	Managers allow employees to easily access company resources	3.91	0.954	4	High
5	Employees pursuing business opportunities make decisions on their own without constantly referring the supervisors	3.72	1.034	5	High
Total		3.90	.67	---	High

The arithmetic means of the reality of the interest of medium and small companies in the industrial sector for Autonomy ranged between (3.72 – 4.01) with a total average of (3.90) as shown in the table 4.5. The higher means for item (Managers encourage the employees to share and exchange information among departments) With an arithmetic mean of (4.1) and with a standard deviation of (0.843).

While the item ((Employees pursuing business opportunities make decisions on their own without constantly referring the supervisors.)) ranked fifth and the last one with an arithmetic mean (3.72) and with a standard deviation of (1.034), The overall average of the sample responses to the Autonomy dimension is (3.90) with a high degree of importance and a standard deviation (.67). This reflects that decision makers in medium and small companies in the industrial sector support the employees who work autonomously and give them access to company resource to be able to work on projects.

Variable Two: Competitive advantage

Table (4.6): Means and standard deviations for each item of competitive advantage level

No.	Statement	Mean	SD	Order	Importance
4	Managers identify the skills a company has and seek ways to utilize those skills	4.16	0.676	1	High
1	Managers are keen to respond quickly to changes that may occur in the design of products and services in proportion to the needs of customers	4.12	0.784	2	High
5	Managers strive to Providing product/ services with a lower cost compared to competing companies	4.12	0.786	3	High
2	Managers strive to provide products and services that meet or exceed customer expectations.	4.1	0.841	4	High
3	Managers strive to own key resource that are difficult for other organization to acquire	4.1	0.778	5	High
Total		4.12	.53	---	High

The arithmetic means of the reality of the interest of medium and small companies in the industrial sector for Competitive advantage ranged between (4.1 – 4.16) with a total

average of (4.12) as shown in the table 4.6. The higher means for item (Managers identify the skills a company has and seek ways to utilize those skills) With an arithmetic mean of (4.16) and with a standard deviation of (0.676).

While the item ((Managers strive to own key resource that are difficult for other organization to acquire.)) ranked fifth and the last one with an arithmetic mean (4.1) and with a standard deviation of (.53), The overall average of the sample responses to the competitive advantage dimension is (4.12) with a high degree of importance and a standard deviation (.53). This reflects that decision makers in medium and small companies in the industrial sector seek to meet the needs and desires of their customers and achieve their satisfaction by providing products and services at competitive prices and high quality to obtain a competitive advantage.

4.3 Analyze the suitability of study data for hypothesis testing

Before starting the analysis procedures to test the hypothesis of the study, the researcher conducted some tests to ensure the suitability of the data to test the hypothesis of the study as follow:

- The data must be normally distributed (Distribution Normality)
- The necessity of the independence of the study variables and the non-interference among them (Multicollinearity).
- There should be no high correlation between the independent variables (Correlations).

4.4 Normality test

Normality is defined by the normal distribution of values of variables. Prior to embarking on the analysis of the data, a normality test was carried out for all the quantitative variables that include total score. In this study, statistics test normality was used in order to get skewness and kurtosis within -2 and +2. (Sharma, C., & Ojha, C. S. P. 2020). As observed below, the skewness test was within the range of -0.621 to 1.33, and the kurtosis test produced a range of -0.539 to 0.869 for all research variables (Table 4.7). This means that all variables were distributed normally

Table (4.7) Normality test for all research variables

Variables	Skewness		Kurtosis	
	Statistic	SE	Statistic	SE
Innovation	-.621	.149	.033	.297
Proactiveness	-.473	.149	.869	.297
Risk Taking	-.183	.149	-.539	.297
Aggressiveness	-.207	.149	-.066	.297
Autonomy	-.460	.149	.105	.297
Entrepreneurial orientation	.133	.149	.152	.297
competitive advantage	-.445	.149	.130	.297

4.5 Multicollinearity test

To test the independence of the study variables and their non-interference with each other, the researcher used the tolerance test and inflation rate variance. For the study variables to be independent of each other. Considering that the contrast inflation factor (VIF) does not exceed (10), and value for Tolerance is greater than (0.05) (Kim, J. H. 2019).

Table (4.8) Variance Inflation Factor test

Variable	VIF	Tolerance
Innovation	1.735	.576
Proactiveness	1.796	.557
Risk Taking	1.896	.528

Aggressiveness	1.914	.523
Autonomy	2.016	.496

The result of VIF in the table (4.8), since the VIF for all variables are not exceeds (4.8) and the Tolerance value more than (0.05). All these finding indicated that the models do not have a multicollinearity problem within variables of the study.

4.6 Pearson correlation coefficient test:

Pearson Bivariate Correlation test has been used to test the relationships between variables and sub-variables.

