

Chapter 6

The Effect of Entrepreneurship on the Achievement of Business Performance: Approach Through the Psychological Traits of the Entrepreneurs – Case Study

Arabeche Zina

 <https://orcid.org/0000-0003-3893-3378>

Ahmed Zabana University of Relizane, Algeria

Mohammed El Amine Abdelli

 <https://orcid.org/0000-0002-5784-4306>

University of Brest, France

Shajara Ul-Durar

University of Sunderland, UK

ABSTRACT

Entrepreneurship is vital to economic growth, innovation, competitiveness, and poverty reduction. This chapter examines the degree of entrepreneurial orientation (EO) of 101 Algerian manufacturing SMEs and the consequences of EO dimensions such as innovation, proactivity, and risk-taking on business performance. Data were collected throughout a survey with a specifically designed questionnaire, and quantitative techniques were applied for their analysis. The results showed that Algerian SMEs have an average low entrepreneurial orientation. The authors concluded that there are some statically significant relationships between two dimensions of entrepreneurial orientation (proactivity and risk-taking) and SME performance. Thus, the Algerian entrepreneur is characterized by two specific

DOI: 10.4018/978-1-6684-7127-2.ch006

psychological traits: the need for achievement and entrepreneurial self-efficacy. These results could help entrepreneurs plan their activities towards developing the entrepreneurial spirit of Algerian SMEs.

1. INTRODUCTION

The phenomenon of entrepreneurship is in vogue. All the world's countries have become aware of its importance in reducing unemployment, accelerating production rates, promoting productivity and creating economic and social value. For many authors, entrepreneurship is limited to business creation Shane (2008). In contrast, this activity goes beyond creation alone to include creating new tasks, activities, and processes by existing companies or, more broadly, exploiting new market opportunities (Jarillo & Stevenson, 1990; Shane & Venkataraman, 2000). Thus, this notion is the core of organizational entrepreneurship (Corporate Entrepreneurship). Corporate entrepreneurship is defined as entrepreneurship in an existing business. The literature has used a variety of names for this concept, for example, corporate venturing (Biggadike, 1979), entrepreneurship (Zahra, 1991), intrapreneur (Pinchot, 1985), internal corporate entrepreneurship (Burgelman, 1985), internal entrepreneurship (Schollhammer; Vesper, 1984), strategic renewal (Guth, Ginsberg, 1990; Stopford & Baden-Fuller, 1994), strategic change, strategic revival, transformation venturing (Hornsby, Kuratko and Zahra, 2002), which is the subject of a reference to the Entrepreneurial Orientation of existing companies (Fayolle & Cherchem, 2010).

The notion of Entrepreneurial Orientation (EO) is relatively recent; it has been in constant use over the past few years. It is conceived as a multidimensional construct that can be broken down into three main variables: proactivity, innovation and risk-taking (Covin & Slevin, 1989) and this concept has been developed and widely used to measure an organization's entrepreneurial intensity.

Entrepreneurship is widely valued since the entrepreneur "creates wealth, jobs..., is a real gift that society must hasten to recognize, value and set an example" (Fortin, 2004). So, the entrepreneur is of decisive importance to the success of his/her business, and it seems necessary to discuss the literature related to this crucial character of business. Literature on this topic has two main approaches. One part of it, known as "deterministic", focuses on the entrepreneur's traits, while the other, known as "behavioural", describes the entrepreneurial process as a result of his/her activity. In this paper, we concentrate on the elements of the first perspective because many researchers present the relationship or interaction between the personality of the entrepreneur and the Entrepreneurial Orientation. Behaviourists present the "deterministic" approach as a psychological vision that focuses on the individual's

25 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/the-effect-of-entrepreneurship-on-the-achievement-of-business-performance/332082

Related Content

Espousal of Welfare Schemes: A Means for Employees' Satisfied Work Life with Reference to Pharmaceutical Companies

Chandra Sekhar Patro (2020). *Wealth Creation and Poverty Reduction: Breakthroughs in Research and Practice* (pp. 647-660).

www.irma-international.org/chapter/espousal-of-welfare-schemes/241094

The Resource and Leagile Strategy Model for Apparel Export Enterprises: A Proposed Model to Mitigate COVID-19 Uncertainties

Adeel Shah, Che Rosmawati Binti Che Matand Alisa Ibrahim (2022). *International Journal of Circular Economy and Waste Management* (pp. 1-14).

www.irma-international.org/article/the-resource-and-leagile-strategy-model-for-apparel-export-enterprises/288502

Industrialization in Tanzania: A Window of Entrepreneurial Opportunity

Nyanjige Mbembela Mayala (2020). *Handbook of Research on Entrepreneurship Development and Opportunities in Circular Economy* (pp. 306-322).

www.irma-international.org/chapter/industrialization-in-tanzania/256105

Defense Expenditure and Its Impact on Health in the SAARC Countries

Maniklal Adhikary and Melisha Khatun (2018). *Handbook of Research on Military Expenditure on Economic and Political Resources* (pp. 330-366).

www.irma-international.org/chapter/defense-expenditure-and-its-impact-on-health-in-the-saarc-countries/206691

The Effects of Innovation Policy on Science-to-Business Collaboration: The Case of Serbia

Isidora Avram Beraha and Sonja Obraduriin (2022). *Impact of Open Innovation on the World Economy* (pp. 83-110).

www.irma-international.org/chapter/the-effects-of-innovation-policy-on-science-to-business-collaboration/299107