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The Impact of Entrepreneurial Orientation on SMEs' Performance: The Case of the Northern Region of Morocco

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Abstract:

Entrepreneurship is a real actor not only in the development of society but also in societal change and its emergence leads to a more open economy where innovation, business creation, and multiplication of innovative projects have become, in all sectors, engines of wealth, growth and employment.

Nowadays, entrepreneurship has given birth to several concepts. One such concept, entrepreneurial orientation (OE), is the subject of our article, which according to (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003), means the strategic decision-making of companies on the entrepreneurial level. Thus, any company with an entrepreneurial orientation must be characterized by risk-taking, innovation and proactivity. Hence the multidimensional particularity of this concept. This entrepreneurial orientation is essential for any company wishing to renew itself, develop and improve its performance in a dynamic, changing and uncertain environment.

Ultimately, the purpose of this article is to elucidate through a survey based on a questionnaire conducted in the field with 130 SMEs in the northern region of Morocco. The study showed a favorable result confirming our central hypothesis.

Therefore, our work would be respectively theoretical and practical. The first part will be devoted to the conceptual foundations of our study while highlighting the literature review through the presentation of different research works and then exposing the methodology adopted and the main features of our sample. Consequently, our second part will be devoted to presenting and discussing the empirical results obtained.

Keywords: Entrepreneurship, entrepreneurial orientation, innovation, risk-taking, proactivity, SMEs

1. Introduction

Entrepreneurship is one of the major concerns of our societies. Thus, for more than a decade, faced with the increase in the unemployment rate linked to the gap between the number of graduates and the low capacity of insertion of these graduates by the public and private sectors due to recent economic shocks, entrepreneurship and the promotion of SMEs have been at the heart of the concerns of governments in developing countries. This is all the more true as most of these countries have put in place strategic action plans for the promotion of entrepreneurship, SME development and the professional integration of youth.

Morocco is an attractive country open to the creation of new businesses, so our country is aware of the need to promote in a pedagogical and coordinated way both the entrepreneurial culture, entrepreneurial learning and its impact as a lever for social and economic development while promoting the emergence of new generations of passionate, motivated, autonomous and creative entrepreneurs.

As a developing economy, Morocco is dominated by a strong presence of SMEs representing nearly 95% of the national economic fabric. It is constantly improving the business environment of these companies to strengthen their competitiveness and dynamism, improve their performance and motivate the creation of new SMEs by upgrading the financial, economic, institutional and administrative environment.

Theoretical and practical research concerning entrepreneurial orientation does not cease developing to underline its importance within the companies. The reflections related to this topic are beginning to gain momentum in some specific contexts, such as SMEs. According to some published works, entrepreneurial orientation could have a strong link to the performance, innovation and strategic orientation of these said firms (Al-Dhaafri, Bin Yusoff & Al-Swidi, 2013). Performance improvement can occur at several levels: productivity, business, and organizational (Karyotakis & Moustakis, 2016).

In this respect, the concept of entrepreneurial orientation seems to be a widely used construct in the strategy and entrepreneurship research literature and has attracted the interest of researchers who have been explicitly devoted to this theme for over twenty years.

The term 'entrepreneurial orientation' qualifies as one of the two 'strategic postures' that a firm can adopt in a given environment. Thus, the term 'orientation' extends the body image but alters the frame of reference on two points. It introduces a dynamic dimension by designating an action or an activity, and it signals the psychological sphere: orientation is also predilection and preference. (Covin and Slevin, 1989).

Miller (1983) attests, "The orientation is to consider the organizational entity as an actor comparable to a living being, and as such, gifted, in a certain way, to behave, to adapt."

Entrepreneurial orientation is an instantaneous measure of the entrepreneurial intensity of an organization based on three dimensions: innovation, proactivity, and risk-taking propensity (Mintzberg, 1973). Based on this, the mainstream is looking for a mode, a typology that can indicate a path to performance while adjusting the organizational form to its environment.

The environment in which companies currently operate is vulnerable, and changes are increasingly frequent and occur rapidly and simultaneously. In this context, SMEs must develop innovative and dynamic behaviors and take risks to adapt, maintain and even ensure their level of competitiveness in the turbulent environment in which they operate. This environment, increasingly internationalized, is characterized by a high degree of variability, dynamism and complexity. On the other hand, the choice of SMEs is legitimate insofar as they are at the origin of the creation of employment and wealth, essentially in a developing economy, in this case, Morocco.

