

# MASTER'S THESIS

Course code: BE307E

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How does a small business build and sustain entrepreneurial orientation?

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Date: 2. June 2020

Total number of pages: 94

**Abstract** The purpose of this article is to examine how a small and medium-sized enterprises (SME) could build and sustain entrepreneurial orientation (EO). Miller (1983) state that there is three dimensions of EO innovativeness, proactiveness and risk-taking. Prior research has found that EO leads to better firm performance. Considering the growing importance of small and medium ‘businesses to an economy, my literature search finds that though the EO-performance relationship holds in small business, there is limited knowledge around how small businesses build and sustain EO. Since the nature of the question is exploratory I conduct an inductive study of four firms located in Stavanger, Norway. This research is presenting various action a SME could do to build and sustain EO. First, findings support current literature with a positive relationship with proactiveness and performance and innovativeness and performance. However, findings also suggest that the last dimension displays a curvilinear relationship in line with firm performance.

**Preface** My thesis is a product of my Master's in business studies, specialized on Innovation and Entrepreneurship at Nord University. I did not imagine that this thesis would be so interesting. Much of the reason why it become so interesting and exciting was because of my supervisor, Raj Krishnan Shankar. In addition, he did constantly give me guidance, critical feedback, support and insightful suggestions through the entire time of the process writing this thesis. Further, I want to thank Einar Rasmussen and Bjørn Willy Åmo who contribute with expert help during the interview guide and other valuable suggestions and tips. I also want to thank the respondents which shared valuable information and gave me the time I wanted. I also needed to thank the three experts in the oil-industry which agreed to have meetings with me, in the middle of the corona-situation. Finally, I want to thank my family who have supported me through the whole thesis.

Bodø, 29<sup>th</sup> of May 2020

Rein Storhaug Auestad

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# 1. Introduction

This research tries to obtain a better understanding of how a small business can build and sustain entrepreneurial orientation (EO). Over the last few years, large organizations are increasingly embracing innovation and entrepreneurship initiatives to sustain and grow. New research and new ways for becoming entrepreneurial and innovative remains an important topic across different research streams. EO is an important concept within entrepreneurship research which have been found showing that firms attempted to capture this empirical phenomenon. There are results which have found showing that firms with higher degree of EO are performing better than others (Wiklund & Shepherd, 2005). However, research of EO with regard to small business is limited. In this research, I prepare and represent articles which highlight what we know about EO and illustrate the numerous gaps that can lead to potential future research contributions.

## 1.1 Importance of small firms

After World War II, fluctuations in the world economy have increased. It was not until 1960s and 1970s that the academics and politicians in several western countries woke up the interest to the issue of income equality and demand management. Simultaneously, the interest into the causes of economic growth diminished. The general focus in the mainstream economics, did show low significant interest about the final causes that must be the basis for technological development and long-term factor accumulation (Wennekers, S. & Thurik, R. 1999). Later, in the 1980s, high unemployment along with stagflation opened a renewed interest in supply-side economics and its underlying factors. According to authors, North and Thomas (1973), Olson (1982) and Klundert (1997), we can draw forward institutional foundations in the economy, that is the most prominent of these factors (North & Thomas, 1973; Olson, 1982; Klundert, 1997). In their papers, the authors focus on factors such as regulation of markets, incentives and social rigidities. What they do not emphasize, is the underestimated important economic actors that link the institutions at a lower level to the performance in the economic at the macro level (Wennekers, S. & Thurik, R. 1999). There is still lack of knowledge how exactly institutions and cultural factors affect decisions of entrepreneurs in small businesses. Thus, we direct our attention to 1980s and 1990s where the focus was the resurgence of small business and the revival of entrepreneurship. Carlsson (1992) provides two explanations why

the economy gradually changed into more small firms. The first explanation deals with fundamental changes in the world economy. The fundamental changes were related to intensification of global competition, growth in market fragmentation and change into a higher level of uncertainty. The other explanation is the change in technological progress worldwide. Carlsson shows that flexible automation has various effects, which results in small firms becoming more attractive than large companies (Carlsson, 1992). Another explanation was the instability of markets that happened in 1970s. Mass production was replaced by promoted flexible specialization (Piore, & Sable, 1984). Then smaller business became important. Acs (1992) argues that small firms play an important role in the economy because they have a leading role as serving as agents of change by being the source of considerable innovative activity. In addition, creating an important share of the newly generated jobs, their entrepreneurial activity and stimulating industry evolution (Acs, 1992). Accord to Acs, Small business are the reason for the phenomena routes of innovation, entrepreneurship, industry dynamics and job generation (Acs, 1992).

However, in the literature there are many statements of how important it is for the national and international economy that small firms contribute with job creation (Barth, 1999). From different research, we can get an insight of how dominating the small firms are in the global economy. Data from European Commission (2018) shows that in 2017, 99.8% of all non-financial enterprises came from SMEs (under 250 employees) in the EU, employed around 66,6% of total employment and generated 56.8% of total added value in EU (through Kraemer-Eis, Botsari, Gvetadze, Lang & Torfs, 2019). Another similar result has been concluded in the U.S. The result concluded that a total of 94,2 percent where firms identified with less than 100 employees in the manufacturing industry (Acs & Audretsch, 1991). In EU27 the overwhelming majority, 99.8 percent of firms active within non-financial business economy in the year of 2008 had status at SMEs. Further, these SMEs accounted for two out of every three jobs, simultaneously these accounted for 58.6 percent of value added (EUROSTAT 2011 through Calice, 2016). Thus, small and medium business constitutes an important aspect of any economy.



## 1.2 Small business and small-medium business (SME)

The term SME (Small and small-medium enterprises) is often used in the literature. The term is according to Verdolini, Bak, Ruet and Venkatachalam (2018) an independent, non-subsidiary firm that employ fewer than a given number of employees. The given number varies from different contexts. Verdolini et Al. (2018) defines SMEs in European Union to be under 250 employees. SMEs could often be measured in financial assets, like turnover (Verdolini, Bak, Ruet & Venkatachalam, 2018). My research has been done in Norway. Iversen (2003) did research in Norway and stated that the accepted definition in Norway for a SMEs is under 99 employees. Medium-sized companies are defined as companies with 20-99 employees (Iversen. E. J., 2003, p. 14).

## 1.3 SMEs and Firm Growth

Davidsson (1989a) states that business managers in small businesses are not always interested in growing their business into a larger business. Therefore, most existing small businesses are neither characterised by having high degree of entrepreneurial nor growing any considerable extent (Davidsson, 1989a). Further, Davidsson (1989b) indicates that relationship between growth willingness and firm size, are different barriers of risk (Davidsson, 1989b). To realise a firm's growth potential, the firm need to overcome the barrier regard to growth (Barth, 1999). So, what is growth?

Growth of a firm could be measured and described using different dimensions. In addition, it could be in different levels of analysis (Gandemo, 1996). Economic growth on a national level focuses mostly on accumulation of capital (both equipment and physical plant, and human capital). It also focuses on discovery and knowledge of technology and resources and long-run aggregated demand and supply generated by population growth. In addition, analysing growth on a national level, means that gross national products are measured over a time horizon. However, at a firm level, growth could be measured qualitative (managerial processes, competence development etc) and quantitative (sales, total assets, employment, turnover etc) (Barth, 1999). Johannisson (1990) states that growth at a firm level also could be external or internal (Johannisson, 1990).

## 1.4 The role of EO in small business performance and growth

Entrepreneurial orientation has been extensively researched in the literature of management arena. EO enables businesses to boost their firm performance and gain competitive advantage (Covin & Slevin, 1991). Researchers state that EO can be considered as a key predictor of firm's performance (Wiklund & Shepherd, 2003), which lead us to the three dimensions that EO consist of; "innovativeness", "proactiveness" and "risk-taking" (Miller, 1983).

Innovativeness implies an organizations propensity to bring up and include new ideas, experimentation, creative processes, and novelty that may result in new products/services or new technology (Lumpkin & Dess, 1996). Proactiveness is related to introduction of services, novel products, brands ahead of competitors, and in aiming for what the market needs in the future, greater profit and thus creating first-mover advantages (Wiklund & Shepherd, 2005). The last dimension, risk-taking reflects to the degree of managers/owner's willingness to commit to large and risky investments that could have a reasonable chance of costly failures (Miller & Friesen, 1978). Park and Seo state that EO has a positive relationship to firm performance in risk-taking environment, and that EO has a significant relationship to firm performance overall. In addition, they argue that EO has a greater impact on firm performance in firms sorted in the group they call "middle to upper quantile levels" compared to firms in the "lower to middle quantiles". Thus, SMEs is often placed in the first group of levels, which means SMEs EO has a significant higher impact at performance than larger firms (Park, & Seo, 2018).

## 1.5 Entrepreneurial orientation – Brief Overview

In this literature review two keywords are combined, entrepreneurial orientation (EO) and small business. To understand the meaning of the combination we first need to understand them separately.

According to Covin and Lumpkin, research on the topic EO has existed for decades. In the same research, they state that Danny Miller (1983) was the first to introduce EO (Covin & Lumpkin, 2011). Further they state that in order to understand the phenomena EO, we should

begin with defining “orientation”. From the online dictionary (M-W.com) Covin and Lumpkin found the term defined as “a usually general or lasting direction of thought, inclination, or interest”. We understand EO as a usual general or lasting direction of thought, interest pertaining to entrepreneurship or inclination (Covin & Lumpkin, 2011). Even though EO could be understood as the same core phenomenon over the years, researchers have been using different labels. Mintzberg (1973) use Entrepreneurial mode, Khandwalla, (1976-1977) calls it entrepreneurial style, Covin and Slevin (1989) use entrepreneurial posture (through Covin & Lumpkin, 2011).

When looking at the recurring question; whether EO is representing a dispositional or a behavioural construct, the assumption is that constructs (or at least those of greatest theoretical value) cannot be both. We can find several examples of this when defining EO: engage in a firm-level disposition behaviours [reflecting risk-taking, innovativeness, proactiveness, autonomy, and competitive aggressiveness] show the way to change in the organization or marketplace (Voss, Voss & Moorman, 2005). By contrast, Pearce, Fritz and Davis (2010) define EO as a set of distinct, but familiar behaviours which have the same qualities of proactiveness, competitive aggressiveness, innovativeness, risk taking and autonomy (Pearce, Fritz & Davis, 2010). When seeking to understand the phenomenon, it helps with discussing the EO construct, either the conclusion is dispositional or behavioural.

Miller/Covin and Slevin refer to “being entrepreneurial” as a unitary construct, manifested in business units or organizations. In addition, the specific domain of entrepreneurship is understood by innovativeness, proactiveness and risk taking (Covin & Slevin, 1989; Miller, 1983). Lumpkin and Dess (1996) add to dimensions when defining EO; innovativeness, proactiveness, risk taking, autonomy and competitive aggressiveness (Lumpkin & Dess, 1996). These two closely related conceptualizations of EO, also differ. Miller, Covin and Slevin focus on what is common among entrepreneurial businesses. While Lumpkin and Dess conceptualization in contrast, focus that entrepreneurial business can be different. Further, consistent with Covin and Lumpkin (2011), EO could be understood as a purely unidimensional and behavioural construct (which comprised of the quality in common of the three dimensions) if risk taking is captured in the measurement EOs, using only items reflecting risk-taking behaviours.

## 1.6 Need for this study

Rezaei and Ortt (2018) state that the literature of EO has been conducted by different researchers. They argue that many of these studies see EO as a singular construct. They criticize that EO has a similar effect on firm performance in any context; in different markets, different type of firms, different countries and different sizes. (Rezaei & Ortt, 2018, p 880). The relationship between EO and performance can be seen in diverse markets, such as manufacturing industries (Jantunen, Puumalainen, Saarenketo & Kyläheiko, 2005), and the hotel market (Jantunen et al., 2005). It could be found existence in different type of businesses. Such as manufacturing and service organizations (Jantunen et al., 2005), new or established firms and SMEs (Wiklund and Shepherd, 2005; Hughes and Morgan, 2007). Thus, we can believe that there could exist lack in the literature with all these singular constructs. There is this importunateness in relationship between EO and performance with regard to SMEs. All these singular constructs can potentially create a gap in the literature. Dutta and Thornhill (2007) suggest further study for better understanding how entrepreneurs choose to grow their ventures, simultaneously in which way their intentions evolve over time (Dutta & Thornhill, 2007).

Another interesting path is what Wiklund, Patzelt and Shepherd (2007) present in their research. Their findings suggests that in SME, resources need to be handled in creative ways. They call this to implement EO. Providing a SME with capital does not mean it automatically will expand (Wiklund, Patzelt & Shepherd, 2009). From a large range of existing literature we know that a small firm's degree of EO activity leads to performance and growth (e.g., Covin and Slevin 1989; Wiklund 1999). Furthermore, Wiklund et. Al. state that several researchers have agreed that entrepreneurial orientation is conceptualization of entrepreneurship in existing firms (Wiklund, Patzelt & Shepherd, 2009, p 353). Thus, we can notice that there is a lack in the relationship.

## 1.7 Research Question

The research question is developed from current literature and focuses on the lack in the literature of how a small business should build and sustain entrepreneurial orientation. The main question is addressed to fill the lack in the literature.

*“How does a small business build and sustain EO?”*

The research question aims for examining what a SME could do to sustain and build EO. It combines literature with findings to create a clearer and more easier view of how to build and sustain EO in small businesses. According to Yeo and Park (2018), they find that resources have an indirect positive effect on small business growth through EO, and show that the growth attitude of the manager has an indirect positive effect on small business growth through EO that lead to performance (Wiklund, Patzelt & Shepherd, 2007). Therefore, this research question aim to examine what actions a small business can do to build and sustain EO. Miller (1983) states that there are three dimensions of EO; innovativeness, proactiveness and risk-taking. Therefore, I have developed three sub-questions that should lead to my research question, how to build and sustain EO.

***Sub questions:***

- 1. How can a small business build proactiveness?*
- 2. How can a small business build innovativeness?*
- 3. How can a small business build risk-taking?*

## **2. Literature review**

To get a better understanding to the topic of entrepreneurial orientation in small firms, I started off with conducting a literature review of my topic. An explanation of literature review can be an analytical summary of an existing body of research regard to particular research issue (Easterby-Smith, Thorpe, Jackson, Jaspersen, 2018). The purpose of my literature review is to examine what is already known within this field and to evaluate for future research. From one perspective, I highlight literature that support each other, but also highlight different opinions. This led me to identify potential research topics, and eventually led to my research question presented above. This is the purpose of why to conduct a literature review (Easterby-Smith et al. 2018).

## 2.1 Review methodology

To identify the literature, I had to do some ground work. When I decided to consider entrepreneurial orientation, I understood that I had to specify it more. Small firms sound interesting for me. In my hometown, we have very few big companies, so I thought it was more natural to consider small businesses. I quickly fell into the term SME, and understood it was hard to distinguish small and medium organizations. Furthermore, I used the combination of “Entrepreneurial orientation” AND “small business” which gave me 82 articles on Web Of Science. Something I was satisfied with. To expand the number of articles, I could substitute the word “business” with organization, firm or enterprise. This could lead to new articles. The same would searching into another database result in. Considering my research, I relied on using “business” combined with “entrepreneurial orientation”.

Further, my choosing of database was not random. According to themselves, the publisher-independent is the worlds most trusted in global citation database (Clarivate Analytics, 2019).

My combination of keywords in Web Of Science resulted in 82 articles. One article was published in 1974, and the remaining articles were newer than 1999. The first step was to exclude articles that focus at EO in higher levels. Which meant that my focus was at individual and firm level, and not environment, state or government level. Four articles focused at levels higher than firm level. Further there was seven articles that I did not have access to, and one article written in Spanish. Because of this they were not included in my literature review. The next step was to exclude articles which was irrelevant to my keywords. In total, there were 42 articles that I didn't find relevant to my work.

I then had 40 articles left that I found relevant for my research. Next mission was to sort articles by quantitative method, qualitative method, or conceptual review. I found 23 articles that used quantitative method for data collection and nine articles that used qualitative method. Five of the total of 40 articles both used quantitative and qualitative method, while just three of them were conceptual review.