Table (4.9) Correlation Matrix

Variable	Innovation	Proactiveness	Risk Taking	Aggressiveness	Autonomy
Innovation	1				
Proactiveness	.590**	1			
Risk Taking	.461**	.435**	1		
Aggressiveness	.377**	.483**	.604**	1	
Autonomy	.506**	.516**	.593**	.597**	1

The results of the Pearson correlation matrix presented in Table (4.9) shows that the relationships among Entrepreneurial orientation sub-variables are strong, according to Pan, H. et al., (2021) The range of the Pearson correlation coefficient is (-1, 1). where r ranges from 0.377 to 0.604. This indicate that the relationship between independent and dependent variables is strong, where R equals 0.503

4.7 Hypothesis Testing

The researcher performed multiple linear regression analysis to determine the first central hypothesis and its following hypotheses based on the suitability of the statistical analysis data, which are as follows:

The null hypothesis H_0 is rejected and the alternative hypothesis H_a is accepted if the significance level is $(\text{sig}) \leq$ less than or equal to (0.05), while the null hypothesis is accepted and the alternative H_a is rejected if the significance level is $(\text{sig}) >$ greater than (0.05).

Main hypothesis: “entrepreneurial orientation dimensions (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) does not have impact building a competitive advantage on SME in the industrial sector in Jordan, at $(\alpha \leq 0.05)$.”

The hypotheses have been tested by using Multiple linear regression, table (12) shows that.

Table (4.10) Multiple linear regression to analysis the impact of entrepreneurial orientation dimensions (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) on competitive advantage on SME in the industrial sector in Jordan

Variable	R	R ²	F	Sig.F	β_0	β_i	T	Sig.T
Innovation	.574	.330	25.695	.000	1.986	.326	6.015	.000*
Proactiveness						.115	2.060	.040*
Risk Taking						-.108	-1.779	.076
Aggressiveness						.075	1.080	.281
Autonomy						.124	2.163	.031*

Table (4.10) shows the results for tested the main hypothesis entrepreneurial orientation dimensions (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) does not have impact building competitive advantage on SME in the industrial sector in Jordan, at $(\alpha \leq 0.05)$

the results of the statistical analysis showed the presence of statistically significant impact of the entrepreneurial orientation dimensions (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) on competitive advantage on SME in the industrial sector in Jordan, with a correlation coefficient R (0.574) at the level of significance ($\alpha \leq 0.05$). The coefficient of determination R² has reached (0.330), which means that the value of 33% of changes in the competitive advantage on SME in the industrial sector in Jordan resulting from changes in the entrepreneurial orientation dimensions (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy), and the calculated F value was (25.695) which is a function at the level of ($\alpha \leq 0.05$).

As a result, the main null hypothesis H₀ is rejected, and the alternative hypothesis is accepted that there is a significant impact of entrepreneurial orientation (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) on building competitive advantage of SME in the industrial sector in Jordan, at ($\alpha \leq 0.05$)

The following sub-hypothesis are derived from it:

Hypothesis One: “entrepreneurial orientation (Innovation) does not have impact on building a competitive advantage in the industrial sector on SME in Jordan, at ($\alpha \leq 0.05$)”.

The first hypothesis tested states: entrepreneurial orientation (Innovation) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$). the results of the statistical analysis in table (4.10) showed that there is an impact of the entrepreneurial orientation (Innovation) on building competitive advantage in the industrial sector of SME in Jordan.

Since the result value of Beta=.326, t=6.015, Sig.= .000, p<0.05. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, which states there is a significant impact of entrepreneurial orientation (Innovation) on building competitive advantage onf SME in the industrial sector in Jordan, at ($\alpha \leq 0.05$)

Hypothesis Two: “entrepreneurial orientation (Proactiveness) does not have impact on building a competitive advantage in the industrial sector on SME in Jordan, at ($\alpha \leq 0.05$).”

The second hypothesis tested states: entrepreneurial orientation (Proactiveness) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$). the results of the statistical analysis in table (4.10) showed that there is an impact of the entrepreneurial orientation (Proactiveness) on building competitive advantage in the industrial sector of SME in Jordan.

Since the result value of Beta=.115, $t=2.060$, Sig.= .040, $p < 0.05$. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, which states there is a significant impact of entrepreneurial orientation (Proactiveness) on building competitive advantage of SME in the industrial sector in Jordan, at ($\alpha \leq 0.05$)

Hypothesis Three: “entrepreneurial orientation (Risk-Taking) does not have impact on building a competitive advantage in the industrial sector on SME in Jordan, at ($\alpha \leq 0.05$).”

The third hypothesis tested states: entrepreneurial orientation (Risk-Taking) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$). the results of the statistical analysis in table (4.10) showed that there is no impact of the entrepreneurial orientation (Risk-Taking) on building a competitive advantage in the industrial sector of SME in Jordan.

Since the result value of Beta=-.108, $t=-1.779$, Sig.= .076, $p < 0.05$. Therefore, the null hypothesis is accepted, which states entrepreneurial orientation (Risk-Taking) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$).

Hypothesis Four: “entrepreneurial orientation (Aggressiveness) does not have impact on building a competitive advantage in the industrial sector on SME in Jordan, at ($\alpha \leq 0.05$)”.

The four hypothesis tested states: entrepreneurial orientation (Aggressiveness) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$). the results of the statistical analysis in table (4.10) showed that there is no impact of the entrepreneurial orientation (Aggressiveness) on building competitive advantage in the industrial sector of SME in Jordan.

Since the result value of Beta=-.075, t=-1.080, Sig.= .281, $p < 0.05$. Therefore, the null hypothesis is accepted, which states entrepreneurial orientation (Aggressiveness) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$).

Hypothesis Five: “entrepreneurial orientation (Autonomy) does not have impact on building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$)”.