The ultimate goal of this work is to determine the impact of entrepreneurial orientation on the performance of Moroccan SMEs, more specifically in the northern region. To this end, our paper will be subdivided into theory and practice. In the first part, we will first focus on the theoretical foundations of entrepreneurship in general and entrepreneurial orientation in particular, and then analyze the three dimensions that make it up (innovation, proactivity and risk-taking).

The following point will be the subject of a theoretical discussion on the concept of SME performance in all its dimensions.

The theoretical part of our paper will end with a review of previous studies by different researchers on the impact of entrepreneurial orientation on SME performance. This review will allow us to expose our central problem and the adopted research methodology and to set up a comparison of several theoretical models on the construct of entrepreneurial orientation and performance in order to propose a research and analysis model adequate to the Moroccan context of the impact of entrepreneurial orientation on the performance of SMEs in the northern region of Morocco.

The second part will be of a practical nature, during which we will try to confirm our hypotheses through a quantitative study based on a questionnaire with 130 SMEs in the northern region and whose results will be processed with the help of SMART PLS 4 software to carry out appropriate analyses and have the expected results. The discussion of the results will be presented in this section.

2. Conceptual and Theoretical Background

Entrepreneurial orientation has become a key concept in the field of entrepreneurship that has received considerable theoretical and empirical attention. Most notably, researchers have begun to study the structure and functioning of firms and to link these variables to other variables such as performance, behavior, and context (size, technology, history, and ownership of organizations).

Our article focuses on some of the research fields developed around entrepreneurship, which include the individual (the entrepreneur), the process of action (entrepreneurial orientation) and the outcome of action (performance). The analysis of the managerial literature shows that each field mobilizes several theoretical references.

In this section, we will look at the construct of entrepreneurial orientation by presenting its different facets and the theories developed on this subject. Also, a review of the entrepreneurship literature is essential before tackling the central element of our subject, which is entrepreneurial orientation.

2.1. The Entrepreneurship

The term 'Entrepreneurship' is now considered an academic discipline in its own right, which has attracted the interest of several researchers, and it seems appropriate to cite some definitions to properly understand the said concept.

Entrepreneurship is derived from the term 'Entrepreneur.' Cantillon was the first to present a clear conception of the whole function of the entrepreneur to designate "the creation of a job for oneself by an individual." This term reappeared in the 1980s in the French-speaking world under its current name (entrepreneurial), but it was used for a long time in the Anglo-Saxon world under the term 'entrepreneurship.' The Austrian economist Schumpeter (1935), quoted by Gasse & D'amours (2000), was the first contemporary author to define the entrepreneurial phenomenon. According to him, this term would mean the introduction of new products or services, or the implementation of new production methods, or the conquest of new markets, or the use of new sources of raw materials, or the creation of new businesses.

According to Cole (1942: 118), entrepreneurship is "the activity of creating, maintaining and expanding a profitable enterprise." To rhyme with this, Penrose (1959) borrows the term as an activity that includes identifying opportunities in an existing economic system.

Landström (2008) states that entrepreneurship "refers to the entrepreneur's ability to recognize opportunities and take action to exploit them in a market."

Bygrave and Hofer (1991) defined entrepreneurship as a process involving all the functions, activities and actions allowing the detection of opportunities and their exploitation through the creation of a company.

For Colletette & Aubry (1988), entrepreneurship is a "process by which one creates something different, of some value, by devoting the necessary time and effort, while assuming the finances of the enterprise, the psychological and social risks, and receiving the monetary rewards as well as the personal satisfaction."

In the sum of all these definitions, we can deduce that entrepreneurship is any attempt by one or more individuals to create a new business.

2.2. *Intrapreneurship vs. Entrepreneurship*

The concept of intrapreneurship remains a difficult theme to define in various research studies. This term shares many characteristics with the term 'entrepreneurship' without neglecting their dissimilarities.

Unlike entrepreneurship, intrapreneurship is described by some authors as a multidimensional concept with polysemic, polyphonic or polymorphic connotations (Antoncic & Hisrich, 2003).

Historically, the word was evoked by A. Brenner and R. Brenner (1988) in their research report when they contracted the words 'Internal' and 'Entrepreneurship' to give rise to the term 'Intrapreneurship,' which literally can be translated as an internal entrepreneur.