Type	Number
Quantitative	23
Qualitative	9
Qualitative and Quantitative	5
Qonceptual review	3
Total used	<b>40</b>
Not access	7
State level	4
Another language	1
Irrelevant	30
Total not used	42
Total all	<b>82</b>

Table-1: Numbering of article used in the study

I was now left with 40 articles that was relevant to my research. The next step was then to sort all the remaining articles into themes for a more significant efficiently way of highlighting the different results, statements and arguing. Most of the articles, there was 13 articles which had entrepreneurial orientation (EO) and performance as their main focus. Many articles did focus on EO, but did connected EO to something else than performance. I placed two articles in the group of EO at individual level. Three articles had their own grouping; EO and activities, EO and development, and EO and passion. Seven articles had their focus at growth and were placed together in the same group. Five articles focused on personality related to performance. The last group that contained more than one article, was resources and performance where I did place two articles. Eight articles were placed alone with their unique focus; ethical perspective, corporation, employees, strategic performance, SBO, partner's knowledge, determinants of competitiveness and conveyed EO. Significant parts of the 40 articles did touch into one or more groups, but were mainly placed were I thought they fit best for my knowledge.

Theme	Number
Growth	7
Personality and Performance	5
Ethical	1
EO and Performance	13
EO at individual level	2
Corporation	1
Employees	1
EO and Activities	1
EO and development	1
EO and Passion	1
Strategic performance	1
SBO	1
Partners knowledge	1
Determinants of competitiveness	1
Resources and Performance	2
Conveyed EO	1
<b>Total</b>	<b>40</b>
Total used	40

Table-2: Sorting of articles

## 2.2 Review of identified literature

### 2.2.3 Growth

Stenholm (2011) presents an existence of a positive relationship between firm growth and growth intentions. He states that these results are confirming results in previous literature at the same field (Stenholm, 2011). Kozan, Oksoy and Ozsoy show that literature confirms the relationship through interesting research. The results were interesting. Personal sacrifices in time and effort had a positive effect on continuous growth. This linked to both singularly and in interaction with firm`s size, strategic planning and environment. Personal financed sacrifices were negatively linked to continuous growth. The last type of sacrifice,



multidimensional construct was invaluable in studying small business growth in this study (Kozan, Oksoy & Ozsoy, 2011). However, different type does also matter when selecting strategy. Research shows that selecting type of strategy when achieving high growth, not all the capabilities of management are important. When grow intensively and fast, SMEs should possess high capabilities in specific functional areas. Organizations financial and marketing capabilities are positively associated with innovation and market expansion which are two ingredients to achieve high growth (Barbero, Casillas, Casillas, & Feldman, 2011). Another aspect with regard to growth, is results from Dutta and Thornihll (2007). They show that entrepreneurs persecutions of competitive conditions regard to external environment changes over time. In addition, shifts in perception leads entrepreneurs to modify their intentions as far as growth is concerned. Results from their analysis also suggest that cognitive style moderates the relationship between changes in growth intentions and perceived competitive conditions over time. (Dutta & Thornhill, 2007). Thus, McDowell, Harris and Geho present results of the positive relationship exists between external strategic focus and performance for younger businesses. For older businesses (10 year or older), the results show an internal strategic focus positively to performance (McDowell, Harris, & Geho, 2015).

Besides ingredients to achieve growth, Yeo and Park introduce results regarding grow pain. Their findings about growing pain from Korean firms from 1990s to 2010s, could be summarized: Growth stage with 1st stage of growing pains (183 million NOK (9,17 course 14/11/2019) in revenue) should systemization of management system. The maturity stage with 2nd stage of growing pains (917 million NOK) should develop new products with complementary assets and with enhanced R&D capabilities. (Yeo, & Park, 2018). Besides growing pain, research shows that results are regarded to six propositions which have direct or indirect effect on the growth. The relevant results show that strategic choices made by management in developing an EO of their firm, did have a strong independent influence on growth. Yeo and Park (2018) also found that resources have an indirect positive effect on small business growth through EO, and show that the growth attitude of the manager has an indirect positive effect on small business growth through EO (Wiklund, Patzelt & Shepherd, 2007). Thus, leads us to the next section of literature.

#### 2.2.4 Entrepreneurial orientation

Entrepreneurial orientation can be presented at an individual level. Results from a study indicates that EO and its components are valuable predictors for performance well as the prediction for SMEs. In addition, the strong performance relationships of the EO components achievement personal initiative and orientation show new perspectives at training for SMEs owners (Krauss, Frese, Friedrich, & Unger, 2007). Further, Gupta, Niranjana, Goktan and Eriskon (2015) look at individual EO shaping manager's adoption of technology under mandated conditions. And their results support knowledge workers enhance their confidence validity of their research (Gupta, Niranjana, Goktan, Eriskon, 2015). Another perspective of EO is presented by Campos (2017), who focus at entrepreneurial passion. His research demonstrates a positive and significant relationship between EO and entrepreneurial passion. In addition, the relationship is mediated for each dimension of entrepreneurial alertness. (Campos, 2017). On the other hand, Dayan, Zacca, Husain, Benedetto and Ryan (2016) contribute to the literature regarding EO. Results from their article suggest that entrepreneurial orientation, willingness to change and development culture can lead to enhanced new product exploration. In addition, the result demonstrates the role of entrepreneurial orientation as an antecedent to willingness to change and development culture. Findings also present interesting practical implications for small organization owners seeking to enhance new product exploration. Findings suggest that managers should establish a strategic posture towards entrepreneurship that can help the employees towards change. However, that also influence a development culture that captures the beliefs, desires to explore new products and to innovate and capture believes. In addition, managers should develop capabilities to nurture a climate of development and change through the effective implementation of a strategic EO (Dayan, Zacca, Husain, Benedetto & Ryan, 2016). Further literature focuses on EO regard to activities.

Messeghem (2003) state that SMEs with high degree of EO also have highly bureaucratic structure. It could be explained by the fact that SMEs with a highly degree of strong EO, will adopt new managerial practices to satisfy their customers' expectations (Messeghem, 2003). Managerial practices can be characterized by strategic planning. Thus, determinants of competitiveness have Stawasz (2019) done some research at. Results show a significant moderating influence of business advice on the system of competitiveness determinants of firms. In addition, the findings also confirmed a positive relationship between business advice

and enterprises capacity for absorbing business knowledge, simultaneously indirectly their competitiveness. This means improving the competitiveness of firms, requires using a business advice and enhancing their business knowledge absorptive capacity (Stawasz, 2019). Another factor that could relate to competitiveness and improvement is partner's knowledge. Results from an article confirms that trust creates the appropriate context for the concurrent acquisition of technological, managerial knowledge and market (Bojica, Estrada & Fuentes-Fuentes, 2018). Trust can be related to employees Schlosser (2015). Conclusion in his research, indicates that behind successful entrepreneurs, there are key employees. To identify these key employees, depends in part on the core competencies of the organization. (Schlosser, 2015). Another aspect is the ethical aspect, something Arend (2012) has done researched at. Results show that competitive energy, aggressiveness and innovativeness allows SMEs to obtain external guarantees (mutual guarantees, public guarantees and bank guarantees, respectively), helpful regard to promote credit access (Arend, 2012).

#### 2.2.5 Small Business Orientation

A new concept was introduced to the literature – small business orientation. Runyan and Covin (2019) clarified the construction of small business orientation (SBO) and conceptualized SBO to be an independent phenomenon linked to size and age that operate in individual level and reflect management values of how the business should be conducted. The suggestion is that SBO parent dimensions (Universalism and Benevolence) could lead to four outcomes such as: Positive firm reputations, stakeholder loyalty, organizational robustness and firm self-identity (Runyan & Covin, 2019). Another perspective is related to resources and performance. Resources could be related to what they found, that SMEs undertake a range of environmental strategies. The strategies could be reactive regulatory compliance, proactive pollution prevention and environmental leadership. Regard to these strategies, they are associated with three organizational capabilities (strategic proactivity, stakeholder management and shared vision). Based on the unique strategic characteristics of small and medium firms, result was shorter lines of communication and closer interaction within the SMEs. In addition, the presence of flexibility in managing external relationships, a founder's vision, and an EO. Result also found that businesses with the most proactive practices exhibited a significantly positive financial performance. Another finding was: business

information systems resources and access to financial capital had a positive influence on firm performance with regard to average annual sales turnover. The findings also show that web resources, including social media, had a negative influence related to performance. Planning capability and strategic orientation were examined as possible mediators of the relationship between resources and performance (Grimmer, Grimmer, Mortimer, 2018). This can lead us to strategic performance. Further, research has been done at strategic configuration. Results indicate a relationship of interdependence among variables to explain heterogeneity of organizational performance (Damke, Prado Gimenez & Wendling Damke, 2018).

Li, Liu and Liu have done research regarding corporation. The presented results in this paper, show that cooperation and the type of conflict have both interactive and individual effects on the manufacturer's knowledge acquisition. They also show that EO of a distributor positively moderates the relationship between manufacturers knowledge acquisition and co-opetition factors. This could be implying that strengthening the distributors EO could improve the efficiency of co-opetition. Furthermore, this affects the knowledge acquisition of the manufacturer which again will lead to highlighting the importance of blended analysis across entrepreneurship and the supply chain management. (Li, Liu & Liu, 2010)

This leads us to the next theme, personality and performance. Thurik, Khedhaouria, Torrès, & Verheul, (2016) try to examine the relationship between ADHD and EO. Findings in this research reveals an intriguing and novel pattern, that ADHD symptoms at individual owners may contribute to SME growth and survival through the association with the EO of their owners (Thurik, Khedhaouria, Torrès & Verheul, 2016). Further, literature examines the role of an organizational interactional personality theory and life-cycle theory regard to analyse predictors of venture survival. Results presented are broadly confirm financial capital, social capital, specifically human capital, resources and characteristics of the entrepreneur. These factors are relevant for survival of an organization. Most of these predictors seem to have a significant relevance to both organizational survival and growth (Korunka, Kessler, Frank, & Lueger, 2010). At the other hand, Isaga (2017) argue for the effect of cognitive characteristics as a mediating variable. Findings in this paper prove that personality traits has a strong influence on SMEs performance through cognitive characteristics (Isaga, 2017). Future research could be regard to personality traits affect SME performance at other variables. Research suggests cognitive characteristics as one potential variable (Isaga, 2017). According to Lans, Verhees, and Verstegen (2016), social competence affects performance. In their research they state that results of the study illustrate that social competence influence small

businesses performance significantly. In addition, the relationship between small-firm performance and social competence depends on the specific strategies that owner-manager pursues. Further, this article supports the idea of social competence significant as an important driver of success for small business strategies and the ongoing development of existing capabilities along with new capabilities. This underlines the importance of the capability-driven approach to HRD in the small-business context. (Lans, Verhees, & Versteegen, 2016). The last article that I have sorted in this group, supports the fact that smaller but coherent bundles of HPWPs can be found also in small business, and that the implementation of these bundles depends on strategic decision-making and available resources, also these two put together. Results found in this paper highlights the need to integrate the notions of resource poverty and strategic decision-making for understanding the need of uptakes of bundles with HPWPs in small businesses (Kroon, Voorde, & Timmers, 2012).

#### 2.2.6 EO leads to performance

A broad spectre of literature regard to the relationship between entrepreneurial orientation and performance is conducted. Different dimensions influence the relationship. Results from Wiklund and Shepherd (2004) shows that access to capital and the dynamism of the environment is important to SME. It also shows that when combined with entrepreneurial orientation (a three-way interaction model) the configurational approach explains variance in performance over and above a contingency model (two-way interactions) and a main-effects-only model (Wiklund, & Shepherd, 2004). EO is being discussed by Fellnhofer (2019) that if it is present in an individual level or firm level which should influence performance. He presented results regard to this article, which shows significant indirect effects from individual's entrepreneurial orientation on firm's performance, mediated by both firm's entrepreneurial orientation and individual performance. (Fellnhofer, 2019). At the other hand, Rua, Franca and Ortiz (2018) present results in their article that suggests that EO has a significant and positive influence on differentiation and export performance (EP). In addition, the results also highlight the role of intangible resources regard to both cost leadership strategies and differentiation, which are both drivers for EP. Further, absorptive capabilities (ACAPs) are highly related with export performance. (Rua, França, & Ortiz, 2018). Another factor which influence performance is according to Zacca, Dayan and Ahrens (2015) network capability (NC) in small firms. The findings in their research bind NC as something positive

related to knowledge creating and innovativeness and that competitive aggressiveness is key mediators between firm performance and knowledge creation. (Zacca, Dayan & Ahrens, 2015).

To handle all factors, Muchiri and McMurray advance a conceptual framework, that explicates some factors with regard to leader behaviours influence the overall firm effectiveness and firms EO. The conclusion in this paper, is a future research agenda for effectively leading entrepreneurial organisations within the small organizations sector (Muchiri, & McMurray, 2015). Even though the framework is developed, Runyan, Droge and Swinney (2008) examines the constructs of EO versus small business orientation (SBO) and their impact at small firm's performance, simultaneously whether these effects are moderated by longevity. The results demonstrate that the structural paths connecting SBO and EO to performance were not the same. For the younger group, only EO significantly predicts performance, while for the older group (11+years), only SBO significantly predicts performance (Runyan, Droge, & Swinney, 2008).

Furthermore, research in the literature take a deeper insight in the role of organizational performance and innovativeness in the intellectual capital relationship using firms from the SME definition. The results show significant relationship to support that human capital and organizational capital is positive associated with performance in SME. Further, their findings suggest that identifying developing internal processes and human capital that develop organizational capital are keys to success (McDowell, Peake, Coder & Harris, 2018). The relationship is investigated even more from Hosseini and Eskandari (2013). The purpose of their article, is to investigate the relationship between environmental factors, organizational characteristics versus entrepreneurial performance, EO and human capital among entrepreneurial organizations. Results reveal from the hierarchical regression that except the positive direct relationship between entrepreneurial performance and EO, applying the main effect or contingency models only, provides a distracting picture of the entrepreneurial performance. In addition, configurational approach could better be explained through the relationship between environmental factors, organizational characteristics versus entrepreneurial performance, EO and human capital over and above contingency and regard the main effects (Hosseini, & Eskandari, 2013). The relationship that contains EO is being discussed regard to different factors. Several researchers investigate the interface between small business performance, EO and organizational learning capability. Findings from the

research indicate a positive relationship between sales and market share growth and EO, but they could not find a positive relationship between employment growth and EO. A positive relationship between EO and organizational learning capabilities was found (Altinay, Madanoglu, De Vita, Arasli, & Ekinici, 2016). Rezai and Ortt include different factors to combine EO to performance. Results from the study shows positive relationship between marketing and sales, proactiveness and R&D performance and innovativeness. It also shows sequential positive relationship from R&D via marketing and sales and production to overall performance of organizations. They concluded with R&D marketing and sales and production functions reinforce each other in a logical order that can complementary their effect on overall organization performance (Rezaei, & Ortt, 2018). At the other hand, Buli (2016) includes market orientation to examine performance. Buli can refer to empirical results when revealing that integrating of EO and market orientations into a small or medium firm's operation, contribute to superior performance. This result leads them to thrive in economically turbulent and institutionally complex environments. Except for innovativeness, each dimension of EO along with market orientation has a significant positive influence at business performance of SME (Buli, 2016).

Data collected from Malaysia can refer to results which show that EO and market orientations have statistically significant positive effects on consumer engagement. Results also state that a partial mediation of consumer's engagement between market and entrepreneurial orientations on performance (Mamun, Mohiuddin & Ahmad, 2017). As we have noticed, different factors influence performance. Park and Seo (2018) aim to demonstrate the effects of creating shared value (CSV) orientation, EO and the moderating effects of CSV orientation and learning orientation (LO) which influence the performance of SME. The results show that SMEs must consider strategic orientation, which are strong related to firm performance. Specifically, the different strategic orientations at other levels of the conditional distribution has significant different impacts when it comes to firm performance. In addition, CSV orientation in SMEs improve the performance. The results in total, show how to improve performance through use of strategic orientations such as EO, CSV orientation and moderating effects of CSV orientation and LO highly should be of interest to SMEs that wish to improve firm performance (Park, & Seo, 2018).