The fifth hypothesis tested states: entrepreneurial orientation (Autonomy) does not have impact building competitive advantage in the industrial sector of SME in Jordan, at ($\alpha \leq 0.05$). the results of the statistical analysis in table (4.10) showed that there is an impact of the entrepreneurial orientation (Autonomy) on building competitive advantage in the industrial sector of SME in Jordan.

Since the result value of Beta=.124, t=2.163, Sig = .031, $p < 0.05$. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, which states there is a significant impact of entrepreneurial orientation (Autonomy) on building competitive advantage of SME in the industrial sector in Jordan, at ($\alpha \leq 0.05$)

Chapter Five

Discussing findings and recommendations

5.1 Introduction

The objectives of the study, which seeks to know the impact of the entrepreneurial approach in building a competitive advantage in the industrial sector on SME in Jordan, were reached through the analysis of the data presented in the previous chapter. And now the presentation of the discussion and interpretation of those results, and the development of recommendations that suit the beneficiary of this study.

5.2 Discussion Study Hypotheses

entrepreneurial orientation (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) does not have an impact on a building competitive advantage on SMEs in the industrial sector in Jordan, at ($\alpha \leq 0.05$).

The results showed which is related to the analysis of the main hypothesis, that there is a statistically significant impact at the significance level ($\alpha \leq 0.05$) of the dimensions of entrepreneurship orientation (innovation, proactiveness, risk-taking, aggressiveness, autonomy) on the competitive advantage in the industrial sector of SME in Jordan, in other words, any change in the direction of entrepreneurship through (innovation, proactiveness, risk-taking, aggressiveness, autonomy) changes and directly affects the competitive advantage in the industrial sector of SME in Jordan, at a rate of (33%). On the other hand, the results of the first main question, which is related to the analysis of the main hypothesis, depended on the analysis of the sub-questions and the answer to them related to the sub-hypotheses of this study according to the following explanations.

Innovation does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at ($\alpha \leq 0.05$).

In detail, that is found that there is a statistically significant impact of the entrepreneurial orientation through the (innovation) dimension on building competitive advantage in the industrial sector of SME in Jordan, that is, when the entrepreneurial orientation

(innovation) increases by one level, the level of building competitive advantage in the industrial sector in the small and medium industries sector in Jordan increases. This effect is due to managers strongly have emphasis on R&D, technological leadership, and innovations; managers encourage brainstorming and team work to introduce new services/products; managers have flexibility in using existing data to develop new knowledge; managers make continuous investment in new technology and managers actively responds to main competitors by new ways of doing the works and seek to follow up normal solutions. Thus, indicates that the level of interest in the industrial sector of SME in Jordan for innovation is a high.

Proactiveness does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at ($\alpha \leq 0.05$).

It is also found that the presence of a statistically significant effect of the entrepreneurial orientation through the (proactiveness) dimension on building competitive advantage in the industrial sector of SMEs in Jordan, i.e., when the entrepreneurial orientation (proactiveness) increases by one level, the level of building competitive advantage in the industrial sector of the small and medium industries sector in Jordan increases. This effect is since managers always determine their objectives before any action or investment; managers have a strong tendency to be ahead of others in introducing the latest ideas or products, processes, technologies, and administrative techniques; managers seek out the latest information and use it for business gain; managers evaluate new and emerging markets and identify how to take advantage of them; and managers are the first to identify customer needs and wants. Thus, it indicates that the level of interest in the industrial sector of SME in Jordan for Proactiveness is high.

Risk Taking does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at ($\alpha \leq 0.05$).

Moreover, it was not found that there is a statistically significant impact of the entrepreneurial orientation through the (risk-taking) dimension on building competitive advantage in the industrial sector for small and medium enterprises in Jordan, that is, when the entrepreneurial orientation increases by one level, the level of building competitive

advantage in the industrial sector is not affected. This effect is since managers do not strive to be proactive in trying new technologies and innovations in the markets; Managers shy away from complex projects that are characterized by uncertainty and ambiguity; Nor does the organization adopt more daring methods in trying to achieve its objectives; Managers are indifferent to risky market opportunities and the manager of the organization has little propensity for high-risk enterprise.

Aggressiveness does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at ($\alpha \leq 0.05$).

In addition, it was found that there is no statistically significant impact of the entrepreneurial orientation through the (Aggressiveness) dimension on building competitive advantage in the industrial sector of small and medium-sized companies in Jordan, that is, when the entrepreneurial orientation increases by an amount, the level of building competitive advantage in the industrial sector remains unaffected. This is due to the poor ability of managers to make plans to seize opportunities and face the threat of competitors; Nor do managers take the first step to beat the competition; Managers believe that due to the nature of the environment, bold and extensive actions are not necessary to achieve the objectives of the organization; Weak Managers respond quickly to competitive actions that threaten the organization and managers do not take a bold and aggressive stance in order to maximize the likelihood of exploiting potential opportunities.

Autonomy does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at ($\alpha \leq 0.05$).

Then that is found that there is a statistically significant impact of the entrepreneurial orientation through the dimension (Autonomy) on building competitive advantage in the industrial sector of SME in Jordan, that is, when the entrepreneurial orientation (Autonomy) increases by one level, the level of building competitive advantage in the industrial sector in the small and medium industries sector in Jordan increases. This impact is due to managers encourage the employees to share and exchange information among departments; managers allow employees to work on projects according to their knowledge and experience; managers support the efforts of individuals or teams that work

autonomously; managers allow employees to easily access company resources and employees pursuing business opportunities make decisions on their own without constantly referring the supervisors. Thus, indicates that the level of interest in the industrial sector of SME in Jordan for Autonomy is a high.