However, following his collaboration in the 1978 seminar organized by Bob Schwartz's School of Entrepreneurs, G. Pinchot (1985) was the first to coin the concept. Moreover, in 1985, in his book 'Intrapreneuring,' he clarified the concept's scope and his reflection on the issue.

Although the term is still relevant today, the definition of intrapreneurship stipulated by the different authors is not unanimous despite the huge number of studies on the issue. Among these definitions, we cite that of Pinchot (1985), for whom 'Intrapreneurship' is the entrepreneurial activity within an organization where individuals support new ideas from the moment they appear until they reach profitability.

Intrapreneurship can also be defined as the implementation of an innovation by an employee, a group of employees or any individual working under the control of the company (Carrier, 1997).

For their part, Antoncic and Hisrich (2001) indicate that 'Intrapreneurship' is a process that takes place within an existing company, regardless of its size, and leads not only to new business but also to other innovative activities and orientations such as the development of new products, services, technologies, administrative techniques, strategies and competitive positions.

From all these definitions, we can deduce that the concept of intrapreneurship constitutes a distinct field but shares some terms with that of entrepreneurship, which makes the two concepts substitutable since entrepreneurship consists of the creation of new activities and intrapreneurship consists of inculcating in employees the mentality of creating new activities.

In sum, we can emphasize that intrapreneurship is part of the general framework of entrepreneurship and that these two concepts are complementary concepts that are used to define the entrepreneurial movement within companies. Both concepts have their own multidimensional constructs, but each has several distinct dimensions.

However, there are dissimilarities in how these concepts can be interpreted and how they can be applied. For example, as we have seen in the literature, intrapreneurship essentially refers to the individual working in an organization (Carrier, 1997), while entrepreneurship focuses on the process and on the organization that decides to foster and support intrapreneurial practices (Birkinshaw, 2003; Champagne & Carrier, 2004; Christensen, 2004).

After presenting the main theoretical foundations developed on intrapreneurship, we note that this concept has unprecedented importance in the performance of companies since it participates in improving productivity and promotes innovation by creating new ideas that can generate value.

2.3. *Entrepreneurial Orientation*

In the face of open markets, agility, competitiveness and efficiency have become the keys to surviving and advancing in a turbulent environment where pressures are increasing. To cope with this, every organization must rethink and reconsider its behaviors and practices to renew, develop and improve its performance to maintain or improve its position in the market.

The launch of new products and the conquest of new markets are considered opportunities for any company wishing to consolidate its strength to face environmental uncertainties. It is within this framework that the entrepreneurial orientation is inscribed, and we intend to explain its construction in the rest of this article.

Entrepreneurial orientation has become a commonly used concept in the field of entrepreneurship and is subject to a multitude of definitions that we will cite through this point.

The literature review on entrepreneurial orientation reveals that the concept originated in an article by D. Miller (1983) entitled "The Correlates of Entrepreneurship in Three Types of Firms." In this article, which later also gave rise to a large body of literature, the author establishes that in the simple organization, according to Mintzberg's (1973) typology, the focus is on the nature and leadership of the leader. While planning leads to performance in the planning organization and the organic organization, it is necessary to monitor the adaptation of the structure to the environment.

This representation has been the subject of several definitions, and the work undertaken by researchers on this subject has been in three schools of thought: the Canadian school (Khandwalla and Miller), the conceptualization of the theoretical model (Covin and Slevin), and the clarification of the concept (Lumpkin and Dess).

2.3.1. Canadian School

Miller (1983) was among the first to present the key notions of the concept of entrepreneurial orientation. To define it, he identified three dimensions: the will to innovate, the propensity to act autonomously 'proactively' and risk-taking. He, thus, characterizes the entrepreneurial firm as one that "invests in product-market innovation, engages in risky ventures, and is considered the pioneer in proactive innovation" (Miller, 1983, p. 771).

2.3.2. School of Conceptualization of the Theoretical Model

Covin and Slevin (1991) developed a conceptual model of entrepreneurship to better understand the concept of entrepreneurial orientation. To this end, they wrote several articles that concluded that entrepreneurial orientation refers to the ability of the firm to adapt to the uncertainties of its environment. It reveals the ability of the management team to perform in a competitive environment in perpetual motion.