### 2.3 Gap in the literature

EO started as a small business construct (look for Covin & Slevin 1989 and also Shepherd & Wiklund, 2003). But later EO was more focused on large firms. Again, there was an article in *Small Business Economics* in 2015 (Muchiri & McMurray, 2015) which spoke about EO in small firms. Again, it said that there are few studies around it. It seems that while EO has been found to influence firm performance in small firms (Park, & Seo, 2018), most studies only have looked at this relationship assuming that small businesses know how to build EO. There are few qualitative studies exploring how small businesses build/sustain EO.

Further, research is conducted and presented as SBO (small business orientation), where this phenomenon is taking the concept EO into context of small business (Runyan & Covin, 2019). However, the term SBO was first introduced by Runyan, Droge, and Swinney in 2008 (Runyan & Covin, 2019), where they conceptualize SBO as representing business owners that had goals that are non-economic in nature, which were the opposite of those of entrepreneurs. However, they did not consider entrepreneurs and owners of small businesses to be distinct, and suggested that all business owners had certain ways of acting, based on personal goals (see Carland, Hoy, Boulton, & Carland, 1984), this grouping was called SBO and the exploration of this term as a distinct construct is limited (Runyan, Droge, & Swinney, 2008). If the nascent concept, research suggests that SBO is driven by the manager's goals (Runyan & Covin, 2019), it is clear that the goal can vary from a family business, small business to a large business. However, Runyan and Covin (2019) state that research should seek to identify factors which potentially sustain the exhibition of an SBO.

Furthermore, Runyan, Droge, & Swinney (2008) open the debate about the differences between SBO and EO. They referring to the distinction has been subject of subsequent research (Miles, Covin, and Heeley 2000; Stewart, Watson, Carland and Carland, 1998) and that there is significant number of small business owner's potential have less of a EO than an SBO (Stewart and Roth 2001; Stewart et al. 1998). However, while researchers have indicated the positive relationship between EO and firm performance, it is also important to understand what influence the concept EO.



### 3. Methodology

In this section, I will present the process of how I designed the research study and how I have executed it. I will detail the various steps which I have used in the gathering of empirical data for my master thesis. The purpose of this section is to explore a broader understanding of *How can a SMEs build/sustain EO?* This section also presents how the research study was designed – the philosophical choices, the methodological choices, the process of identifying cases, what kind of data was collected and how the data was analysed in order to conclude the findings.

Due to the limited studies on the topic, the nature of the research question, and the constraints on resources, I intend to use the qualitative research method, because this type of method can provide a deeper understanding towards the core of this master thesis; *How can a SMEs build/sustain EO?* Furthermore, another advantage of the qualitative method is that it gives the opportunity to adjust the research question in the process, if the empirical data collected are pulling me into another direction compared to the initial plan. While composing this master thesis, data from cases might give me some interesting ideas along the way. When it comes to the interview, if I do not get the answers I hope for, I can adjust questions and aim for more precise answers which hopefully can lead to more accurate data regarding to my research question.

#### 3.1 Philosophical approach

A philosophical approach is included in this study to identify the way research should be conducted and structured. To be aware of the philosophical position of a researcher to secure the outcome of a study, and the formation of a satisfying quality is important (Easterby-Smith et al., 2015). However, the perspective of the relationship between theory and empirical data is well-debated (Easterby-Smith, Jackson & Thorpe, 2015) and there exist many facts and “truths”, but this depend on the observer’s viewpoint (Abert, Lunderøy, & Radmacher, 2019). The choice of the philosophical position and research design build on researcher’s ontological belief and an aim must be clearly defined. Thus, in this philosophical approach it is important to explain this study’s epistemological approach and ontological approach. Furthermore, I will discuss the epistemological and ontological approach in this research (Easterby-Smith et al., 2015; Johannessen, Christoffersen and Tufte, 2011).

First, we need to get an understanding regarding the terms ontology and epistemology. Ontology is about the nature of existence and reality, which can be understood as assumptions and values of our view of how the world looks like (Easterby-Smith et., 2015). Further, the epistemological approach can be understood as the knowledge, and how to reach this knowledge (Creswell, 2009). On the other side, Easterby-Smith et al. (2015) states that epistemology is the study of how to acquire information and what kind of knowledge that is relevant to the research (Easterby-Smith et al., 2015). Based on the choices regarding ontology and epistemology, two broad approaches or worldviews are widely suggested: positivism and social constructionism (Creswell & Poth, 2018). Positivism can be understood as the social world exists externally, along with its properties. It can be measured through objective methods rather than being inferred subjectively through intuition, reflection or sensation. Social constructionism has been developed by authors such as Berger and Luckman (1966), Watzlawick (1984) and Shotter (1993) (Easterby-Smith et al., 2015). Their focus is on the way people perceive and make sense of the world, especially in the way they communicate their experience to one another (Easterby-Smith et al., 2015). Further, Korsgaard (2003) states “Constructivism may be understood as the alternative view that a normative concept refers schematically to the solution to a practical problem” (Korsgaard, 2003, p. 99). On the other hand, Positivism could be understood as an external phenomenon of social process that social players do not decide (Easterby-Smith et al. 2015). My focus at this study, is to obtain empirical data by using ideas from constructionism, as it allows me to employ different experiences and views as reflected through the different interviewees.

The purpose of this thesis is to exploit how SMEs could build/sustain EO. Most of the social sciences revolve around socially constructed realities, and results from the meaning making processes of individuals involved. I have chosen a more social constructivist worldview to design my research study (Creswell & Poth, 2018). According to social constructivism the way owners at SMEs make sense of the world is subjective and could be different from another owner’s or manager’s perception. At the same time, people who are connected to SMEs could have a different “truth”, compared to not-connected people. Therefore, this research bases its empirical findings through a constructivism view, which have been broadly discussed by specialists on the subject (see Hussain, N. & N. Shah, 2006 and Korsgaard, 2003).

With the chosen philosophical approach of constructivism, this study will have a constructivist lens in the remaining choices regarding methodology. This perspective allows me to employ different views and experiences from different interviewees. In addition, it also gives the opportunity to gather empirical data from several data sources, which can increase the opportunity to gain a deep understanding and a better knowledge, based on the respondent's standpoints. Furthermore, I gather data from multiple data sources, which helps to contribute to a deeper validation, increased knowledge, and improved understanding of the informant's standpoints. In this study, I will obtain information based on constructionism ideas. This allows me to employ different views and experiences from several cases and gather data from multiple sources. Therefore, my epistemological position, will be to learn from the informant and try to see what they are stating and meaning through their viewpoint. In addition, my ontological position, will be to understand the values and assumptions of how the world looks like for a SMEs manager. As a result of this, I have chosen a qualitative research design.

### 3.2 Research design

Considering my research question and based on the epistemological position of the study, this research must choose an adequate research design. With this in mind, I have found that a qualitative design is the most appropriate approach for this study. In addition, the researcher with an epistemology position must believe that investigating through nature of the globe. He can do it by involving in the process that must be conduct in the participating, communicating and process. Furthermore, this study needs a qualitative research design. Easterby-Smith, Thorpe and Jackson (2008) argue that there are many methodologies in this design such as grounded theory, case study, action search, ethnography and narrative methods and cooperative inquiry (Easterby-Smith, Thorpe & Jackson, 2008). Further, qualitative research uses text as empirical data instead of numbers, and starts from the notion of the social construction of realities under study. Further, this type of research is interested in the perspectives of participants, in everyday knowledge and everyday practice regarding the issue studied (Flick, 2018). In this study I particularly use the case study qualitative research design (Flick, 2018).

Qualitative data collection can according to Johannessen et. Al (2011) be divided in two different methods (Johannessen, Christoffersen & Tufte, 2011). The two primary methods are data collection through observations or interviews. Data collection through observations are

data based on the research sensations of actions and interactions. Collection through interviews is based on what the interviewee tells in the conversation with the researcher (Johannessen et. Al, 2011). Use of interviews as data collection method is helpful for understanding and description of less-understood phenomena and how actors make / interpret the meaning of the phenomenon. In line with Johannessen et al. (2011), social phenomena are complex, the qualitative interview could make it possible to bring complexity and nuances to the phenomena being studied. Based on the above reasoning, for this study, I have used semi-structured interviews as the primary source of data.

An interview is verbal interchanges between two or more persons. One of the them is the interviewer who attempts to elicit information from the other person (Dunn, 2005). Semi-structured interviews have some degree of predetermined order but provide enough flexibility to capture ideas and important thoughts the interviewee (informant) has regarding the questions raised during the discussion. A semi-structured interview is similar to a conversation and has an informal tone. It opens for a free and open response, giving the participants the possibility to use their own words to explain, instead of “yes or no” type of answers (Longhurst, 2010). In advance, the researcher needs to prepare and formulate questions, consider and recruit participants and find a suitable venue. During the interview, it will be used audio recording in pre-agreement with participants. To use an audio recorder in a master thesis an application has to be sent to NSD, *Norwegian centre for information science*. Therefore, before during the interviews, I also had to get approval from NSD (Appendix-B).

### 3.2 Data Collection Plan

Before I did the interview, I needed to brief myself fully on the topic. I needed to deeply prepare myself on the subject so that extra questions from the participants could be discussed and built on during the interview in case something were unclear. The next step was to work out a list of themes and questions to ask participants. Researchers who have done it before, and have experience from interviewing, often equip themselves with just a list of different themes. When forming the question, the idea behind should elicit information that is descriptive, thoughtful, emotional, or “factual” (Longhurst, 2010). What answers will be the outcome, depends on the research question, theoretical and topic. Experienced interviewers often start with questions that participants most likely will feel comfortable answering (Longhurst, 2010). Advanced and more hard question to answer, could be a good idea to ask

in the second half of the interview when participants are feeling more comfortable and settled in the situation, which I did. Before collecting the primary data, I conducted a pilot interview with a friend to check whether there were any errors in the conducted guide. This helped me to provide a better flow while questioning the informants, making the transitions in the interview more natural. First, it helped me structure the opening question in a more tactical way. It also helped to ensure the quality while controlling the time framework I had available for the interview.

I contacted in total four managers regarding an interest to be my informants through an interview, with one of them giving me a negative response. Therefore I contacted one more manager which was positive to an interview sharing his ideas and knowledge. Within one week, I got through all of the four interviews. Each interview lasted between 27 and 58 minutes. One of the respondents wanted to talk further after we had gotten through my preparation of themes, and I listened to him with an interest to learn even more through what became a longer interview. When carrying out the interviews, I choose a semi-structured interview with one person at the time. After checking everything carefully, I contacted the informants by calling and request them for an interview. The interviews were similar in structure. I started each interview by explaining the purpose of the research and about the topic. This provided the informants an overall understanding of the term entrepreneurial orientation. I also explained the interviewee how the anonymity would be taken care of, and to assure their safety regarding the information they provided me with. I had their permission to record, and after finishing all the interviews, a transcription of each interview was composed.

Informants name	H - H	L - L	MG	MP
Profit growth – 5 last years	XXXX	XXXX	XXXX	XXXX
Revenue growth – 5 last years	XXXX	XXXX	XXXX	XXXX
Date	09.02.2020	11.02.2020	07.02.2020	11.02.2020
Duration	27 min	58 minutes	57 minutes	58 minutes
Hit in newspaper – proactive	High	Low	Low	High

Table-3: Conducting Interview and timeline

Table-3 gives a small overview over how I have decided to sort information that is collected; growth, date, duration, timeline and proactiveness of the four interviews. I called four managers, one in each group and we agreed to set up a meeting. All the four interviews were

conducted face to face and three of them were held in their office in Stavanger. The last interview was conducted in the informant's private cottage.

### 3.3 Data Analysis Plan

Johannessen et al (2011) is defining the word "analyse" as a technique where you split something into parts or different elements, creating and taking a deeper look into each part or element. My intention in the research is to reveal some sort of message or a meaning.

Therefore, the interviews are composed of several constituents. This gives an opportunity to try find a pattern in the data collected. Interpretation consists of movements between part and whole, between what is to be interpreted, and the context in which it is interpreted, between what is to be interpreted, and our own understanding.

How should the parts be interpreted, depends on how the entirety are being interpreted, and how the entirety is interpreted, depends on how the context are being interpreted, and reverse. This is what Johannessen et al (2011) are calling hermeneutic circle. The information which are presented, must be presented in a bigger picture or context. Interpretation is thus about obtaining meaning that is not present in the presented data material.

Analysed empirical data collected through a qualitative method consists of process/analyse of text provided through transcription of the interview. After the interviews, there will be magnificent amount of data which has to be interpreted, analysed, and categorized. The quantity of data must be reduced, to make it manageable while analysing it. The goal is to reveal find and reveal as much data as possible which are relevant regarding the research question. This research aims to analyse and gather data which interact with reality, providing a deeper understanding of the ideas and thoughts of the informants, which will give a more precise and accurate answer to the research question (Johannessen et al, 2011).

In my research, I will try to create a deep insight in EO at firm level regarding to performance. Some state that EO in SMEs could be measured by looking at a strategic decision-making individual (Miller, 1983) which will be enough to decide which level of EO the firm have. This is also supported by Fellnhofer (2019). I have interviewed four different employees at "manager-level" in five different SMEs. The empirical data I have collected, comes from four managers in a various strategic positions with different experience with EO.

The theoretical framework in this study support the positive relationship between EO and performance (see Park & Seo, 2018). However, the research question in this study aim to find out more about how a SME can build and sustain EO. This research question was in mind while doing the interviews. Therefore, I created questions in the depth interview which will give the best opportunity for the interviewee to share their thoughts of the different factors which lead to EO. Several times during the interviews, the interviewee got off track and I had to bring him back. In addition, I had to stop the interviewee to get a concrete example. In one of the interviews, I had to talk about subjects that interested the informant in order to get information about EO. The empirical data suggests what a SME could do to build and sustain innovativeness, proactiveness, and risk-taking which lead to EO (Miller, 1983). Thus, contribute to fill the gap in the literature and to exploit the theory that will help to answer the research question in this study.

Besides the interview, I did develop figures of the findings. To create the best possible knowledge, I needed to ensure that these findings are genuine and trustworthy, and to provide a security net that what I present and unveil, doesn't have any lack. Therefore, I also included three different experts to comment, improve and look through my figure of findings (Figure-5: Organizational practice, people practice and technical practice), before this figure was based on my own understanding of the data collection. I needed to ensure this finding by letting the experts separately comment on it. All these three experts were contacted separately, and I did explain what the purpose of my thesis is, and what they should contribute with. The main though by doing this was that the experts should react when something was not clear, if I was missing something or if they did not agree. These three experts have different backgrounds and different reasons why they are chosen to comment on my findings. In common, they all are connected through the oil-industry. During the national situation, (Regjeringen, 2020) together with the experts we decided not to meet physically, and to take the interview/review over a web-meeting, which was the case in two of the expert interview which has been carried through.

The first expert is a professor in mathematics at a department of petroleum technology at a Norwegian university. I contacted him, and he immediately replied that he could contribute with his knowledge through a video-conversation. He works closely with the industry and educates engineers who will work in the oil industry located in the same area in which I have done my research. First, we did talk briefly about the topic and his view at each sub-question.

Thereby, the expert did comment and had suggestions on how to shape my point/action presented in the figure in a more understandable and meaningful way. He commented on some incomprehensible parts of the figure, and suggested some changes which he believed would make the figure easier to understand. In addition, to give the actions more specific outcome. What a manager could do, instead of the outcome of the action. One of the changes was to include “improve system in collaboration with employees”.

The next expert is Vice President Engineering in Aker Solutions. He also spent time to understand the phenomena EO. This expert did question a lot of the actions in the figure. Several changes were done after video conversation with this expert. Maybe the most important question he asked me, was how the manager or employee can do it, to give concrete examples or explanations. Along with adding meaningful words to the actions. For example, including “Trust” into an action.