As for the competitive advantage, the results showed that the level of interest in the increase in the industrial sector of SME in Jordan is high, because managers identify the skills a company has and seek ways to utilize those skills, managers are keen to respond quickly to changes that may occur in the design of products and services in proportion to the needs of customers; managers strive to Providing product/ services with a lower cost compared to competing companies; managers strive to provide products and services that meet or exceed customer expectations; managers strive to own key resource that are difficult for other organization to acquire. This indicates that the industrial sector on SME in Jordan is applying entrepreneurship through (innovation, proactiveness, Autonomy) with high efficiency, which has proven its positive impact on competitive advantage.

The results of this study agree with AlQhaiwi & Abukaraki (2021), which showed that medium-sized businesses have a high level of entrepreneurial attitude and creative conduct. And there is a substantial link between managers' creative (problem sensitivity and flexibility of thought) and their entrepreneurial oriented qualities (risk-taking, proactiveness, self-autonomy, and aggressive competitiveness). Also, entrepreneurial orientations (risk-taking, proactiveness, self-autonomy, and competitive aggressiveness) have a statistically significant impact on encouraging managers' innovative activity. Also, the result for this study agreed with of El-Masry, et al. study, which showed there is a strong link between entrepreneurial mindset, long-term viability, and competitive advantage.

That is also agreed with the study of Khan, et al., (2021), which showed the findings demonstrated that there is a positive association between all the constructs, both directly and through the mediator (EC), the risk-taking profitability (RTP) and enterprise performance, on the other hand, had the highest direct relationship. Furthermore, when EC is used as a mediator between the dependent and independent variables, it has a positive effect, The results show that RTP route emerged as the most powerful link once more.

Moreover, that is agreed with Yi, et al (2021) study that showed that the entrepreneurial orientation has a significant beneficial effect on both the originality of the new product and the feasibility of the new product. Which positively affects the competitive advantage, and the results show that the correlation between the entrepreneurial attitude and the feasibility of the new product is strongly moderated through the life cycle of the company. The research provides practical and theoretical insights into the dynamics of entrepreneurship, new product innovation, and new product performance.

That is agreed with Makhoulfi et al., (2021) study that showed show that the capacity to innovate is favorably connected with EO. the more entrepreneurially oriented a business is, the more learning and knowledge generation processes are engaged in the interaction connection. That is agreed with Abdallah (2020) study that outcomes revealed that entrepreneurial approach has a significant impact on business performance in Jordanian IT SMEs. Furthermore, data indicated that each of the entrepreneurial orientation variables (innovation, risk-taking, and proactive) had a significant impact on IT SMEs' business performance in Jordan. That is agreed with Sadalia, et. al (2020) study that findings reveal that entrepreneurial orientation has a significant positive relationship with finance and business competitive advantages, and innovation has a significant positive relationship with finance and business competitive advantage.

That is agreed with Sulistyo & Ayuni (2020) study that showed entrepreneurial orientation and social capital have a considerable impact on creativity and performance skills. Small businesses' ability to innovate has a substantial impact on their performance and competitive advantage. That is agreed with Kiyabo & Isaga, (2020) study that showed entrepreneurial orientation influenced competitive advantage positively and significantly, competitive advantage influenced SMEs' performance positively and significantly, and competitive advantage mediated the relationship between entrepreneurial orientation and SMEs' performance. That is agreed with Utami & Wilopo (2018) study that showed Entrepreneurial orientation is well acknowledged to have a substantial impact on competitive advantage and business performance. but it isn't agreed with Aroyeun et al. (2018) study that showed competitive aggression has a positive significant impact on SMEs' competitive advantage.

That is agreed with Neneh, & Van, (2017) study that showed innovation (a combination of proactive and innovative), had a significant positive relationship to sales growth. That is agreed with Zeebaree, & Siron, (2017) study that showed Entrepreneurial inclinations have a considerable impact on CMA, the results show that FNC also played a moderating impact in the association between entrepreneurial orientation and CMA in SMEs in Iraqi KRG, according to the findings. That is agreed with Ibrahim, & Mahmood, (2016) study that showed entrepreneurial orientation and SME performance have a strong and favorable association. Similarly, the results show that competitive advantage and performance have a considerable positive association. Orientations of entrepreneurs and competitive advantage are key factors of firm performance. And that is agreed with Khadhraoui et al., (2016) study that showed the entrepreneurial approach has a beneficial impact on the performance and customer satisfaction of Tunisian spin-offs.

5.3 Conclusion

The purpose of this study was to determine the impact of the entrepreneurial orientation approach on the development of competitive advantage in the industrial sector of SMEs in Jordan. Depending on the dimensions of entrepreneurial orientation (innovation, proactiveness, risk-taking, aggressiveness, autonomy), it turns out that the level of interest in the industrial sector SMEs in Jordan for entrepreneurial orientation is high. which is that there is a statistically significant effect at the significance level ($\alpha \leq 0.05$) of the dimensions of entrepreneurship orientation (innovation, proactiveness, autonomy) on the competitive advantage in the industrial sector of SME in Jordan, but that there is no statistically significant effect of the entrepreneurial orientation through the (risk-taking, aggressiveness) dimension on building competitive advantage in the industrial sector of small and medium-sized companies in Jordan. In other words, any change in the direction of entrepreneurial orientation through innovation, proactiveness, autonomy) changes and directly affects the competitive advantage in the industrial sector of SMEs in Jordan.