2.3.3. Clarification of the Concept of Entrepreneurial Orientation According to Lumpkin & Dess

A few years later, Lumpkin and Dess (1996) stated, "Entrepreneurial orientation refers to the processes, practices, and decision-making methods that lead to the creation of a new activity...this implies that the intentions and actions of key actors lead to a dynamic production process aimed at the creation of a new activity..." (p. 137). As a result, entrepreneurship is no longer limited to the company's leaders, as discussed by their announcers, but can contain all of its key players. Moreover, they add two dimensions (autonomy and competitive aggressiveness) that complement the components of entrepreneurial orientation proposed by Miller (1983).

According to the review of recent articles, we can distinguish a distinction in acceptance according to the authors of the entrepreneurial orientation construct. In fact, some have opted for the path traced by Lumpkin and Dess and others have returned to the M/CS model (Miller/Covin and Slevin).

2.4. Main Dimensions of Entrepreneurial Orientation

As mentioned above, research on entrepreneurial orientation proposes five dimensions to characterize and test a firm's entrepreneurial behavior. Chronologically, the first three, which are innovation, proactivity and risk-taking, come from Miller's work. The other two attributes, namely: autonomy and competitive aggressiveness, were added by Lumpkin & Dess (1996). In this article, we will focus on the first three dimensions, which are considered useful for the rest of our paper.

2.4.1. Innovation

Innovation refers to the introduction of new production and management techniques, but also to research and development activity, and is considered a major characteristic to define entrepreneurship. Thus, Schumpeter (1934) was one of the first to put forward the notion of innovation and to define it as the creation of new combinations of resources. It can take different forms, for example, introducing new products/services in the market or modifying the characteristics of products/services. Zahra (1993), for his part, notes that the discriminating characteristic of the entrepreneurial enterprise is the commitment to the creation and introduction of new products/services in the market.

2.4.2. Proactivity

The company has an interest in acting proactively to increase its competitive position in relation to its competitors (Porter, 1980) and to achieve economic gains (Lieberman & Montgomery, 1988). According to Lumpkin & Dess (2001), proactivity is the ability of the company to seek opportunities to introduce products/services before competitors and anticipate demand to create a change in the environment.

2.4.3. Risk-taking

The definition of entrepreneurship is strongly associated with risk-taking. In the 1800s, John Stuart Mill described risk-taking as a dominant characteristic of the entrepreneur. Risk-taking is then defined by Lumpkin & Dess (2001) as a tendency to take risky actions, such as entering new markets and deploying resources for uncertain outcomes.

From all the above, the entrepreneurial orientation concerns large companies and small and medium enterprises, so innovation, proactivity and risk-taking are essential dimensions of the entrepreneurial enterprise in general and the entrepreneurial orientation in particular.

In our work, we are interested in studying the relationship between entrepreneurial orientation and the performance of SMEs in the northern region of Morocco. This causal relationship has been highlighted by Zahra and Pearce (1989) and Zahra et al. (2000). Indeed, unlike large firms, the SME, with its entrepreneurial capacity and its level of adaptation, has several advantages in terms of flexibility, competitiveness and agility which makes the impact of the entrepreneurial orientation on the performance of SMEs a priori concrete and reconcilable. We are now going to expose the theoretical foundations of performance, particularly that of SMEs, through the following point.

2.5. SMEs' Performance: Definitions and Measures

Entrepreneurship and performance are conceptions that maintain verifiable relationships and the majority of research in this area confirms the construct of entrepreneurial orientation with performance.

The term performance is widely used and studied in both the academic and professional fields and its definition has generated many controversies in the field of managerial thinking.

According to Rouse (2016), performance is defined as "a happy result obtained in a company ..." We can, therefore, sense that performance can be synonymous with success attached to a result achieved or even satisfaction felt at the end of this result.

According to Pfeffer & Salancik (1978), an organization's performance is judged by its ability to produce results that are deemed acceptable.

For his part, Berrah (2013) sees that "a successful company is one that achieves the objectives it announces," provided that these objectives are consistent with the company's context.

Small and medium-sized enterprises play a fundamental role in all economies as they are the engine of business activity and job creation. In Morocco, SMEs predominate the economic fabric, with the presence of more than 90% of SMEs in the national market.

According to previous works, the performance within SMEs is conditioned by the vital role that the manager plays within these companies (Dokou et al., 2000). This is due to the reduction of hierarchical lines and the close presence of the manager of their employees because they share the same workplaces. (Torrés, 1999).