The third expert is “Vice President Drilling and Well Operations” in Equinor in Norway. The large oil-company does operate and seek niche products from small businesses. The interview with this expert happened face to face at his home, where he has converted the living room into an office for him during the virus-situation in Norway. He talked about how they, as a big company, see how small businesses operate when they are doing business with a large company. In addition, he did bring in the thought of what he believes of the different actions and how they have another meaning today. He did warn against limitations in the actions. Meaning that too much of something could hit back at the business. One example, receiving a huge order could be great, but the problem could also be to bind to many of the employees because of this, and then to not have resources available when it comes a smaller order.

### 3.3.1 Research context

The participants are not chosen randomly for my excel sheet. I had different criteria's while choosing the presented SMEs. First, the SMEs had to be in the same area. In the Stavanger area many firms are working directly with the oil-industry. A change in oil-economy could change and influence a lot, therefore Stavanger is an interesting area regarding to SMEs and their EO. The relationship between Stavanger and oil industry are regarding to Malmio and Kurikka (2020) direct; Stavanger is a town defined by the oil industry. So is the people and language they are speaking, it is defined by the oil industry (Malmio, K. & Kurikka, K, 2020)



### 3.3.2 Case selection

The firms I have selected for my research also had to go through my list of different criteria. I thought that firms with a total of 20 – 50 employees were interesting due to the size. At first, I thought that < 19, based on own experience can be characterized by instability and rapid change and therefore I could lose the contact with the chosen firm in my research period. In addition, > 50 employees could have several levels in the hierarchy. Therefore, I ended with firms with 20 – 50 employees. These firms have also possibly the same amount of number of hierarchy. At the same time, the chosen candidate had to have been active and operative in the business for at least five years. In addition, I only looked at the same NACE-industry registered; ”46.630 Engroshandel med maskiner og utstyr til bergverksdrift, olje- og gassutvinning og bygge- og anleggsvirksomhet / Wholesale of machinery and equipment for mining, oil and gas extraction and construction.” These criteria did results in seven candidates, which was a lower number of candidates compared to what I aimed for. I wanted to have a bigger repertoire of candidates in case candidates did not want to participate in my research. Therefore, I also included other genus NACE-industries (see table-4: NACE-Code). The important thing was to sample firms which were operating in the same industry and had most commonalities. I read about the firms on their web-site to see if they had close connection and if their focus were on the oil-industry. Some firms were excluded, and I ended up with 24 candidates.

NACE - code	Description	Translated	Number of firms
28.120	Produksjon av komponenter til hydraulisk og pneumatisk utstyr	Production of components for hydraulic and pneumatic equipment	4
28.130	Produksjon av pumper og kompressorer ellers	Manufacture of pumps and compressors otherwise	3
28.920	Produksjon av maskiner og utstyr til bergverksdrift og bygge- og anleggsvirksomhet	Manufacture of machinery and equipment for quarrying and construction	1
33.120	Reparasjon av maskiner	Repair of machines	5
46.630	Engroshandel med maskiner og utstyr til bergverksdrift, olje- og gassutvinning og bygge- og anleggsvirksomhet	Wholesale of machinery and equipment for mining, oil and gas extraction and construction	7
46.693	Engroshandel med maskiner og utstyr til industri ellers	Wholesale of other machinery and equipment	3

46.694	Engroshandel med maskiner og utstyr til handel, transport og tjenesteyting ellers	Wholesale of machinery and equipment for trade, transport and other services	1
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Table-4: NACE – Code. Number of Firms which meet my criteria.

The next step was to group the firms into four groups. I shared proactiveness (number hit in newspapers) in the middle (separating numbering was 12). Firms with over 12 hits were placed in H – H or MP. And those under were placed in L - L or MG. Then, I focused at growth, combined profit growth and sales-volume growth. Thus, I also sorted in the middle of the total 24 firms. Those which had high proactiveness (H - H and MP) were placed in “H – H” if they also had high growth. The others, with low growth, were placed in MP. Firms in LP and MG which represented low proactiveness were also sorted regarding their growth. Those firms which had low growth, together with low proactiveness were placed in “L – L”. The last group contained firms with low proactiveness and high growth (MG). Grouping were done, which are presented in Figure-1.

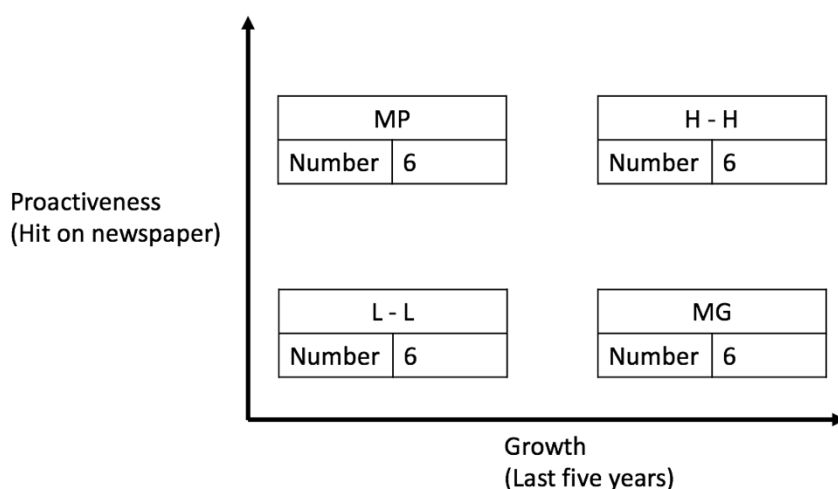


Figure-1: Firm sorting

### 3.3.3 Interview Guide

Early in the process I decided to use a semi-structured interview guide, based on the research question and research model of this study. To cover the full study area, I established an interview guideline by following a philosophical view of theoretical framework. Following

the philosophical view of theoretical framework could be an appropriate research tool (Anozie & Adhabi, 2017). The questions in my interview guide are therefore based on the literature review, related to entrepreneurial orientation. Under “Research design” I explain how I review and construct the interview guide with help from two experts. I have also included question related to motivation, background, personal questions, growth, and start-up. My interview guide is given in the Appendix-A. I have provided an explanation of the interview guide:

The first question I asked the respondents, was about their personal level. An easy question to make the respondent feel relaxed. All respondents did talk further when I asked the current questions in the first section at the interview:

Can you tell about yourself?

Can you tell about your company history?

Can you tell about your job? When did you start working here?

Next three sections were split into each dimension, one section was about one subquestion, next section focus at the next sub-question and further on. A total of three sections represented the three dimensions which build EO (proactiveness, innovativeness and risk-taking). After the three sections were asked, I questioned the respondents about entrepreneurial orientation and firm performance, what they do believe is important. In the end of the interview, I asked the final question if they had any further to add, or if something was not clear.

### **Interview Guide:**

I have developed an interview guide. To get the information I aim for, I have discussed and improved the questions, research question and sub-questions together with two experts at qualitative method. Before I asked the expert one by one, I developed an interview guide based on my own experience. The questions were at this point a template. Together with my supervisor we did some changes to the interview guide. Before the change, questions did aim for what the object aimed to do, and not what the firm actually did.

Research questions, sub-questions and the interview guide were ready for review with technical experts to increase the validity. Two experts were identified and contacted for a meeting and both agreed to respond. They were Einar Rasmussen and Bjørn Willy Åmo. Einar Rasmussen is the first expert. He is head of the division of Innovation and

Entrepreneurship at Nord University Business School, Norway. He is professor of Technology Management. Rasmussen`s main research interests are academic entrepreneurship, university-industry technology transfer and entrepreneurial processes Rasmussen (2020). Regularly he publishes in international journals, such as Academy of Management Perspectives, International Small Business Journal, Research Policy, Entrepreneurship and Regional Development, Journal of Management Studies, Journal of Technology Transfer and Technovation, Technological Forecasting and Social Change, Regional Studies and Journal of Business Research (Retriever, 06.02.2020). Rasmussen gave me some tips and suggestions to edit the interview guide. He suggested that I could do research regarding to the firm via secondary sources (e.g. newspaper articles) before contacting them for an interview. Further, I could do some research and find out how many times each firm had their names published in different newspapers. I used ATEKST (retriever, 06.02.2020) to search in different newspapers. Number of hits was a simple research in forehand and an indicator on the proactiveness for the firm.

After adjusting the interview guide based on the feedback received from Einar Rasmussen, I met the next expert, Bjørn Willy Åmo. He received his PhD in 2005, graduated from Bodø Graduate School of Business and work now as a professor at the same institution. In addition, he has an Engineering degree in Telecom from the school of Narvik University College. His research focus is innovation, ICT, education, entrepreneurship, and employee innovation (Åmo & Åmo, 2013). Åmo could contribute with several things. First, my research question should be more open. From “How does...” to “What do...” was a suggestion which I also followed. After the change, the reader should look at the research question as a question where the researcher have an open mind regarding to the conclusion. He also suggested to find firms which have several similarities. Such as number of employees, the same NACE-industry, located in the same area and had been in the business for minimum five years. Åmo also suggested that I could group the firms into four different groups. Build further on the idea of “number of names in newspaper” could be presented as proactiveness. I could further place the firms into a figure (Figure-1). Proactiveness as Y-axis and growth in sales- and results before taxes volume. The information I collected to my excel sheet, were from Proff.no (Ødegård 2020), ATEKST (Retriever 2020) and their own homepage. I used their homepage to assure me off their oil-relationship industry. To find enough relevant firms had some issues, which I detail in the next section.

### 3.7 Quality of the Study

The quality of the study is important and without validity and reliability the study could be meaningless. In addition, some state that every research needs to include pieces of evidence that are trustworthy and credible in the study (Merriam, 1988). Therefore, I have highlighted four terms which can be used as a guideline to ensure the quality of this study; confirmability, credibility, reliability, and transferability (Johannessen et al., 2011). Further, I will evaluate the quality of my study, some based on Johannessen et al., (2011) guidelines.

#### 3.7.1 Validity

There are debate going whether terms such as validity, reliability and generalisability should be appropriate to evaluate qualitative research because of the tests and measures used to establish the reliability and validity of quantitative research (Noble & Smith, 2015). However, the term validity could perfectly be used in qualitative research because of the quintessential element sharing the same terminology and meaning as traditional approaches (Long, & Johnson, 2000). Further, validity could be explained as the determination of whether a measurement instrument in quantitative method measures what it is purposed to measure (LoBiondo-Wood & Haber, 1990). Qualitative method however, the perspective of an account is true or valid if it represents accurately those perspective and/or phenomena which it is purposed to theorise, explain, or describe (Hammersley, 1992). Furthermore, this study seeks for a certain quality, which is normal interest for a phenomenon, or which makes the phenomenon unique from another research (Stenbacka, 2001). With this in my mind, I have gained several points of views. I have included external experts, Rasmussen and Åmo to help and guide me to be constructive and support statements, along with empirical data collected. To validate the interview data, I have collected secondary data about the firms from their website and public publication. Questions in my interview guide were changed to measure, point and ask for what I intended to ask for. In addition, I included three external oil-experts with different qualification to look through my findings. These experts contribute to build a stronger validity with an expert view on the findings. Thus, help me build a stronger validity in this thesis.

### 3.7.1 Credibility

Polit and Beck (2012) state that credibility can refer to the participants view along with representation and interpretation of them, or the truth of the data (Polit & Beck, 2012). One way of understanding this is it compromise the relationship collected data with outcomes. During the interviews, my way of ensuring credibility was all informants were treated in the same way. I gave them all opportunity to talk freely so they could explain their reply in more details. They also got to talk in their own dialect. Words and slang in “Stavanger – dialect” were used by the informants. The interviews were recorded by a good quality recorder and immediately transcribed to reduce memory bias. I had two interviews at the same day, so within few days, I had transcript everything in a detailed way. The informants were afterwards offered to proofread their quotes mention in this research to ensure that my interpretation of the data was correct. The literature used in this paper is considered high quality and primary data are collected direct from informants. In addition, I had regularly meeting with my supervisor in order to get feedback. Thus, I regularly worked with his feedback, which increased the credibility and validity of my study work.

### 3.7.2 Reliability

Reliability involves the data collection as well as processing of data. Joppe (2000) state that reliability represent the extent to which results are consistent over time and in addition, reliability is accurate representation of the total population under study. To test if the study is reliable, Joppe state that if the results of a study can be reproduced under a similar methodology, the research instrument is then considered to be reliable (Joppe, 2000). In addition, stable research and more consistent procedures make more reliable outcome of the study (Webb, Campbell, Schwartz, & Sechrest, 1999). Therefore, to ensure the reliability and make it possible for anatomize for the readers, I give a thorough description of each case, who the managers are in the SMEs (selected informants). Further I detail thoroughly my research process, which I hope will make it easier for the reader to follow, understand my train of thoughts and hopefully reproduce the findings if necessary.

### 3.7.3 Confirmability

Confirmability refers to the ability for researchers to demonstrate that it not the researcher's viewpoints or biases, but the data from the participant's responses that is presented in the study and its findings (Tobin & Begley, 2004; Polit & Beck, 2012). Johannessen et al., (2011) support the statement and refer to confirmability as the researcher can maintain a subjective perspective to the study (Johannessen et al., 2011). To ensuring confirmability in my research, I describe details about decision making with the explanations, so that the reader can at all time evaluate the study at every point of this thesis. I have used description, quotes directly from the data material and methodological issues in the analysis chapter and use different references of other researchers to see the basis for my interpretations.

### 3.7.4 Transferability

Transferability aim for that a researcher needs to present proper contextual information regard to his study to assist other researcher to transfer part of evidence (Lincoln & Guba, 1985). Johannessen et al., (2011) support this statement and argue that the objectivity of transferability focus at the researcher can make interpretation which can be used in different research contexts, rather than the one being studied (Johannessen et al., 2011). Therefore, I have described and discussed the research context in detail to give an overview. Thus, the readers can decide about how much of these findings are applicable for their contexts (Laumann, 2020).

## 3.8 Ethical Consideration

Ethical consideration for this research were rigorously explained within bound of consents and the privacy law. To sustain high quality and credibility to this study regard to research ethics, I have followed the guidelines given by NESH. Guidelines for Research Ethics in the Social Sciences, Humanities, Law and Theology (NESH) is a Norwegian committee which has present guidelines for research ethics, which will help the researcher to develop research ethical reflection and judgement in order to promote good scientific practice and to clarify ethical dilemmas (The Norwegian National Research Ethics Committees, 2016). I have followed the guidelines given by NESH in my research. In addition, I have been aware of my responsibility regard to interviewing individuals. Therefore, I have sent my interview guide to NSD before doing the interviews for get it approved in terms of privacy (See Appendix-B). I informed the informants of the background for my study and explained that I would

anonymized themselves personal and their business they represent. Thus, I asked for confirmation for recorded the interview and informed about what I would do with their information, how I would store the information, when I will delete the information and who are able to see the information given. Further the informants have subsequently got the chance to approve the quotation after I transcript the interview and approve correct understanding. I have also find other text material, which I got from the informants to confirm what they said and so that data cannot be misinterpreted. Furthermore, I have recognized research ethical norms by reflecting at data collected and not inventing my own claims. I carried out the study in a present scientific practice regard to the paper and for credibility if my research is being adopted and the possibility the study can be further researched.

### 3.9 Summary

The main objective of this study is “*How can a SMEs build/sustain EO?*”. To fulfil the objective, I have used qualitative method for this study to interact, communicate and participate with the process. I developed semi structured interview guide (see interview guide at Appendix-A) where I first started with question which should make the informant feel comfortable. A total of four interviews were conducted for data collections, and where held by face to face. The interviews were recorded and were within few days transcript, to ensure the quality, cross-checks of data, relevancy and reliability of the study. Ethical consideration also got the importance during the study, informants got their name and business anonymously covered, simultaneously each informant could read through the transcript before using the interview in the research.

## 4. Findings

In this section, findings from the study will be presented in three parts. In part I , I will present the detailed case descriptions of the four cases which have been studied. Part I also presents the within-case analysis of the four cases with direct citations from the individual cases. Part II showcases the cross-case analysis and findings arising from the similarities and differences between the four cases. The last part, Part III, is where I integrate the within-case and cross-case analysis and attempt to answer the sub-questions and research questions with supporting citations and my own interpretations.