5.4 Recommendations

According to the previously presented explanations, the study recommends the following:

- The study indicates that small and medium-sized companies in the industrial sector should adopt the entrepreneurial orientation in their future planning to take advantage of the opportunities associated with quick environmental changes.
- The need to work on increasing the empowerment of workers in their work, by giving them the freedom to determine the way they accomplish their work
- The need for small and medium enterprises to provide the appropriate climate for knowledge sharing among workers by facilitating the process of communication between them and facilitating access to their knowledge bases.
- The need for the organization to compete in new markets and not be satisfied with the current ones by offering new products that have not been tried before in these markets
- The necessity for small and medium enterprises to obtain feedback from customers by listening to their opinions and suggestions as a means of acquiring the necessary knowledge to develop products
- According to the study small and medium companies in the industrial sector should emphasize raising the level of innovation for their employees by providing job stability and a suitable environment for work, as well as preparing them for creativity by promoting their innovative and creative suggestions to enrich the tasks
- The study recommended small and medium-sized companies in the industrial sector the importance of conducting continuous studies and research on the external environment in order to exploit the available opportunities and avoid external threats

5.5 Recommendations for Future Research

- Because this research was limited to Jordanian industrial firms, the findings can only be applied to that industry. Future research should be devoted on investigating different industries, according to the researcher, so that the study model can be generalized.
- The current study relied on the questionnaire as the only tool for data collection, so the researcher recommends using other research tools in future studies, such as interview and observation.

- Research the impact of entrepreneurial orientation on other factors such as customer retention, Organizational Excellence and Financial Performance
- This study took place during a short period of time during the Corona pandemic, which had a significant impact on businesses. As a result, it is suggested that this study be repeated after a reasonable amount of time to examine the extent of the industry's development.

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Appendices

Appendix (1) List of arbitrators

Name	Major	Academic Rank	Workplace
Asaad AL-Ali	Business Administration	Professor	Al-Ahliyya University
Belal Khalaf Sakarneh	Business Administration	Professor	Isra University
Abdel hakim Akhorshaideh	Business Administration	Associate Professor	University of Jordan
Mohammad Hasn	Business Administration	Professor	Zarqa University
Khaled Ibrahim	Marketing	Assistant Professor	American University of Madaba
Anbar Shlash	Marketing	Professor	University of Petra
Laila Ashour	Marketing	Assistant Professor	University of Petra
Raed Momani	Marketing	Assistant Professor	University of Petra
Wasif Matar	E-Business	Assistant Professor	University of Petra
Hussam Barham	E-Business	Assistant Professor	University of Petra

Appendix 2

Academic Questionnaire

Dear Doctor/Prof.....:

This questionnaire is a part of a study that the researcher undertakes to obtain a master's degree in business administration from the University of Petra. The study is entitled:

“Entrepreneurial orientation and its impact on building competitive advantage of small and medium enterprises (SME) in the industrial sector in Jordan”

This questionnaire will be distributed to business owners and managers in the industrial sector of SMEs

Your opinions and directives will have an effective impact on developing the study and producing it in an appropriate manner. Therefore, I would like to express your views on each paragraph of the questionnaire, by marking (✓) in the field that you deem appropriate and kindly writing your observations (deleting, adding, modifying) on the paragraphs of the questionnaire.

Thank you for your kind cooperation, and accept my highest consideration

Researcher

Dina Ayman AL-Azazi

Section (1) Demographics

1. Gender:

☐ Male ☐ Female

2. Age:

☐ Less than 30 ☐ 30-39 ☐ 40-49 ☐ 50 or above

3. Education level:

☐ Bachelor
other option ☐ Higher Diploma ☐ Master ☐ PhD ☐

4. Job Position:

☐ Manager ☐ Owner

5. Years of Experience:

☐ 10 or less ☐ 11-15 ☐ 16-20 ☐ 21 or more

Independent Variable” Entrepreneurial orientation”						
NO.	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Independent Sub-Variable” Innovation”						
1.	Managers actively responds to main competitors by new ways of doing the works and seek to follow up normal solutions					
2.	Managers encourages brainstorming and team work to introduce new services/products.					
3.	Managers strongly have emphasis on R&D, technological leadership, and innovations					
4.	Managers make continuous investment in new technology					
5.	The Managers has flexibility in using existing data to develop new knowledge					
Independent Sub-Variable” Proactiveness”						
6.	Managers always determine its objectives before any action of investments					
7.	Managers have a strongly tend to be ahead of others and introducing latest ideas or products, processes, technologies,					

	& administrative techniques.					
8.	Managers evaluate new and emerging markets and identify how to take advantage of them					
9.	Managers are the first to identify customer need and wants					
10.	Managers Seek out the latest information and use it for business gain					
Independent Sub-Variable” Risk Taking”						
11.	The organization has become adopting more daring methods in trying to achieve its goals					
12.	Managers try to take advantage of risky market opportunities					
13.	The Manger of the organization has a strong proclivity for high-risk project					
14.	Managers strive to be proactive in trying new technologies and innovations in the markets					
15.	Managers deal with complex projects characterized by uncertainty and ambiguity in order to achieve profit					

