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Entrepreneurial Orientation of Management Teams, SME's Competitive Advantage and Performance: The Role of Gender Diversity

Thanh Huynh¹, Dean Patton¹¹Bournemouth University, United Kingdom

ABSTRACT

There has been a controversy over the relationship between entrepreneurial orientation and a firm's performance; while some believe that this relationship is a positive, others could not find a significant result. This study examines this link and the relationships between these two concepts and competitive advantage. The empirical results from 274 SMEs in the UK show that there is no significant relationship between entrepreneurial orientation and a firm's performance. This study also reveals a significant positive influence that the entrepreneurial orientation of management teams has on the competitive advantage of SMEs, which in turn improves the firms' performance. The results from a fine-grained analysis based upon multigroup structural equation modelling method show that the autonomy element of entrepreneurial orientation has no influence on competitive advantage, whereas the innovativeness and proactiveness of a management team significantly positively influence an SME's competitive advantage. The results also show that the impact of risk-taking of a management team had on an SME's competitive advantage is significantly negative when the firm is led by a management team with majority is male, but such link is not significant in the cases of the firm is led by a management team with female majority or similar composition.

KEYWORDS Entrepreneurial Orientation; Competitive Advantage; Gender diversity

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