Other criteria, such as innovation, cost reduction, and product and service quality, are also considered important in determining performance in SMEs (Chaston & Mangles, 1997). Biggs (1996) mentions, given the competitive context in which SMEs live, that cost, quality, speed of execution and innovation are crucial factors of success for these companies. According to this author, cost, quality and speed of execution will be considered basic conditions for achieving the objectives of sustainability and survival.

The performance measurement system in SMEs is a crucial subject that researchers have studied, but there is little research on this subject compared to performance measurement in large companies.

In fact, a balanced scorecard can be considered an effective means of evaluating performance in SMEs.

In order to ensure effective performance measurement, the dimensions proposed by Norton and Kaplan must be linked to the objectives of the SME, particularly in Morocco.

It is important for SMEs (Kaplan & Norton, 1992; Russell, 1992; Bititci, 1995; Lebas, 1995) to have a performance measurement system to improve their managerial practices. Performance measurement has moved from a traditional model based fundamentally on financial indicators to a more holistic approach. Indeed, since the publication of Kaplan and Norton's work (1992, 1996) on strategic dashboards, several researchers have been working on developing so-called 'integrated' or 'balanced' models. In addition to being based on financial and non-financial indicators, these models attempt to integrate the strategic objectives of SMEs as well as the interests of the stakeholders to better translate the performance of the company to manage it better (Bititci et al., 1997; Ghalayini et al., 1997; Neely et al., 2000; Neely et al., 2001).

3. The Impact of Entrepreneurial Orientation on SMEs' Performance: Literature Review

The relationship between entrepreneurial orientation and firm performance has become the main focus of entrepreneurial orientation training (Kusumawardhani et al., 2009). Some studies have shown that entrepreneurial orientation has a positive relationship with firm performance; it can be in a direct or indirect way (Wijesekara et al., 2014; Meutia, 2013; Pratono & Mahmood, 2016; Amin, 2015; Vasconcelos et al., 2016; Omar et al., 2016; Setyanti, et al., 2013). This designates that firms that adopt more entrepreneurial orientation perform better than firms that lack learning orientation.

The research conducted by Amin in Saudi Arabia (2015) shows that entrepreneurial orientation has a significant relationship with the performance of SMEs. This is in line with the findings of Vasconcelos et al. (2016), Omar et al. (2016), and Setyanti et al. (2015), who also state that entrepreneurial orientation directly affects the performance of SMEs. Similarly, it is crucial to note that there are also empirical results that show that there is no relationship between entrepreneurial orientation and profit generation ability which is one of the performance indicators (Baker & Sinkula, 2009).

Moreover, the results of a study by Zany and Elsin (2019) conducted on SMEs in Ambon City, Indonesia, revealed that entrepreneurial orientation has a positive effect on the performance of said firms.

Fairoz et al. (2010), who examined the effect of entrepreneurial orientation with the proactive dimensions, innovation, and risk-taking on firm performance, showed a positive correlation between entrepreneurial orientation and firm performance.

The results of Lee and Lim (2009), still in the context of SMEs, conclude that entrepreneurial orientation has a powerful relationship with the performance of SMEs because they have the ability to respond quickly to business threats and opportunities. This ability is, in fact, the basic capital of SMEs to be able to maintain and constantly improve their performance. Entrepreneurship is necessary to find new opportunities and rejuvenate existing businesses. This entrepreneurial spirit is inherent to SMEs. With all the limitations, SMEs tend to be more creative in finding available market opportunities so that they can continue to survive under various conditions.

On the other hand, it is crucial to note that there are also empirical results that show that there is no relationship between entrepreneurial orientation and the ability to generate profits, which is one of the performance indicators (Baker & Sinkula, 2009). To this end, we cite the findings of Narver and Slater (2000) that entrepreneurial orientation has no effect on the performance of large firms.

On the other hand, SMEs that have appropriate entrepreneurial behavior, can respond quickly to threats and take advantage of market opportunities will be able to survive in commercial competition provided that they dare to take risks but also continue to innovate in the products and services offered to their customers.