## 4.1 Case Descriptions and within-case analysis

To know more about the four cases and how they reply to the questions I have asked, I have presented data and information from the four cases. Due to the anonymity, I present an overview of each case. I have chosen to give each case the name of an animal / bird species. This is totally random and does not have any connection or relationship between the business and the animal in any way. As outlined earlier, the four cases each belong to the four categories developed as part of the research methodology and case selection (refer Sec. 3.3.2) procedures.

### **Eagle**

I have chosen to call the first company in this study Eagle. Eagle is a firm belonging to the group H–H (See 3.3.2 Research Sample). Eagle operates mainly on fixing machines, where some operations are connected to the oil-industry. They have their own workshop and service-cars which immediately respond to customers. According to Eagle, they do many type of jobs that is connected to different machines, such as development of offshore solutions for construction-equipment operating in deep sea.

Eagle has a clear view on how to build proactiveness: “It is, after all, all about keeping my people. It is ... the good ones are not easy to get hold of.” To keep the employees and to increase motivation amongst them, the firm acts in different ways. “Send people on course” and “Yes, we now travel at least once a year” along with “We happen to travel at trade shows with them or we have bowling- and pizza evenings and such things”. Another way they have succeeded in retaining their employees, is to “Try to form apprentices. We can form them”. Thus, the CEO is talking enthusiastically about this and wants to continue. Me: “Apprentices who did a good job?” Respondent: “Yes, my experience is that this works better. We have advertised to hire people many times but we never find the right ones anyway.” In addition, Eagle don’t think they are passive at all, except advertising “we're not passive on anything. (...) But we are passive on everything in relation to ... yes. Advertising and that kind of things.”

Eagle only engages in whatever innovation is absolutely required, incremental innovations and don’t engage into much research or radical innovation; “There are licenses, you have to

upgrade. For example, take the specific tool, it may need to be upgraded four times a year” and “Fourteen days ago there was a man on a training course for a whole week on a new machine, new type, new generation machine we will receive on Wednesday, the first to come to Rogaland”. External factors demand that Eagle has the knowledge to be able to handle the new upgrades. So, the incremental innovation seems more important for Eagle. In fact, they do not use any efforts on radical innovation. Thus, there are less evidence that Eagle has a high degree of innovativeness.

Further, Eagle has been and still is in a position, in which they do have to take a choice about risk. The firm introduces a risk related to whether they should sell some stocks in the firm to secure a customer or not. “We have two important customers. Both of them want to buy stocks in the company to secure themselves. And if we sell a share to one of them, the other will lose interest. So then we risk losing the other. And vice versa. And, in a way, that's the risk here” and added “If we are to give away 2/3 of the stocks then it is not so interesting to hold on either”. Thus, this is a huge decision that has been a reality for the firm for some years. So, Eagle focuses a lot on selling parts of the firm which is of huge importance to them. However, Eagle does highlight that it is possible that employees can leave at any time, but does not do much to encourage employees for risk-taking.

To build and sustain EO they are going to continue with what they are doing. Eagle said, “So after we took over for some years ago, we have halved our turnover, but doubled the profit ...”. Further, Eagle has concrete solutions for what they think is important when building EO: “Control what we are doing” and “we must have passionate people”. I find that Eagle could do several more things to build proactiveness, build innovation and build risk taking.

## **Moose**

This company belong to the group MP (See 3.3.2 Research Sample). Moose delivers compressors and air dryers to offshore platforms. They receive both small and large orders. The company is more than one decade old. Moose has experienced and survived two oil crises and have earned valuable experience. Due to the sudden slowdown in the oil-industry, the firm has been forced to think alternatively. They have therefore done some changes in what market they operate in and how they invest to keep employees.

When it comes to proactiveness, Moose states that “Having a good quality system and a proper nonconformity system, so that nonconformities are recorded, processed and improved. That is a great advantage”. Throughout its history, Moose has had varying degrees of proactiveness and had a mix of initiatives through the years. They started with Lean in 2006 that should contribute to proactiveness. And the CEO does highlight personal development: “But of course, now I have been a leader since \*\*\*\* and that is some time, so you develop.” Thus, Moose attaches great importance to not having long term budgets: “...there is someone who comes up with a good idea, so “yes, that was good! Do we have the money to do it? ” - Yes, but we have to fix it. Then we fix, then we do. We do not have a "no, we have to wait until next year's budget" that many larger companies have”.

The aspect of sustaining and building innovation is today something Moose is doing well: “And it's kind of like, "yeah, I'll listen”. It is important to maintain an environment where there are others who also, who have some expertise. And thanks to this we have been able to develop, so that today, I don't necessarily always have to intervene and take the lead”. In addition, Moose does work towards sustaining innovation in the future: “We plan for employees to make suggestions. It may be that we need to look at a product; which is that you like to start with what it is today. But in the future, we want to move on. How do we get from where we are today, and then we have some steps, which will not only be such a brainstorming. You work structured. Yes, it will be a brainstorming, but you work a little structured with it...” Further, they highlight “Then we have young and good people with good ideas” and emphasizes “With the area of responsibility, and then ... they got one, yes they got an authority to invest in a certain amount”.

Moose also has strategies regarding risk-taking; “Firstly, working in oil and gas is risky”, and continues “now they are not in an industry that is popular either”. This shows the relationship between the company and risk in the industry. Further, the company states more details about risk: “Yes, you know, when you look at risk, that's it, yes, you can see that receiving an order in oil and gas is risky... So it is, of course, 70 million for an organization like us is relatively challenging. And that's the risk, we get the money on the day”. The respondent mean that one order can be so large, that they are very dependent on that specific order. Errors, defects, changes or cancellation of the contract can have huge consequences.

Further, Moose mentions the benefit of being an SME: “In the past we have managed, we were smaller, but then I had faith in this here, and so yes, it is clear that it could have been much more comfortable to say that “no, now we stay where we are, a small company, but then we are safe”, but it is not.” Furthermore, they consider risk daily, but mainly at the management level: “And that is to minimize the risk. And we have an annual risk assessment on data, staff and finances”. In addition, learning from the past regarding the oil-crisis they have some experience: “And relatively large investments and we grew and twice we expanded both two- and three-fold and set up a tent, which was too big. Then we built this, so it is a relatively large building. Then we made investments for the future, which yes, in hindsight, we would have been happy with less than”.

Thus, this represents much of how they are building EO. Their thinking and behaviour appear to be adaptable and flexible at their whole hierarchy “So it has something to do with it, for bigger the better ... no, for less, for smarter”. Thus, for building EO, it could be an advantage of being an SME. Free budget is a way of building EO and an open mind at the management level contributes to sustain EO.

### **Frog**

Frog belongs to the group MG (See 3.3.2 Research Sample). Frog supplies a wide range of services and products for the Subsea oil- and gas industry. The company is between five to ten years old. During its history, Frog has learned a lot; “If we say no to attending stands, we say no to have a social gathering and dinner with good customers in the evening. Is there any other type of proactivity? No, I don't think so. I think it's more about the fact that we think we get more return on an investment in social activity in the evening versus in the daytime”. In addition, to sustain the proactiveness Frog has a clear strategy: “As a small company when many people are going to do many things, to do the two exercises at the same time. So we see that we managed to strengthen through the recession. Because I think we were good at both finding opportunities, be even more focused on which product, we were more selective, the heads of our company”. Also through the whole business: “If it was me, I would not bother to go to work every day without knowing the company’s plans, goals and ambitions. We have to motivate our employees”.

When it comes to innovation, Frog has a clear strategy when it comes to the employees “It's about the people, the people we recruit are technology drivers”. To sustain and build

innovation, Frog does not have a doubt about what to do “You must go out into the organization and say, I like to get input from you and I want you to be aware of it. I want you to put guidelines on where to go next” and “Come in to me and let me know. I think that is such a crucial prerequisite for getting the input you need”. To some degree, Frog also highlights the danger of being too innovative “So the word sustainability to me becomes damn important when we talk about eh... innovation. You can innovate to bankruptcy damn easily”. In this business, most of the people are doing innovation and the management encourage innovation “You must not decide in advance who will come up with the good idea”.

There are several types of risk taking, but one risk regarding oil-industry is the green energy transformation. The company has experienced one oil-crises in 2013-2014 and learned that they will not move through to another sector “So at the moment we are doing nothing, we are saying do not start doubting yourself, do not stop recruiting the best heads in oil and gas”, thus, regarding what Frog calls “decommissioning of the industry” the firm continuously take risks “I am afraid of the outcome when Norwegians vote MDG and red and SV, so there is a real danger that this industry will be liquidated in the short term”. How Frog is operating regarding risk taking, Frog states: “We have become much more careful in relation to finance, and we know that there may not be many big losses until you break your back. So, it characterizes you the way we do, you probably change your daily procedure and the way you work, but to say that I'm much better equipped for an oil crisis today than we were five years ago, I don't know if I dare say we are, because I don't think the crises looks the same.”

Frog is defining orientation: “Orientation is to me the degree to which I am aware of this, and we are able to navigate this, and if we think a little bit like the quality language, then it is a bit about how good we are at proving ourselves”. Frog`s most important focus is the people. In addition, how to sustain EO: “Number one is that the door has to be open” and to build EO Frog thinks it is important to build confidence with the employees “If he gives me the feeling of: damn - he probably trusts me to figure this out myself”. Further, Frog wants to continue in the same direction “believe in what you can, don't start doubting don't start with other things. Just because you're starting to get nervous”.

## **Deer**

The firm Deer belongs to the group L-L (See 3.3.2 Research Sample). Deer realizes economies of scale in a broad spectre of products and delivery of equipment for the oil and gas industry. The current organization is between one and two decades old. Deer has a strategy of sustaining proactiveness: “In relation to internal projects then, being proactive then, is to try to devise different scenarios in advance of something happening not to be deactivated (...) And now we have positioned ourselves to be an, a link that can provide the extra capacity in this region. So trying to stay ahead and be proactive about that bit of sales”. Further, Deer also thinks about the green energy transition, and is a little more targeting change into another industry “with the shift to green energy, now we probably have a lot going on there compared to being proactive there, but it is clear that the green shift is coming, and then we must have some strategies around that as well, how do we want to make ourselves visible in relation to the green shift”. In addition, Deer is clear on how they work to sustain proactiveness: “That's such a small thing, so it's clear that an internal project to create a good structure for common tools is something we look forward to” and “You have to get all the staff in the different groups where we want to improve, you have to get them on the team”.

Further, Deer do have some structures for realizing innovation; “call it innovation that you are in at the time. Innovation in relation to how we will develop for the future” and he continued “invest a lot, then we are putting in place some special welding procedures for a specific customer, to reach that customer” and added “but investing and we are getting ready to receive a job, but we do not know if we will get it. But it is clear that then we can never regret that we invested some money on one we did not get”. The company wish to invest in the future, but have not succeed in the past “With the time we have been through since 2013/2014 with the oil crisis, we haven't had enough funds available to ... to invest in the future. So the operations have been paused a bit because of natural reasons. There simply has not been enough funding for it”. There has been no funding for it, but...”. An important aspect the Deer had, was the focus how to sustain innovation “Which will give us that, I think we can challenge each other in a slightly different way than we have done before. Because it's clear that when you've been in a business for a long time, you get a little stuck in the old times”.

Furthermore, there was no doubt that there were many different types of risk for Deer, some bigger than others “There is clearly a risk when you start changing people's working hours, possibly wages, and then the market is picking up. Then there is always a risk that someone

may choose to leave the ship” and “The risk with that is that we can run the risk of machine must be on hold if our strategy does not work”. Deer did bring up a focus several times “Because they don't give us a unique ... Now you've got ready to work for us. But now we are approved and now. So if we hadn't made that investment, so we didn't have our approval to do the job for them anyway. So now we are approved, but there is still a risk of ... we may not get jobs from them anyway” and “in some areas we have, as this significant investment made us relevant as a supplier to a large customer”.

The general information led us to what Deer can do to improve their efficiency and deliver higher quality products at different aspects. In this regard, Deer is open to learning “we actually learn from month to month” and “so that we now start to implement some measures, to be able to take steps into the future you can say, lifting the company ...”. Thus, Deer is going to do some changes which will contribute to building EO: “So, now we are going to be even better at running general meetings, regular production meetings in productions where we address different topics and that we can have this month's theme on HSE for example. But we can also inform about, okay, now we are launching an internal project on machine tools that I mentioned” and explains further “it is with communication and information. Because when you inform about where we are and where we want to go and people get information about it, they also feel they are part of a community that makes them believe in it”.

#### 4.2 Similarities and differences among cases: Cross-case analysis

In this section, I am presenting findings regarding the three sub-questions. These findings are from the empirical data collected which present the firms' answers to my questions regarding the sub-questions. I used the method “semi-structure interview” which means that the interview guide included questions which could be changed at the day of the interview day. I changed the questions regarding the informant story and what he focused on for having the best flow possible. Therefore, the findings presented is a result of my interpretation of what the informant answered. The way he expresses himself could have influenced the result. The interesting part of the way all four answered to my questions, where that they did bring all the three sub-questions into at the conversations but in different ways. It could be one small comment or a more thorough explanation.

#### 4.2.1 Sub-Question 1 - How can a small business build/sustain proactiveness?

My empirical data collection showed some interesting results. Among the four cases, there were similarities and differences. The firms provided their responses in very different ways. Though all the four cases had a common context, the oil and gas industry, their understanding of proactiveness differed quite significantly. Deer defined their understanding of proactiveness: “Then it is, being proactive in relation to the specific project is that we are planning the machining to be completed by December 15th, so that we have the opportunity to send that part out and, when scheduled the week after, get it right back before Christmas and can deliver ...”. Meanwhile Frog defined proactivity this way “Yes, there are a lot of areas to be proactive about. So, do you think if whether we are proactive as a pooling company, then I have to say yes.”. Several express that the way of being proactive could be related to different areas “To be proactive in relation to it is to make a decision about investing, which is that we have followed briefly some larger rigs to classify (...) So trying to stay ahead and be proactive about that bit of sales”. Further, Moose defines how to be proactive in one way “That's what we're trying to be, we're trying to see what's going on in the future”. Therefore, we find that companies tend to view proactiveness very differently, for example it could be about people, projects, company, industry etc.

Eagle and Moose do agree in different areas of being proactive – particularly people and market change. Eagle express, when telling that their employees are a part of being and sustaining proactiveness “It is, after all, all about keeping my people. It is ... it is not easy to get hold of those who are good”. Thus, Moose does agree, and state “But there is a dynamic in the business that has made it. It's the people”. Furthermore, being proactive against new markets is at high focus if the business should work towards a new market or not. Deer can tell “with the energy transition, now we probably have a lot going on there compared to being proactive there, but it is clear that the shift to green energy is coming, and then we must have some strategies around that as well, how do we want to make ourselves visible in relation to the green”. When I probed further during the interview with Moose by asking, “So then what is it that you are aiming for others...?” The respondent interrupt: “Markets. Yes.”. The third interviewee also commented that entering a new market in another way “don't doubt what you can do, don't doubt what you're good at, don't stop focusing on what you're good at”. This part is very interesting. Both Deer and Moose commented that they are considering to enter a new market. Frog, at the other hand, states that they will not work towards entering a new market.



In addition, Eagle is the only one which prefer to send the employees on course to learn new products and what the market expects. Thus, they can build innovativeness among the employees and sustain proactiveness.

Furthermore, Deer and Moose think about proactiveness as a way of having sensors out in the market regarding customers. Both think that it is very important to have sensors out in the market regarding existing and new customers. To be visible and aggressive when it came to presenting themselves for potential new customers. One firm could tell; "...You are looking for a market, you are looking for a next project. And then in many ways there is a bit of situation and the market and atmosphere you are in, which controls how you behave..." This reflects the business and how to build proactiveness.