Independent Sub-Variable” Aggressiveness”						
16.	Managers adopt a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities					
17.	The managers believe that owing to the nature of the environment, bold, wide – ranging acts are necessary to achieve firm objectives					
18.	Managers Respond to competitive action that threatens the organization rapidly					
19.	19- Managers could develop plans in order to seize opportunities and face the threat of competitors.					
20.	Managers take the first step of action to beat the competition					
Independent Sub-Variable” Autonomy”						
21.	Managers encourage the employees to share and exchange information among departments					
22.	Managers allow employees to work on projects according to their knowledge and experience					
23.	Managers allow employees to easily access company resources					

24.	Managers supports the efforts of individuals or teams that work autonomously					
25.	Employees pursuing business opportunities make decisions on their own without constantly referring the supervisors					
Dependent Variable” competitive advantage”						
26.	Managers are keen to respond quickly to changes that may occur in the design of products and services in proportion to the needs of customers					
27.	Managers strive to provide products and services that meet or exceed customer expectations.					
28.	Managers strive to own key resource that are difficult for other organization to acquire					
29.	Managers identify the skills a company has and seek ways to utilize those skills					
30.	Managers strive to Providing product/ services with a lower cost compared to competing companies					

Summery

Background

In an increasingly complex and expanding competitive environment, with the prevailing uncertainty and multiplicity of choices, contemporary organizations are challenged to find a niche that makes them a market leader.

This is what prompted it to be fully vigilant and seize opportunities in the areas of activities that would enable it to achieve distinction and superiority over others in a market characterized by fierce competition at all levels. It does not stop there, but it goes beyond when the organization begins to transition to processes, practices, and decision-making activities that are creative, flexible, and risk-taking, which will enable them to enter into a new business world (Covin & Wales., 2019). Where the competitive advantage represents an ambition for each organization, as organizations seek, with their different objectives, sizes, and types, to achieve success and goals but reaching this is not easy in light of the fierce competition in the market, so organizations seek to employ their diverse capabilities in new ways that enable them to succeed (Hubbard et al., 2014).

Therefore, organizations wishing to compete effectively in the twenty-first century must not only identify and exploit new opportunities, but must act differently and uniquely from their competitors to ensure they gain a competitive advantage. (Bettis et al., 2014). This applies to small and medium-sized companies, as this sector has faced many challenges, especially in Jordan, starting with the development of Jordan into a highly open and unregulated market economy (Al-Alaq, 2010 as cited in Al-Zoud., 2018). Therefore, facing rapid changes in both customer needs and desires requires organizations to excel in

exploring available opportunities and providing services in a distinctive way to acquire new customers and retain existing customers. (Sadiku-Dushi et al., 2019).

It also requires SMEs to be able to adapt and anticipate these changes quickly by developing market-driven innovations. The ability to adapt in the face of market changes and respond as quickly as possible to ensure they are always the first to enter the market. (Sulistyo & Ayuni., 2020). It is for this reason that the primary focus has become to direct the attention of companies and organizations to the entrepreneurial activities that are seen as essential to the company's success in today's competitive business environment (Abdullah et al., 2019).

As Palmer, C et al. (2019) stated, a company's entrepreneurial orientation is the single most important factor in its success. As a result, entrepreneurial orientation is critical because it serves as the foundation in the process of developing an entrepreneurial strategy that managers and decision-makers in firms use to establish corporate goals, sustain vision, and ensure competitive advantages for their organizations (Abu Dawla & Hammoud., 2019). Entrepreneurial orientation helps businesses develop capabilities that enable them to accomplish their goals, obtain long-term competitive advantages, lead people, readily accept new ideas, gain first-mover advantage, and be more focused on the success of the company (Adeiza et al., 2017).

On this basis, this research will look at the impact of entrepreneurial orientation in building the competitive advantage of small and medium business organizations.

Problem Statement

Small and medium-sized enterprises are facing a new reality at the present time. The global economy has changed dramatically in the past decade. Globalization and rapid changes in the market, coupled with the increasing complexity and urgency nature of customers along with environmental disruptions, present significant challenges to small and medium-sized businesses. As a result of these conditions, companies need to rethink their operations and methods and look for new ways to compete (Coelho et al., 2022). It was found that small and medium-sized companies are good at seeing opportunities, but they are not adept at establishing the competitive advantages required to take advantage of these chances (Ireland et al., 2003 as cited in Zeebaree & Siron., 2017). This was due to the lack of innovation in these companies, insufficient research and development, weak systems, and a failure to embrace new organizational skills, which were all main barriers to gaining a competitive advantage (Arshad et al., 2020).

Where this sector in Jordan faced many challenges represented in the weakness of entrepreneurial skills, the difficulty of accessing new markets, and the difficulty of keeping pace with the evolving market requirements (Jordan chamber of industry).

Hence the need for companies to adopt new approaches and methods and adopt pioneering strategies to raise the status and role of the organization, whether small or medium, to achieve a competitive advantage that enables it to reach its goals and continue. Therefore, the entrepreneurship approach is no longer an option, but rather has become an urgent necessity for owners of small and medium-sized enterprises and an essential element in their role in identifying opportunities and improving business (Arshad et al., 2020).