Based on all these theories of these different authors, we arrive at the formulation of the following research hypothesis:

- H1: Entrepreneurial orientation has a positive effect on SMEs' performance

The research framework was constructed to determine the effect of entrepreneurial orientation on the performance of SMEs with reference to previous research. Thus, the model proposed in this study is presented in the following figure:

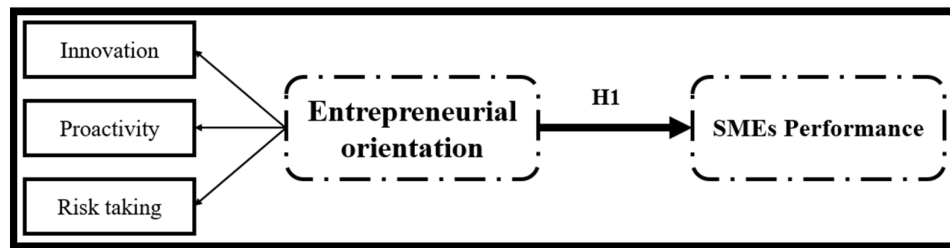


Figure 1: Conceptual Framework

By way of summary for this section, we note that entrepreneurial orientation is a promising area for the development of relevant knowledge on entrepreneurship (Kusumawardhani et al., 2009) and reflects the priority that firms are placed in the process of identifying and utilizing market opportunities (Baker & Sinkula, 2009). In addition, entrepreneurial orientation is recognized to have five dimensions. However, three of these dimensions are commonly used by researchers are: innovation, proactivity and risk-taking. Innovation reflects a tendency to support new ideas, novelty, experimentation and creative processes. Proactivity refers to the posture of an organization that anticipates and acts on the future market wants and needs. Risk-taking is associated with the willingness to use resources for projects with uncertain outcomes and potentially high costs of failure.

The next part will be of a practical nature in which we will outline our working methodology adopted to confirm or refute our main hypothesis while validating our research model. We will, therefore, present the sample with which the study was conducted.

4. Research Methodology Adopted

4.1. Sample and Data Collection

Within the framework of the characteristics of the 130 SMEs in the northern region of Morocco, we describe their age and their sector of activity on the one hand. On the other hand, we will present the characteristics of the respondents (their gender, their age, their level of training and their position).

The sample of the empirical study is distributed as follows:

Category (SME)	Frequency	Percentage
Age of the Company		
1 to 5 years	49	38%
5 to 10 years	37	28%
10 to 20 years	31	24%
40 to 50 years	13	10%
Sector		
Manufacturing	63	48%
Trade	27	21%
Services	40	31%

Table 1: The Characteristics of the SMEs Surveyed

Our sample is composed of SMEs that are distributed as follows:

- 48% of companies specialized in the manufacturing sector,
- 21% of companies specialized in services, and
- 31% of companies specialized in the trade

Also, we notice that according to the table below, 38% of the SMEs have an Age between 1 and 5 years, which shows that a very important number of SMEs surveyed are new and 52% have an age between 5 and 20 years and 10% of SMEs are very old.

Category (Respondent)	Frequency	Percentage
Gender		
Man	98	75%
Women	32	25%
Respondents' Age		
30 to 40 years old	68	52%
40 to 50 years old	50	38%
>50 years old	12	9%
Level of Education		
Professional training	38	29%
Higher education	92	71%
Position		
Manager	82	63%
Owner	48	37%

Table 2: The Characteristics of the Respondents

According to table 2, we notice that:

- 75% of the respondents are men and 25% are women
- 52% of the respondents are aged between 30 and 40 years,
- 38% are aged between 40 and 50 years and
- 9% have an age of more than 50 years.

This part shows that all the entrepreneurs in the northern region of Morocco are young.

Also, the table indicates that 63% of the respondents occupy the position of manager, and 37% of the respondents are managers.

Finally, we notice that 71% of the respondents have followed higher education and 29% have followed professional training.

4.2. Operationalization of Variables: The Measurement Instrument

The literature review allowed us to develop scales for all our variables to be explained. Respondents have the possibility, for each item, to express their opinion on a five-point Likert scale.

The table below presents the measurement instruments of our research:

Variables	Dimensions	Number of Items	References
Entrepreneurial Orientation	Innovation	4	(Miller, 1983; Covin & Slevin, 1989; Lumpkin & Dess, 1996)
	Proactivity	4	
	Risk-taking	4	
SMEs' Performance		10	Kaplan & Norton (1992, 1996, 2006) and Neely (2004, 2007)

Table 3: Measurement Items

5. Results and Discussion

The objective of our empirical study is to investigate the impact of entrepreneurial orientation with its three dimensions (Innovation, Proactivity and Risk-taking) on the performance of SMEs in the northern region of Morocco. In our analysis of the data collected by the managers and owners of SMEs in the northern region of Morocco, we used the SMART PLS 4 software to test and validate our hypothesis and research model through the structural equation method.