Another way of building proactiveness, which I found interesting, was how Moose and Deer mentioned how they built processes proactively within their own businesses. They both uninformed talked about how to improve their own processes and both mentioned the word "lean". Moose talked about how to improve their own process through lean principles "And how low the cost we manage to produce at, it has to work smart, that is to work efficiently and look at measures to work smarter, ie here with improvement measures, lean, parts of lean. (...) Now we will not introduce all that with us, but there are elements to it that will clearly be able to streamline the ways we work." Both firms talked about their internal processes and used Lean as a tool to improve, sustain and build proactiveness. The other firm stated the same: "Then we started with Lean in 2006. And that has also meant that we are working on continuous improvements. So we create, we look at, analyze every single process. And see that things, things go smoothly. And then we see that then; yes but here we can improve. Because then you know what you have". The same firm stated another interesting "tool" for building proactiveness, in fact how they operate with internal budgets in their business. Moose believed that their way of doing the budget, is something which improve their proactiveness as well; "Make one or the other an investment, then we do not wait for "no it is not in our annual budget!", we do not run one, we do not create a budget in November which will last 12 months. We have a twelve-month budget, but it's really a forecast that's rolling. Me: "Now, do you think that is an advantage?" Moose: "I mean that, the certain thing you get for something, you can't, but have five years of plans."

Another interesting finding is the agreement between Eagle, Moose and Frog regarding external factors. They all can tell about their learning from external factors which force the business to be more proactive. It is interesting, because their degree of freedom is getting narrower. The type of external factors can vary, but the market change and market demand will demand theirs and the small business must give in. For example, there are licenses Eagle must focus at “There are licenses, you have to upgrade. For example, take one of the tool, it may need to be upgraded four times a year”. On the other hand, there are system changes for Moose “We are certified in ISO, HSE and the environment, which means that we become informed, we become oriented and those who certify plus the oil companies and such”. My expression from the three cases is that this type of pushing from the market is positive factor for building and sustaining proactiveness.

#### 4.2.2 Sub-Question 2 - How can a small business build/sustain innovativeness?

The second sub-question “How can a small business build/sustain innovativeness?” is also interesting. The cases answer the questions related to this sub-question in different ways. The questions asked were asked in different settings and with a different twist. The firms did talk freely at this point and had different views on how to be innovative and how to motivate innovativeness for their employees. Frog explained in his own words what he thinks innovation is defined as. Where they also expressed their view of how to be innovative at different areas. Examples of this is how to develop new products, new data programs and new ways of doing processes internally in their businesses “And, so you can say, what is innovation? And that's business development, now everyone is talking about digitalization (...) It is, of course, we have this here with process, process development (...) Then there is to come .. find other products”. Frog stated that they focus on having close to the same degree of innovation in the whole hierarchy and not just with the management.

From the four cases, there are two similar important factors which build innovation in an efficient way: Have an open mind and receive feedback from the employees. The factor to always have the door open, do Frog and Deer think is very important. “My door is open, come in. The mailbox is now open. Make good suggestions. I want it before Wednesday (...) You have to go out into the organization and say, I like input, I like you to prove it to me.” This is the most important factor for Frog, and he urges to something you must do to build innovativeness. To do this, Deer also supports the way of building innovativeness by creating

a trust-relationship with the employees so that they can make suggestions for improvements. Thus, building and sustaining innovativeness through the employees and through the relationship between management and employees, are the most important factors.

On the other hand, Moose highlights employee's freedom of making their own choices, which he refers to as "So they can buy for yes, XXX kroner for example without having to ask anyone. Then they do it, then they make that improvement in their group (...) So now people are not coming to me anymore because a lot of it goes automatically". Thus, to give allowances/budgets to employees for spending without approval, is another way to improve innovativeness.

Employees can develop different innovation products and contribute with many good ideas. However, the product needs to be of value to the customers. One case highlights the focus on targeting the customer needs. This way of doing it, to focus on customer needs, to continue with innovativeness "I spend a lot of time pointing to history, where they are happiest, with innovation and very often I interpret that they are good to read the customer and understand what the customer needs, understand customer needs". It is important to get the employee to focus on what the customer need is. The product needs to be adapted to the market and to be attractive regarding the price. Also, the market must be ready for receiving the current product.

In addition, Deer talks about common goals internally in the whole organization. To improve a process with several steps, is hard to do alone. Deer could tell the employees to do that, instead of the other thing. If there is no explanation or if it is very hard to do and/or short timeline, it is hard to get the change implemented in the process. Therefore, Deer furthermore states that an important factor is to create a common goal. This is supported by Frog: "The management should only facilitate an awareness and that people become part of it".

Several factors which increase the degree of building and sustaining innovativeness have been presented and stated by the different cases. Some also talk about actions which can slow and stop innovativeness because of the risk of achieving extremely high degree of innovation. Moose and Frog agree that you need to have a limitation on innovation, because of the threat that innovativeness could ultimately lead to bankruptcy. Frog takes it further, but he does it with purpose. They state that their employee's potential has such a high degree of

innovativeness that it could have negative effect for the firm sometimes, that he must talk to them and make them understand that the customer must buy the product-innovation for it to become a success. Therefore, Frog takes action to slow down the degree of innovativeness in their organization. The first thing they are doing is to prepare a plan if the innovation is something the market needs or something customers are ready for; “Then we try to map how much resources, how much effort and how much money it will require to create that solution”. Furthermore, these are not the last steps in the process of limiting the innovation; “Then we try to see it in the spotlight and try to evaluate how this marketplace looks for the solution and the product. Then we make a decision whether to initiate this innovation (...) So my efforts towards them are more often the opposite. I'll probably be the brake that holds them back. That makes them a little critical and selective”. In addition, there is also a minor finding presented by Frog on limiting the innovation “Then I also spend an awful lot of time showing where innovations go terribly wrong, where innovations ends up with bankruptcy or become like a completely different product, did not end up where they should end up. Then it is very often my conclusion that here they fail in thinking what the customer needs.”

#### 4.2.3 Sub-Question 3 - How can a small business build/sustain risk-taking?

The third sub-question, which should be investigated, is how a small business could build risk-taking. The answers from the firms gave a good overview of how they focus on risk in their organizations. Moose, Frog and Deer talked directly about the risk of being in the oil-industry. They focused on the coming transformation of the Norwegian economy. The question is when this will happen. Frog stated “We have started the decommissioning of the entire industry.”

The “green-shift” (shift to green energy) as they call it, is a risk in itself. Deer, on the other hand, stated “with the green shift, now we probably have a lot going on there compared to being proactive there, but it is clear that the green shift is coming, and then we must have some strategies around that as well, how do we want to make ourselves visible in relation to the green shift”. Regarding the shift, Moose, Frog and Deer talk about moving their operations into another industry. Both Moose and Deer state that this is something they wish to do and, if the possibility will be there, they will grab it. On the other hand, Frog does not want to do this, because of the historical experience. My impression is that this can change. Moose and Frog, which have been in operation for a longer time, state that things can change fast in this particular industry, something the other two firms don't oppose to.

Furthermore, internally in the organizations, one firm stated how big the risk is just being in this industry: “Yes, you know, when you look at risk, that's it, yes, you can see that receiving an order in oil and gas is risky.” The firm is very clear about receiving an order contains a lot of this risk with regards to getting paid by the customer, due to the large orders. Therefore, this type of risk for a small business, cannot be besides particular risk. Therefore, regarding the sub-question, this type of risk affects the whole organization.

Furthermore, to lose personnel is another type of risk internally in the organization. The employees are important in every firm, stated by every respondent in this study. Therefore, the risk of losing employees is focus, which Frog states: “Yes, person risk, we lose key people, what is it, there is risk in the projects, there is data security...” Further, Deer also has a statement regarding this particular risk; “There is clearly a risk when you start changing people's working hours and possibly wages., If the market is picking up, then there is always a risk that someone may choose to leave the ship”.

Furthermore, there was a clear strategy regarding this specific case and how this risk affects the company and why the management chose to do this type of change. “That you lose people. True. So, the thing about not, that is, you have to make changes that are necessary to survive, at the same time we have to take a risk where we think about whether it is worth making the small change there if it leaves us little if we are not willing to take the risk of losing some people”. This perspective reflects the small business`s problem regarding risk-taking considering the people in their organization.

#### 4.2.4 How can SMEs build/sustain EO?

Based on my analysis of the four cases, I will now attempt to answer the main research question. It is challenging to give the answers and situations in one question, so these three sub-questions should help outlining an answer to the research question in this study. From the three sub-questions there are some perspectives and factors which are only highlighted by one interviewee and there are other factors which are highlighted by several. In addition, there are factors which the interviewees across the cases do not agree on and there are factors which they agree on. Furthermore, there are perspectives and factors which could be linked to more than one sub-question. These are the factors which I will focus on in this section while

attempting to answer the research question “how does a small business build/sustain EO?”. In this section, I am focusing on perspectives and input from one firm, which do not give a concrete answer to this study’s research question, but give a perspective on the findings from the different cases presented.

The first factor is the working towards a common goal. This factor was mentioned in relation to the building of proactiveness but can also result in building innovation according to Deer. Furthermore, Deer focus at the proactiveness in the first instance, but the way of challenging each other against the common goal can be linked to innovation as well; “to be able to challenge each other and look a little further. A little further than the street we have been in before. Eh, and with that line of thinking, I think we can get the employees on board eventually. But we as management, and I as a general manager, have a job to do to make everyone look the same as we want.” Thus, can be expressed in a way of building EO under this research question. Another factor, which includes more than one sub-question, is the move to another industry. As explained under sub-question 3 on risk-taking, Moose, Frog and Deer state something regarding this. First, to minimize the risk in the organization if the “decommissioning” is occurring, the risk would have been less with two industries. But there is also a risk of losing territory if the company uses effort in another industry, as explained by Frog. Therefore, to move into another industry could be placed under the research question on how to build and sustain EO.

Another perspective of building and sustaining EO is investing efforts and resources for the future. One firm states that this could be important for sustaining EO in the future. This affect every sub-question in different ways. The risk of having no funds, no customers and possibility of investment in new equipment needed in the future. The delimitation when there is no means left for drive along innovation and delimitation for development and change in different internal processes. Therefore, this perspective of investing in the future, could build EO. Deer stated how it has been in the history; “... to invest so much in the future, so the operations have in the past slept somehow in the hour of natural causes naturalness. There has been no funding for the future”.

<b>Factors</b>		<b>Eagle</b>	<b>Deer</b>	<b>Frog</b>	<b>Moose</b>
<b>Proactiveness</b>	<b>Open to others views and ideas</b>		<b>Yes</b>	<b>Yes</b>	
	<b>Flexibility in the budget</b>			<b>Yes</b>	<b>Yes</b>
	<b>Common Goal</b>		<b>Yes</b>	<b>Yes</b>	
	<b>Send employees at course</b>	<b>Yes</b>			
	<b>External factors forced us to be better</b>	<b>Yes</b>		<b>Yes</b>	<b>Yes</b>
	<b>Have lean thinking?</b>		<b>Yes</b>		<b>Yes</b>
<b>Innovativeness</b>	<b>Challenge each other</b>		<b>Yes</b>		
	<b>Innovation could lead to bankruptcy</b>			<b>Yes</b>	<b>Yes</b>
	<b>History of good innovation</b>			<b>Yes</b>	
	<b>Providing discretionary budget for employees</b>		<b>Yes</b>		
	<b>Dig input of new ideas</b>		<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Risk-Taking</b>	<b>Actively search for opportunities in another industry</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
	<b>Risk of receive an order</b>			<b>Yes</b>	<b>Yes</b>
	<b>Passionate employees</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
	<b>Invest in resources which can be beneficial in future</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	
	<b>Want to invest in resources which can be beneficial in future</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	

Table-5: Cross-case analysis

In this section, I present how SMEs build and sustain EO. My findings presented here are based on the four cases presented above. First, I will attempt to answer each of the sub-questions, which hopefully will contribute to answering the main research question. Finally, in the last sub-section, I will focus on what factors and activities a small business can engage in and how a small business can use these to build and sustain EO. I have constructed a figure which presents the findings based on my interpretation of the data from the four cases. My reflections on the within-case and cross-case analysis enabled me to arrive at organizing all the small business activities towards building EO into three groups of practices – organizational practices, people practices and technology practices. In addition, I also attempted to segregate the practices based on their nature into two levels – tactical and strategic actions. This organization of the results can be visualized in the form of a figure (Figure-2: Organizational practice, people practice and technical practice) as below. While the Figure-2 provides a visual presentation of my findings, I will now further detail the actions.

	Proactiveness		Innovativeness		Risk-taking	
	Tactical	Strategic	Tactical	Strategic	Tactical	Strategic
<b>Organizational practice</b>	<p>Implement Lean thinking in operations</p> <p>Employ apprentices that you can shape to fit best in your business (build future workforce through apprenticeships)</p> <p>Not use much effort on advertising</p>	<p>Include employees in decision making</p> <p>Search for emerging trends and opportunities by going to trade shows and conferences</p> <p>Build flexibility in the budget</p> <p>Search and apply to appropriate and large tenders by investing relevant resources</p>	<p>Maintain a minimum level of continuous innovation initiatives by include innovation in the budget</p>	<p>Build trust and strong bonds between manager and employees</p> <p>Periodic review of innovation activities</p> <p>Invest resources in new capability / relationship development which can benefit in future</p>	<p>Get employees involved in the decision making about investment</p> <p>Store data at a secure place (system etc)</p> <p>Think like a bricoleur - avoid large investments, where you can manage with less</p>	<p>Accept the risk of receiving a huge order</p> <p>Review staying in the same industry vis-à-vis diversification across industries</p> <p>Review growth aspirations</p>
<b>People practice</b>	<p>Encourage work planning among employees to flow and avoid operational disruption.</p> <p>Encouraging managers to have open door policy</p> <p>Strategy and implement common goals</p>	<p>Improve processes through incorporation of lean thinking</p> <p>Keeping the people motivated and together – Pizza and bowling</p> <p>Ensure alignment among people - Get everyone on the same page in the team – explain why it is important and they understand it – by using communication effectively</p> <p>Enable the employee to feel secure and confident by providing positively reinforcing feedback. Example, GPS strategy.</p>	<p>Manager should let everyone welcome to his office</p> <p>Management should be open to others' views and ideas</p>	<p>Providing discretionary budgets for employees across all levels</p>	<p>Let the employees know that the manager appreciates all kinds of suggestions</p> <p>Do not decide who will come up with the great idea</p> <p>Don't change employees working hour, payment etc more than needed</p>	<p>Ensuring employee happiness and satisfaction</p> <p>Meet the conditions of employment to keep staff satisfied and happy</p>
<b>Technical practice</b>	<p>Send people on courses for technical upgradation and secure technical environment with ensuring</p>	<p>Finding opportunities – Which product should we bet/use resources on?</p> <p>Be presented at conferences and activities in the market</p>	<p>Send people on courses for technical upgradation</p> <p>Always think how this product</p>	<p>Providing discretionary budgets for employees across all levels</p>	<p>Stop innovation activities that are not making progress using objective measures</p>	<p>Invest in resources, which can be beneficial in future</p>



	competence sharing Improve system in collaboration with employees		can be used in the future – make this as a step in a structure	Identify and hire for new skills		
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Figure-2: Organizational practice, people practice and technical practice

*How can a small business build/sustain proactiveness?*

The first sub-question of building proactiveness has several tactical and strategic activities that small business engage in under the three different practice categories. First, I will present the activities under the organizational practice.

The tactical current action is to implement a good structure and process planning. This can be implemented through Lean thinking. The lean thinking is related to the focus on the customer and the value stream. Lean can be understood as pursuit of perfection by constantly eliminating waste through problem solving (Liker & Rother, 2011). To be proactive does not mean that you must follow Lean and the way experts tell you to do, but the focus on Lean is my suggestion. Therefore, to put a focus on change, efficiency and improving processes in the whole organization, could lead to building of proactiveness. In addition, research at worker perception in a Japanese-owned company operating outside of Japan, found that employees, who had exposure and training in Lean Principles, viewed internal performance to a higher degree than employees which had not (Oon, 2013).

Another tactical action is to employ apprentices. Apprentices often have many years left of working. They can also have an open view and do not have old habits which can be hard to change. The opportunity to have the apprentice in the business for a long time is huge and the benefit of building future workforce through apprenticeships can also be a tactical action for sustaining proactiveness.

Further, to not use too much effort at advertising. It could be hard to measure how much, or if, the advertising results in new customers or more product sales. Therefore, to advertise could be a less great thing to do for a manager.