The research advocates that when this approach is followed according to evidence-based recommendations, it will expand opportunities in the market, and the organization will be able to make changes related to the industry, its product structure, and the ever-changing needs of customers at present and thus can be useful in addressing the challenges facing small and medium-sized companies.

Research Questions

The main research question that this research attempts to answer is

1. What is the impact of entrepreneurial orientation on building competitive advantage of small and medium enterprises in the industrial sector in Jordan?
2. What is the level of entrepreneurial orientation adopted by small and medium enterprises?
3. What is the level of competitive advantage adopted by small and medium enterprises?

Sub questions

1. What is the impact of Innovation on building a competitive advantage on SMEs in the industrial sector in Jordan?
2. What is the impact of Proactiveness on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?
3. What is the impact of Risk-Taking on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?
4. What is the impact of Aggressiveness on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?

5. What is the impact of Autonomy on building a competitive advantage on small and medium enterprises in the industrial sector in Jordan?

Research Hypotheses

The above questions will be answered by testing the following hypothesis:

Main Hypothesis:

H0: entrepreneurial orientation (Innovation, Proactiveness, Risk Taking, Aggressiveness, Autonomy) does not have an impact on building a competitive advantage on SMEs in the industrial sector in Jordan, at significant level ($\alpha \leq 0.05$).

Based on Entrepreneurial orientation components the main hypothesis can be divided into the following **sub-hypotheses**:

H01: Innovation does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

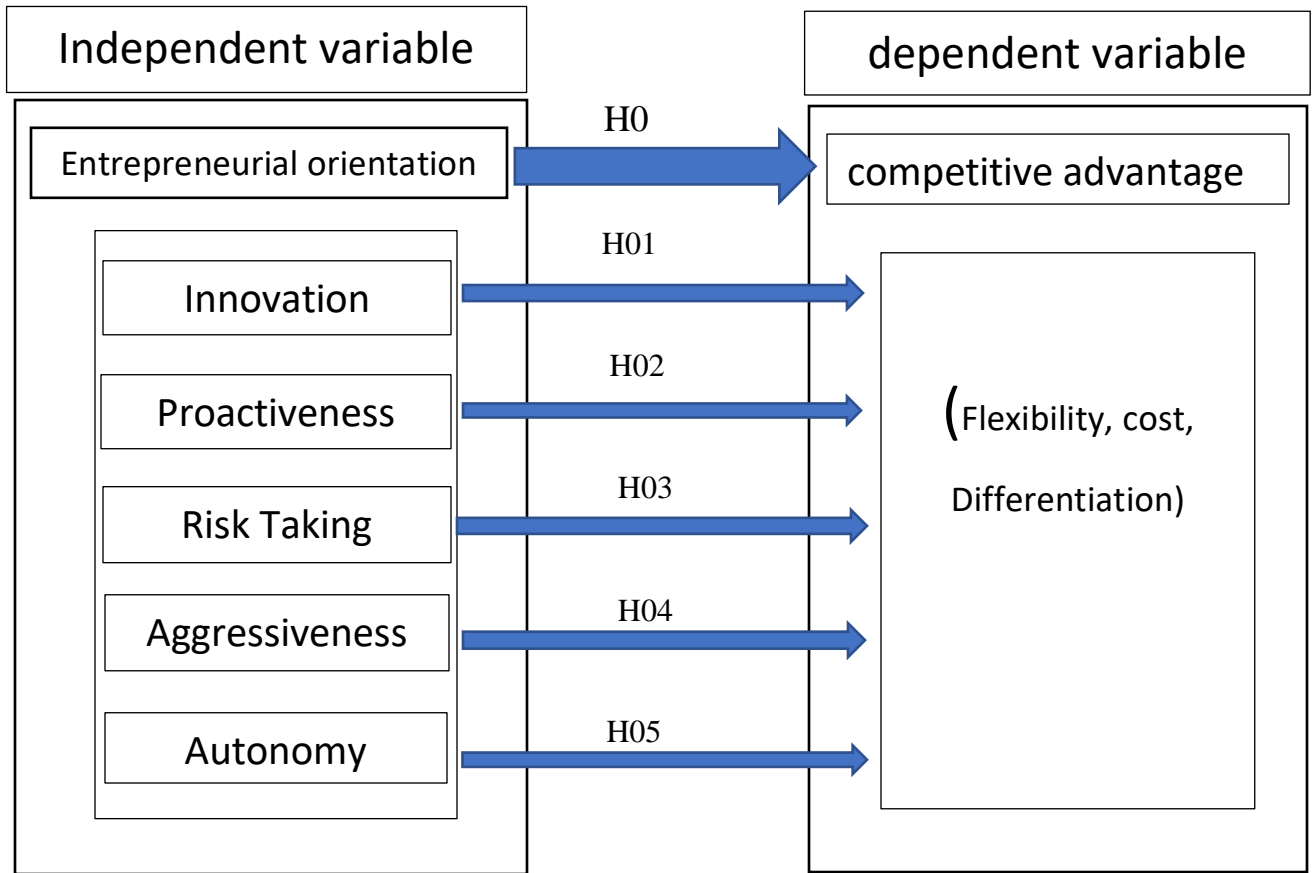
H02: Proactiveness does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H03: Risk Taking does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H04: Aggressiveness does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

H05: Autonomy does not have an impact on building a competitive advantage in the industrial sector on SME in Jordan, at significant level ($\alpha \leq 0.05$).