Our following conceptual model comprises three sous variables (Innovation, Proactivity and Risk-taking) and two variables: Entrepreneurial Orientation and SMEs' Performance, and their relationships have declined in the form of hypotheses. Here, we will try to validate them in this section.

5.1. Validity of the Measurement Model

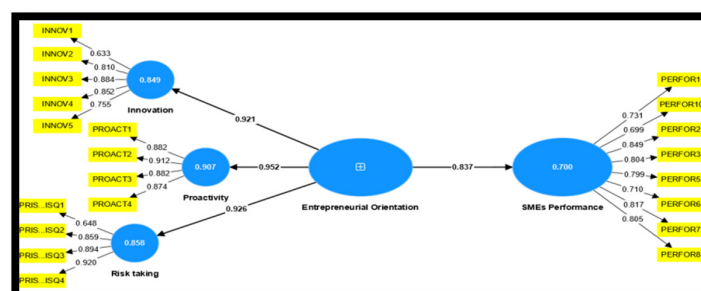


Figure 2: The Adjusted Structural Model (Using Smart PLS 4 Software)

In our statistical analysis of this study, we used the structural equation method via SMART PLS 4 software to perform two evaluations. One is the evaluation of the measurement model, convergence validity and discriminant validity. This is an evaluation of the structural model. We will use it to test the correlation between the variables and test our hypotheses.

The results given in table 4 show that the alpha Cronbach of all variables (Entrepreneurial Orientation, Innovation, Proactivity, Risk-taking and SMEs' Performance) has an alpha value greater than 0.7, a rhos_A value greater than 0.7, a composite reliability value greater than 0.7 and an AVE value greater than 0.5, which indicates the validity of convergence and are consistent with the scientific standards of management science.

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
Entrepreneurial Orientation	0.944	0.950	0.952	0.607
Innovation	0.848	0.867	0.892	0.626
Proactivity	0.910	0.912	0.937	0.788
Risk-taking	0.850	0.858	0.902	0.700
SMEs' Performance	0.907	0.912	0.925	0.606

Table 4: Validity of the Measurement Model

Source: SMART PL4

5.2. Hypothesis Testing and Discussion of Results

The main empirical results of the research for all data show that entrepreneurial orientation has a positive effect on SME performance (coeff. = 0.837; $p < 0.01$). The results of the path coefficient, T-statistic, and P-value on the bootstrapping test are presented in table 5.

Hypotheses	Path Coefficients (Mean, STDEV, T-Values)					Decision
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STD.DEV)	T Statistics (O/STDEV)	P Values	
H1 : EO -> SP	0.837	0.841	0.030	27.904	0.000	Accepted

OP: Entrepreneurial orientation; PP: SMEs' Performance

Table 5: Variable Relationship Result

Source: SMART PL4

The result of the principal hypothesis shows that entrepreneurial orientation has a positive impact on SMEs' Performance in Morocco and this result is consistent with all results found in previous theoretical and empirical work: Wijesekara et al. (2014); Meutia (2013); Pratono & Mahmood (2016); Amin, (2015); Vasconcelos et al., (2016); Omar et al., (2016), Setayanti, et al., (2013).

6. Conclusion

The objective of this article was:

- First, to define the three concepts related to entrepreneurship, intrapreneurship and entrepreneurial orientation that need to be clarified.
- Second, to present theoretical and empirical research on the impact of entrepreneurial orientation on the performance of SMEs.
- And finally, to present the results of our empirical study, where we have studied this impact on the Moroccan context.

According to this research, we were able to achieve some scientific objectives:

- At the methodological level, this research contributes to the epistemological and methodological considerations related to the impact study, in particular through the analysis of quantitative data via the structural equations method.
- At the managerial level, the objective of our research work is to bring elements of response to the questions related to the impact of innovation, proactivity and risk-taking on the performance of SMEs.
- Future research could focus on other dimensions of entrepreneurial orientation or integrate other variables related to entrepreneurship into our research model. Also, our quantitative study could be complemented by a qualitative approach (case study) to get a better idea of the field and the implication of entrepreneurial orientation in the SME world.
- Finally, it is relevant to approach the subject through a different perspective to study the relationship between entrepreneurial orientation and the performance of SMEs in specific sectors of activity, such as the tourism, craft and industrial sectors.

7. References

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