More strategic ways of implementing organizational practices, with focus on proactiveness, is to include employees in decision making. It could be easier to implement a change if the

employees, who go through the change, know why the change is necessary and why exactly that change is implemented. In addition, the most successful change is when the employee suggests the change themselves. When that happens, the current small business is in a good path of sustaining proactiveness. Thus, research has repeatedly proved that when a task is relatively easy and when the path to the goal or target condition is clear, then with extrinsic motivators and the managing by results work well enough (Liker & Rother, 2011). Therefore, the common thread is commitment to the business. Both Losonci, Demeter, & Jenei (2011) and Shadur, Rodwell, & Bamber (1995) reveal an insightful contrast, that western businesses normally try to motivate employees by making the work desirable. Toyota's system develops employees by involvement in continuous improvement and respect. Further, these employees in turn, builds motivation and commitment so that the employees do the necessary work (Loyd, Harris, Gholston, & Berkowitz, 2020).

Search for emerging trends and opportunities by going to trade shows and conferences, is also focused in organizational practice. In other words, the main element in this section is that the management should implement good habits when it comes to planning for the future. The firm needs to expose themselves and be visible for potential new customers. Therefore, it could contribute to sustain proactiveness.

Furthermore, an action a small business could do to build proactiveness is to build flexibility into the budget. To improve proactiveness with focus on organizational practice, flexibility in the budget can result in more efficiency. If employees and/or management don't have a fixed budget, means that they can make the certain change or procurement when needed, and do not have to wait for upcoming budget processes. Therefore, it could result in a more efficient work.

Search and apply to appropriate and large tenders by investing relevant resources is suggested to build and sustain. This action focus on strategic way of thinking and mainly for the management. This action aims towards a secure and aggressive way of focusing on customers. It means that an SME should not be passive when it comes to tenders from a customer. The business should invest the required amount of resources into the tender.

Moving on to what actions an SME could do to build and sustain proactiveness regarding people practice. Encourage work planning among employees to flow and avoid operational disruption. This could be done by implementing structures for planning for holidays or

planning for employees to be on leave at different times. Encouraging managers to have an open door policy which decreases the employee's limit for input and/or comments at different reasons.

Strategy and implementing common goals could contribute to a more efficient way of work. Along with ensuring alignment among people – to get everyone on the same page in the team. The strategical action at organizational practice is presenting a finding from my knowledge and register of how important it is to get everyone in the organization to work towards one common goal. Therefore, the management needs to inform everyone in the organization, such as the canteen worker, sales people and accountants, about the Lean process. It is important to give every employee the feeling of being included and important. Even though the Lean itself is not the goal, it will be encouraging for the employees if everyone is thinking in the same way and contributing to small, medium and sometimes larger changes. When we implement Lean as a tool in this way, it is not only a set of techniques for eliminating waste in the process, but a process by which managers as leaders develop people in the way that desired results can be achieved, repeatedly (Liker & Rother, 2011). However, research has found that workers' perception of Lean success in a business is based on their work method, communication, commitment and belief (Losonci et al. 2011). In addition, it has also been discovered that the key factors predicting an employee's acceptance of Lean were acceptance of speed of work and commitment to company (Shadur et al. 1995)

Arranging pizza and/or bowling nights for employees may create a team spirit and keep employees motivated. It is a relatively inexpensive and easy action to execute, and it can build proactiveness.

Enable the employee to feel secure and confident by providing positively reinforcing feedback. Practical research done by Zhang and Zhu (2019) found that feedback is a significant factor for affecting performance. In cases where employees in a higher degree are better to seek feedback given from management, the management is shown to be more supportive. However, results show that employees who are more able to accurately capture leadership feedback information can lead to improved work performance and a more quick resolution of problems (Zhang & Zhu, 2019). One of the three expert, did bring in the term GPS, which they have included in their own company. Goal-Priorities-Support (GPS) is how

to run a project-conversations with the leader and employees. This conversation is further important for improvement of the appraisal between management and employees.

Furthermore, the technical findings show different aspects of actions. A technical action a manager for an SME could take is to send people on courses for technical training and to secure a technical environment through competence sharing. It is easy to send the employees to courses to gain new knowledge, but it is also important to secure the learning and sharing of the knowledge with other employees. Therefore, to secure a technical environment with ensuring competence sharing is important as well.

Improve systems in collaboration with employees. To ensure proactiveness in a technical perspective and to have good and efficient systems, it could be a great idea to continuously upgrade the systems to ensure the technological development. The problem can be too much change for the employees, which can go beyond their work-capacity. Therefore, it is important to improve the system in collaboration with the employees.

A more strategical perspective is to find opportunities of which products the business should use resources on. This could be a huge question and difficult to define. However, to have good strategic ways of focus on the products and keep periodic reviews of the different products could be a good action.

#### *How can a small business build/sustain innovativeness?*

Findings regarding how a small business can build and sustain innovativeness is presented in the Figure (Figure-2: Organizational practice, people practice and technical practice). In this section, I will present technical and strategic findings sorted into organizational, people and technical practices.

The first action is presented in Organizational practice, to maintain a minimum level of continuous innovation initiatives by including innovation in the budget. This action requires resources to a certain level. It is also important and necessary to manage and plan budget management adjustments and innovation (Fang, 2019). However, the amount of innovation in the budget require periodic review of innovation activities. This is because of the danger of using too much effort and resources with a product which the customer, of different reasons,

doesn't want to buy. In addition, one should always think of how this product can be used in the future – and make this as a step in a structure. An action regarding risk-taking is to stop innovation activities that are not making progress using objective measures.

Further, strategic actions regarding organizational practice from findings, SMEs could build trust and strong bonds between manager and employees. This action can be taken in different ways, to ensure the relationship between manager and employee. In contrast, researchers and managers have long agreed that communication processes are an important factor in organizational success (Roberts & O'Reilly, 1974; Snyder & Morris, 1984). There are several findings regarding open lines of communication with managers; employees are more likely to build effective work relationship with those managers, which increase their contribution to organizational productivity and enhance their performance (Tsai, Chuang, & Hsieh, (2009): Muchinsky (1977); Gray & Laidlaw (2004)). In addition, studies have found that employees who report openly and positively in the communication with their managers are more likely to better cope with major organizational changes such as mergers and layoffs (Schweiger & DeNisi, (1991); Gopinath & Becker, 2000). In addition, the action from people practice also contributes to the relationship between employees and managers. Managers should let everyone welcome to his office and be open to others views and ideas.

Regarding flexibility in the budget, there should be a discretionary budget for employees across all levels. This would imply that everyone could invest a certain amount in what they think will improve their work efficiency. This can contribute to better efficiency and time saving for both management and employees.

So, technical practice in relation to building and sustaining innovativeness, SMEs could identify and hire for new skills. This action contributes with broad and new knowledge to the business. This new knowledge and experience may open new markets and knowledge which can be a benefit for the future.

#### *How can a small business build/sustain risk-taking?*

Findings SMEs could implement to build and sustain risk-taking is sorted in the same way: Tactical and strategic in three practices; organizational, people and technological. First, a tactical action is to get employees involved in the decision making about investments. Factors which build risk-taking also point in the direction of the different areas in which the

management can improve. To let the employees feel a certain degree of impact and/or influence to the decision making, leads the employees to come up with more ideas. These ideas will likely be more materialized and get improved as knowledge performance. Thereby a broader aspects of ideas will arise (Ouchi, 2006).

Furthermore, to store data in a secure place is today highly relevant. In this time when many employees are sitting in their homes instead of being at their working place, more data is stored at computers, hardware or different types of storage concepts in the sky. Therefore, one should store data in a secure place.

In addition, an action is to think like a bricoleur - avoid large investments if you can manage with less to avoid risk at an organizational level. Research has been done on the term “bricoleur” and it suggests further research on their proposition about entrepreneurs engaging in behaviours reflective of the engineering category are able to achieve higher degree of venture financial performance (Stinchfield, Nelson & Wood, 2013).

Another action is related to receiving orders in the oil-industry. This could be a normal situation but could also contain a huge risk when big investments must be made. Large contracts could be the case for some orders. Therefore, receiving an order could demand a lot of resources allocated to that exact order something which would require teamwork. This perspective therefore includes more than just the management, it includes different levels of the hierarchy. In this way, it could improve the employee’s attitude to risk-taking and could build risk-taking.

A review of staying in the current industry versus diversification across industries is an action an SME could take to sustain and build risk-taking regarding organizational practice. To predict the future is difficult, so this action focuses on reviewing to stay in the current industry or diversification across industries.

A manager of an SME should also review growth aspirations. According to Yeo and Park (2018) firms can face different sets of external and internal factors which can influence their operation as they move from one stage to another stage of growth. Furthermore, the sustainable growth of businesses can involve very good transitions when they go from one stage to another, by managing and maintaining sustainable competitive position and growing pain to an organization (ibid.).

Furthermore, strategic action in people practice, which could have a negative influence on risk-taking in a small business, is an unhappy employee. The perspective of having happy employees could be a key to sustaining EO. Researchers have found a positive relationship between performance and job satisfaction (Hira & Waqas, 2012). Jinyevu (2013) adds that there is also a positive influence of job satisfaction on job performance. Hence, satisfied employees perform better, have higher job morale and are more motivated than those who are dissatisfied (Jinyevu, 2013). However, to have an unhappy employee could lead to different outcomes. One outcome could be that employees are leaving the firm. In a small business, one employee could be a huge part of the organization. Therefore, an SME should not often make changes to employee's habits, working hours, rhythms and/or pay. In some cases, the organization has to change on these different perspectives due to their survival, growth or other perspectives.

The last action, which has not been explained, is regarding people practice in a strategical way; to meet the conditions of employees to keep them satisfied and happy. An action linked to this is to meet the requirements of the employees to the extent possible. Some employees may want more vacation in the winter and some want more in the summer. Therefore, it could be a great idea to meet these requirements to the extent possible.

## **5. Discussion**

My aim of this study is to discover how an SME can build and sustain an entrepreneurial orientation (EO). In my field work I discovered how four small businesses work with building and sustaining the three different factors which comprise EO. In this section I will attempt to situate the findings of my study in existing theory and illustrate how these findings can improve the practice of EO in small businesses. My findings will also help to highlight the contextual issues around the industry in which the cases operate (oil and gas) and hopefully contribute to policy related changes. I will first present the contributions to theory and then to practice and policy. I will end the section by highlighting the limitations of this study and the potential future research questions that this study and its findings may trigger.

## 5.1 Contribution to EO

The literature does not fully explain how an SME should build and sustain EO. One of the cases states the uncertainty of what they should do regarding the transition to green energy; “With the green transition, we probably have a lot more opportunities, compared to being proactive in our current industry. But the green transition is coming. Then we must have some strategies around that as well. How do we want to make ourselves visible in relation to the green transition?”. In another case, it is asked: “And then the question is: What should a company like us with 30 men? Should we already take those signals, turn around, change and prepare for it to happen?”. Several researchers have focused on the relationship between EO and firm performance and assume that SME knows how to build EO. Findings in this research conflict with the current literature: Literature states that high degree of proactiveness, innovativeness and risk taking lead to firm performance. However, findings suggest that a too high degree of innovation and risk-taking can in some specific examples destroy an SME. So, findings in this research suggest that EO could be build and sustained in different ways, and especially in the case of SMEs. Therefore, the literature on EO needs to be clarified further, especially in the context of SMEs.

Rezaei and Ortt (2018) state that the literature on EO has been conducted by different researchers which result in a broad spectre trying to define EO. Researchers which have done research at the topic include Covin and Lumpkin (2011), Miller (1983), Khandwalla (1976-1977) etc.

EO can generally be understood as a lasting direction of thought, interest pertaining to entrepreneurship or inclination (Covin & Lumpkin, 2011). Further, to “being entrepreneurial” as Miller/Covin and Slevin refer to as a unitary construct, manifested in business units or organizations. Though there are many conceptualizations of EO in literature (Covin & Slevin, 1989; Lumpkin & Dess, 1996), I have decided to use the most widely tested conceptualization of three factors which represents EO in this study (Covin & Slevin, 1989; Miller, 1983).

Further, EO could be understood as a purely unidimensional and behavioural construction.

This could be comprised of the quality in common of the three dimensions, if risk taking is captured in the measurement EOs, using only items reflecting risk-taking behaviours (Covin & Lumpkin 2011). Findings presented in Figure-2 gives some actions managers could take in order to build and sustain EO. Regarding risk-taking, there are actions in Figure-2 which can



contradict literature. An example is to accept the risk of receiving a huge order or stop innovation activities. These are two actions which, according to the findings in this research, could be vulnerable for an SME. But according to literature, it could build and sustain EO.

Further, Rezaei and Ortt (2018) argue that many of the studies done at the topic of EO, see EO as a singular construction. They criticize that EO has a similar effect on firm performance in any context; in different markets, different types of companies, different countries and different sizes (Rezaei & Ortt, 2018, p 880). In my study, I try to look at EO as not being a singular construction. EO could be found in different type of businesses such as manufacturing companies and service organizations (Jantunen et al., 2005), new or established companies and SMEs (Wiklund and Shepherd, 2005; Hughes et al., 2007).

In this research, I focus at three dimensions to build EO and in the specific context of SMEs. In contrast, dimensions are added by different researchers, such as “autonomy” and “competitive aggressiveness” (Lumpkin & Dess, 1996). Irrespective of the number of dimensions that make up EO, there are limited knowledge on how to build/sustain these dimensions.

André (2013) suggests that the dimension “competitive aggressiveness” has been deliberately excluded because of the belief that individuals compete against each other. So, to measure EO, literature could create a bias regarding the dimension “competitive aggressiveness” which will not appear appropriate for the individual level. In contrast, if EO consists of three current dimensions, can we assume that individuals influence firm performance significantly? In the findings presented in Figure-2, we can get an impression of how important the employee is. Several actions presented as findings to build and support EO is related to community: 1) Build trust and strong bonds between manager and employees, 2) Get employees involved in the decision making about investments and 3) Encourage work planning among employees to flow and avoid operational disruption. Can we therefore expect that individuals also have a significantly positive impact on firm performance via individual performance? Employees are important for a business and this research suggests different actions a manager can take to build EO through people practice. Since the employees are so important, is there a way to measure if teamwork is stronger than all the employees individually? As early as 300 years before Christ, Aristotle said “*the whole is greater than the sum of its parts*” (Li & Tong, 2018, p. 21). In this context, this could mean that the collective

outcome could be a better performance than the simple addition of what each individual in a team/firm can achieve.

If we assume that there exists a gap in the literature regarding the constructions discussed above, this study aims to fill the gap. I have focused on specific SME's, in which I aim to explore how an SME can build and sustain EO. This is supported by Wiklund, Patzelt and Shepherd (2007). In their research, their findings suggest that in SME's, resources need to be handled in creative ways and what they call "to implement EO". When providing an SME with capital, it does not mean it automatically will expand (Wiklund, Patzelt & Shepherd, 2009). Furthermore, from a large range of existing literature, we know that a small firm's degree of EO activity leads to performance and growth (e.g., Covin and Slevin 1989; Wiklund 1999). In addition, Wiklund et. Al. (2009) state that several researchers agreed that entrepreneurial orientation is conceptualization of entrepreneurship in existing firms (Wiklund, Patzelt & Shepherd, 2009, p 353). However, from this research, findings show that bias can exist in the degree of which innovativeness and risk-taking can be so dominant that it affects EO negatively. Findings from Figure-2 show that a manager needs to stop innovation activities that are not making progress. And innovation activities which are not making progress, can use a lot of time and resources for an SME so that it can threat existing operation. In addition, to accept a risk of receiving a huge order can have several biases. First, the large order could demand such high degree of the financial aspects, which make the SME very vulnerable. The virus situation and oil-crises are examples of situations out of control and which can destroy vulnerable firms. The second aspect when accepting the risk of receiving a huge order, is that some order can consume a lot of manpower and resources. If a large share of the employees are working on a new product/order, means that there are not that many left taking care of the daily operation. The large order could be a single incident, which means that the SME would not prioritize small orders, which, in turn, could result in several customers' dismissal. In a long term, the decision could lead to the destruction of the SME.