Conceptual framework



Study Design:

The current study is considered a descriptive and cause/effect study. It aimed to study the impact of the entrepreneurial orientation on building a competitive advantage on small and medium-sized enterprise in the industrial sector in Jordan, specifically in the city of Amman.

This study starts with a literature review to develop a model for the study. Then, a panel of judges was used to check the validity of the questionnaire, and a questionnaire was distributed to a number from owner and manager to collect data. The gathered data was checked and coded using SPSS. After testing the tool's normality, validity, and reliability, the correlation between variables was tested and multiple regressions were carried out to test the hypotheses.

population and sample

The population of the study is the managers and owners of the small-medium-sized enterprises in the industrial sector in Jordan, which totals 1232 companies according to the Amman Chamber of Industry.

Where the researcher went to companies that had from 10 to 49 employees, as well as from 50 to 250 employees, according to the classification of the Amman Chamber of Industry that was adopted in this study in order to distribute the questionnaire.

Study Instrument:

The questionnaire design consists of several steps. This started with collecting information from the previous literature about the variables that were considered for this analysis, and then deducing the variables that would be studied in this research.

Then the questionnaire was designed and organized to make the questions clear and accurate. The questionnaire was created in two languages (Arabic and English) to ensure that the research objective was clear.

Questionnaire questions consist of closed questions displayed on a Likert scale, which is easier and faster for respondents (managers and owners) to answer.

Methods of Data Analysis

The researcher used descriptive statistical methods to extract results from the questionnaire data and then tested hypotheses descriptively for all study variables using central tendency measures (Arithmetic Mean, Standard Deviation, and descriptive analysis) according to the Fifth Likert Scale using the Statistical Package for Social Sciences (SPSS) program. Furthermore, the researcher used the Cronbach's Alpha test to verify the reliability by describing of the study tool by describing the data from the observations of the study sample using frequencies and relative proportions. In addition, Multiple Linear Regression Analysis was used to examine the impact of entrepreneurial orientation aspects (Innovation, Proactivity, Risk Taking, Aggressiveness, and Autonomy) on competitive advantage in Jordan's SMEs industrial sector.

Discussion Study Hypotheses

The results showed which is related to the analysis of the main hypothesis, that there is a statistically significant impact at the significance level ($\alpha \leq 0.05$) of the dimensions of entrepreneurship orientation (innovation, proactiveness, risk-taking, aggressiveness, autonomy) on the competitive advantage in the industrial sector of SME in Jordan, in other words, any change in the direction of entrepreneurship through (innovation, proactiveness, risk-taking, aggressiveness, autonomy) changes and directly affects the competitive advantage in the industrial sector of SME in Jordan, at a rate of (33%).

Conclusion

The purpose of this study was to determine the impact of the entrepreneurial orientation approach on the development of competitive advantage in the industrial sector of SMEs in Jordan. Depending on the dimensions of entrepreneurial orientation (innovation, proactiveness, risk-taking, aggressiveness, autonomy), it turns out that the level of interest in the industrial sector SMEs in Jordan for entrepreneurial orientation is high. which is that there is a statistically significant effect at the significance level ($\alpha \leq 0.05$) of the dimensions of entrepreneurship orientation (innovation, proactiveness, autonomy) on the competitive advantage in the industrial sector of SME in Jordan, but that there is no statistically significant effect of the entrepreneurial orientation through the (risk-taking, aggressiveness) dimension on building competitive advantage in the industrial sector of small and medium-sized companies in Jordan. In other words, any change in the direction of entrepreneurial orientation through innovation, proactiveness, autonomy) changes and directly affects the competitive advantage in the industrial sector of SMEs in Jordan.

Recommendations

According to the previously presented explanations, the study recommends the following:

- The study indicates that small and medium-sized companies in the industrial sector should adopt the entrepreneurial orientation in their future planning to take advantage of the opportunities associated with quick environmental changes.
- The need to work on increasing the empowerment of workers in their work, by giving them the freedom to determine the way they accomplish their work

- The need for small and medium enterprises to provide the appropriate climate for knowledge sharing among workers by facilitating the process of communication between them and facilitating access to their knowledge bases.
- The need for the organization to compete in new markets and not be satisfied with the current ones by offering new products that have not been tried before in these markets
- The necessity for small and medium enterprises to obtain feedback from customers by listening to their opinions and suggestions as a means of acquiring the necessary knowledge to develop products
- According to the study small and medium companies in the industrial sector should emphasize raising the level of innovation for their employees by providing job stability and a suitable environment for work, as well as preparing them for creativity by promoting their innovative and creative suggestions to enrich the tasks
- The study recommended small and medium-sized companies in the industrial sector the importance of conducting continuous studies and research on the external environment in order to exploit the available opportunities and avoid external threats

Recommendations for Future Research

- Because this research was limited to Jordanian industrial firms, the findings can only be applied to that industry. Future research should be devoted on investigating different industries, according to the researcher, so that the study model can be generalized.

- The current study relied on the questionnaire as the only tool for data collection, so the researcher recommends using other research tools in future studies, such as interview and observation.
- Research the impact of entrepreneurial orientation on other factors such as customer retention, Organizational Excellence and Financial Performance
- This study took place during a short period of time during the Corona pandemic, which had a significant impact on businesses. As a result, it is suggested that this study be repeated after a reasonable amount of time to examine the extent of the industry's development.