However, these previous arguments suggest that the three dimensions of EO offer unique contributions to the overall level of a firm performance. This means that a high level of risk-taking for example, are most likely counterproductive for any organization. Therefore, argued by Kreiser and Davis (2010), theoretical arguments suggest that this dimension (risk-taking) displays a curvilinear relationship in line with firm performance. Consequently, moderate

levels of risk-taking can allow businesses to outperform those that exhibit very high level of current dimension (risk-taking). This contributes to explain part of the findings on the relationship between EO and performance, in the way Tang, Tang, Marino, Zhang and Li (2008) found the curvilinear relationship between performance and EO. This is confirmed with findings from this research. Two of the cases did mention that the risk-taking dimension could be a danger to an SME. In addition, Kreiser and Davis (2010) also expected that proactive and innovative firm behaviour will have a positive relationship with firm performance (Kreiser & Davis, 2010) which this study also supports.

## 5.2 Contribution to EO in SME

The term SME (Small and small-medium enterprises) are often used in the literature. The term is according to Verdolini, Bak, Ruet and Venkatachalam (2018) an independent, non-subsidiary firm which employ fewer than a given number of employees. The given number vary from different contexts. In my study, I have used the definition from Iversen (2003) were he did research in Norway, and state that the accepted definition in Norway for SMEs are under 99 employees. A medium-sized company is defined as a company with 20-99 employees (Iversen, 2003). In my study, I have chosen firms with between 20 and 50 employees. I have chosen to focus at SME's for different reasons. One reason is explained by Barth (1999), where he states that the literature includes many statements of how important it is for the national and international economy that small firms contribute with job creation (Barth, 1999). We have got an impression of how important an SME is. Therefore, it is critical for any economy that SMEs need to sustain and grow. Since EO is a strong predictor of firm performance, learning how SMEs can build and sustain EO can enable them to thrive. This is especially the case during uncertain times (oil-crises or force majeure). Therefore, my study aims to contribute to what way an SME can build and sustain EO even though Davidsson (1989a) states that small business managers could sometimes not be interested in growing their business into a larger business. Davidsson (1989b) indicates that relationship between growth willingness and firm size, are different barriers of risk (Davidsson, 1989b, P. 2). To realise a firm's growth potential, the firm needs to overcome the barrier related to growth (Barth, 1999). Findings state some actions a manager could take to grow: Finding opportunities – Which product should we bet/use resources on?

Furthermore, Muchiri and McMurray (2015) state that the relationship between EO and performance is both indirect and direct. EO has a positive relationship to firm performance in risk-taking environments and EO has a significant impact on firm's overall performance (Park & Seo 2018). In addition, to understand the roles EO and SBO have over time, could help in sustaining the competitive advantage of an SME (Runyan, Droge, & Swinney, 2008). Several findings do focus on the word "sustain". Example: 1) Sending people on courses for technical upgrading, 2) Secur technical environment through competence sharing or 3) Always think how this product can be used in the future.

However, Park and Seo (2018) argue that EO has a greater impact on firm performance in the group of what they called "middle to upper quantile levels" compared to firms in the "lower to middle quantiles". Thus, SMEs are often placed in the first group of levels, which means SMEs EO have significant higher impact at performance than larger firms (Park, & Seo, 2018, p 293). Actions presented in the Figure-2 give an overview of how to understand how SME could build and sustain EO. Example to "Maintain a minimum level of continuous innovation initiatives by including innovation in the budget" gives a clear understanding of an action an SME could take to build and sustain innovativeness. In addition, to "Include employees in decision making" is also a finding that gives an SME a better understanding of how to build and sustain proactiveness. Something that can, but does not need to, mean that employees have a closer relationship with the manager and that employees are significantly important in an SME. The importance of the positive relationship between EO and performance, highlights the importance of understanding how an SME can build and sustain EO.

### 5.3 Contribution to practice/industry

This research aims to contribute to how an SME can build or sustain EO. The relationship between EO and company performance within SME's are taken into focus. This study has looked into four cases in the oil-industry located in Stavanger, Norway. The oil industry is undergoing a large changes and Norway is trying hard to reduce its economy's dependence on the oil industry (Hovland, 2019) and (World Wide Fund for Nature). It is important in this situation that SMEs become more entrepreneurial as it will enable them to identify and exploit future opportunities. EO is an indicator of a firm's entrepreneurship and in this study I explore how SMEs can build EO. Actions a manager in an SME could implement in order to build

each of the three dimensions which increase EO are presented. In addition, three experts with different expertise in the oil-industry commented on the findings for validity and increased credibility. Thus, cause to actions a manager could implement in regard to SME which also agree with existing literature on EO – firm performance relationship.

Findings refer to Ouchi (2006) which show results for the number of benefits of including employees in decision making. However, this action could be hard to implement, because every employee needs to feel included. And it is individual how the employee actually feels. Therefore, the manager must understand his employees through close dialogue. In addition, this action presented as a finding, could lead to building proactiveness for an SME. The positive outcome could be significant and the sacrifice could be minimized. Therefore, this particular finding is a positive contribution to SMEs.

To be present at conferences and activities in the market is also a finding which significantly contributes to proactiveness. This action demands resources, but have a straight-forward structure. To implement this action, a manager needs to sometimes pay money for representation at the conferences/ activities and also needs to pay the employee who are represented at the conferences/activities. Findings suggest that this action contribute to build and sustain proactiveness.

Action presented in organizational practice is to maintain a minimum level of continuous innovation initiatives by including innovation in the budget. It requires a certain amount of resources and clarity of who is responsible and what should be done. Therefore, this action could be hard to implement. However, findings suggest that it also leads to a higher degree of innovativeness in the firm. The action itself put a focus on innovation, that could develop to a responsive culture to build and sustain innovativeness.

Providing discretionary budgets for employees across all levels is another action a manager for an SME in the oil-industry could implement to build and sustain innovativeness. The action represents a more efficient system that new ideas and new equipment is developed faster without the need of approval from another level of hierarchy. Even though the hierarchy is not that extensive in an SME, this action provides an independent and trust feeling for employees. The limits should be set up front but will provide the SME with more innovative ideas and products.

Another action is related to receiving orders in the oil-industry. To manage this risk in a correct way should be discussed. A big order could create a huge vulnerability to the business economic. If a crisis occurs, a small business can be punished with consequences. Two of the four cases state the risk of receiving a big order. This action provides a high degree of risk-taking, which again build and sustain EO. At the same time, this could lead to a shortcut for building and sustaining EO. The current action from findings, show a gap in the literature, but also a massive contribution to an oil-industry SME could build and sustain risk-taking.

“Let the employees know that the manager appreciates all kinds of suggestions” is another action which supports the assertion of how important employees are. This job for the manager could develop to be very important. It could result in a culture where it promotes new ideas and risk-taking. The action does not demand any sacrifices, but the manager needs to listen to employees and need to ensure that the employees feel included and that their ideas are taken seriously. If the manager does this in the correct way, it builds and sustains risk-taking in an efficient and secure way.

#### 5.4 Contributions to policy

Results in this study can be constructive to help policymakers in Norway to focus on the different actions and perspectives an SME could have to create entrepreneurial orientation. SMEs could experience a high number of challenges due to its development. To sustain operation, SMEs can have better chance to develop with the right support from government. Thus, state-owned companies which help entrepreneurs and small businesses to develop into a larger company may be a solution. Examples of these organizations and scheme could be Innovasjon Norge and SkatteFUNN. A clear understanding of what actions an SME can take to build and sustain EO can help these organizations and schemes to inspire and motivate entrepreneurs to take these actions.

The findings indicate that SMEs can take actions to build and sustain EO. Policy makers in the Development department can use these findings to promote entrepreneurship and development regarding SMEs. Further, policymakers should take in consideration the actions

which could be similar to other industries, and benefit with a higher degree of EO. In addition, if managers can build/sustain and focus on EO, they could be able to indirectly (re)conjure their strategy into an effort to create superior customer value (Buli, 2016, p 304). However, the willingness to be innovative, proactive, and take risks enhance the positive impact that an SME have on their EO. Through these findings, policy- makers and organizations could for example create programs or guidelines which focus on how SME's and start-ups could implement these findings. Further, for strategy scholars utilizing this action for sustaining and building EO, the findings enhance a positive relationship between EO and performance is consistent with EO capturing an SMEs organization and enhancing the relationship between firms EO and performance. Governments and policymakers would do well to enable SMEs to build/sustain EO as it can lead to a vibrant SME sector which is essential in any economy. This study provides a microlevel view of the potential actions that can be supported by such programs.

## 5.5 Limitations

Several limitations of this study may be detected. The reader should be considered to detect limitations based on this study's findings. Due to the data collection in this study, four interviews were conducted with a focus at anonymities. Further, only cases represented in the Stavanger-region and the oil-industry are chosen in this study. To reduce the effect of the limitations, I did interview three experts with different connection to the oil-industry. These three contributed to strengthen the findings in this research.

However, the four cases which are selected are not randomly chosen, but the criteria which I have made on forehand to select the firms could lead to limited result. This study criteria were more than ten employees and less than 50 employees for representing the SME. This study therefore excludes some firms which fulfil the criteria to be categorized as an SME.

Furthermore, another perspective of limitation regarding EO, is that for small businesses it is often difficult to measure firm behaviour for current organizations (Lyon, Lumpkin, & Dess, 2000). Differing from large firms, with archival data relating to EO, SMEs may not have that information as they can be family owned. Furthermore, this study does not consider the owner-manager relationship and/or if it is a family owned firm. Thomsen and Pedersen (2000) argue that there could exist competitive advantages for a firm with one owner versus several

owners due to their decision making presented as investment horizons, diversification plans, risk aversion and return aspirations (Thomsen & Pedersen, 2000). In addition, a family firm could be in the family for several generations and they could protect their socioemotional wealth, which a non-family firm do not take into consideration and in turn have to be profitable at all time (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007).

## 5.5 Future Research

Based on the findings and inherent limitations, I see at least six potential areas for future research. First, this research has been based on the oil-sector in Stavanger, Norway. The findings obtained should be understood in this context. Therefore, new research could be done in less risk exposed industries in order to do the test again. In addition, it could be tested the same findings will be the case in another industry, another region in Norway or another country. For example, the tourism sector can be explored as it is now exposed to uncertainties due to pandemics etc.

Second, the findings can have different impact on EO and in which degree it affects EO, is something further studies could explore. In addition, further studies with a longer perspective could be interesting to see which actions and factors sustain EO. In other words, to find how and why some SMEs become more successful, while others, in the same category, may struggle to survive.

Third, it would be interesting for future research to also investigate several leadership theories. In addition, to determine the impact of context at the relationship between firm performance, EO and leadership behaviours. What I mean about this, is the relationship between ethical leadership and EO (Brown, Trevino, & Harrison, 2005) could help SMEs understand the antecedents' of ethically suspect behaviour (Kahn et al., 2013). However, an examination of the relationship between EO and servant leadership (Greenleaf, 1991) could also contribute to a better understanding of the relationship between firm performance, EO and leadership behaviour.

Fourth, the relationship between the manager and the owner situation could be interesting to investigate. Could a manager have a higher degree of risk-taking due to his none-ownership status? Also, employees are highly crucial in SMEs. Will findings get influenced by the



different employees in a manager and an owner situation? Thus, could this have different impact on the findings?

Fifth, since many SMEs are also family controlled and family managed, comparative studies between family firms and non-family firms (Gómez-Mejía, et. al., 2007) can be interesting areas for future research. To these existences, the degrees of EO within family firms varying (Lumpkin, Brigham, & Moss, 2010), is it possible that EO could vary from an SME to another? In addition, could EO be more prevalent in some SME`s than others?

Sixth and last, investigation into perspective of how managerial mindset types relate to one another and the matter of managerial mindset. The introduction of “entrepreneurial mindset” as a notion came from McGrath and MacMillan (2000). This notion enables managers to “capture the benefits” with use of the uncertainty regarding their firms operating environments. Runyan and Covin (2019) state the question if ambition or influence (achievement) and self-enhancement values such as wealth seeking (power) could be a foundation for their conceptualization of mindset. In addition, might values favouring daring or openness to change be more related to an entrepreneurial mindset? (Runyan and Covin, 2019). It would be interesting for future research to investigate the evolution and coexistence of managerial logics and how EO in an SME fits into any patterns that may be observed.

How much does the certain action (receive and order and stop innovation) affect EO and therefore affect performance in an SME?

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## **Appendix A: Interview Guide**

### **Entrepreneurial orientation**

Miller/Covin and Slevin refer to “being entrepreneurial” as a unitary construct, manifested in business units or organizations. It is said to be made up of three dimensions: innovativeness, proactiveness and risk taking (Covin & Slevin, 1989; Miller, 1983).

### **Personal**

Can you tell about yourself?

Can you tell about your company history?

Can you tell about your job? When did you start working here?

What do you do?

### **Risk taking**

What do you think is risk taking in your business/role?

What do you do in your business which can be connected to risk taking?

Do your activities range across varying levels of risk-taking? Could you describe with some examples?

Can you think of any way your company is too passive at?

What do you think is the connection between the manager and the risk taking in your business?

What affects the level of risk-taking in your activities?

### **Proactiveness**

What do you think represent proactiveness in your business? Can you tell us some examples?

Who practices proactiveness in your business? How do they do it? Can you give some examples?

What do you has helped in sustaining proactiveness?

How do you think your business focus at proactiveness?

Do you think the level of proactiveness have been the same in your business-history?

What do you think have changed? – why?

Do you think the level of proactiveness are the same in the whole level of hierarchy in your business? – why not?

### **Innovativeness**

What do you think represent innovativeness?

What do you think can lead to innovativeness?

How are your view at innovativeness?

What do you think is going to sustain innovativeness?

Do you think the level of innovativeness have been the same in your business-history?

What do you think have changed? – why?

Do you think the level of innovativeness are the same in the whole level of hierarchy in your business? – why not?

### **Entrepreneurial orientation**

Who according to you should think and practice EO? How do they do it? Why is it important that these people do it in the way they do?

How do you think different levels in your company implement EO? Is this important?

What do you do to increase the EO?

### **Performance**

What do you think is important for a small business?

How do you define performance in your business? Can you give some examples?

What do you think can lead to performance?

How do you contribute towards achieving this performance?

### **Something else**

Do you have anything to add?

Do you have any questions?

## Appendix B: Approval from NSD

Meldeskjema for behandling av personopplysninger

13/05/2020, 10:22



### NSD sin vurdering

#### Prosjekttittel

How does a small business build/sustain EO?

#### Referansenummer

767660

#### Registrert

23.01.2020 av Rein Storhaug Auestad - rein.s.auestad@student.nord.no

#### Behandlingsansvarlig institusjon

Nord Universitet / Handelshøgskolen / Innovasjon og entreprenørskap

#### Prosjektansvarlig (vitenskapelig ansatt/veileder eller stipendiat)

Raj Krishnan Shankar, raj.k.shankar@nord.no, tlf: 75517931

#### Type prosjekt

Studentprosjekt, masterstudium

#### Kontaktinformasjon, student

Rein Storhaug Auestad, rein\_auestad@outlook.com, tlf: 92431411

#### Prosjektperiode

10.02.2020 - 19.05.2020

#### Status

23.01.2020 - Vurdert

#### Vurdering (1)

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##### 23.01.2020 - Vurdert

Det er vår vurdering at behandlingen av personopplysninger i prosjektet vil være i samsvar med personvernlovgivningen så fremt den gjennomføres i tråd med det som er dokumentert i meldeskjema med vedlegg 23.1.2020. Behandlingen kan starte.

**MELD VESENTLIGE ENDRINGER**

Dersom det skjer vesentlige endringer i behandlingen av personopplysninger, kan det være nødvendig å melde dette til NSD ved å oppdatere meldeskjemaet. Før du melder inn en endring, oppfordrer vi deg til å lese om hvilke type endringer det er nødvendig å melde:

[https://nsd.no/personvernombud/meld\\_prosjekt/meld\\_endringer.html](https://nsd.no/personvernombud/meld_prosjekt/meld_endringer.html)

Du må vente på svar fra NSD før endringen gjennomføres.

**TYPE OPPLYSNINGER OG VARIGHET**

Prosjektet vil behandle alminnelige kategorier av personopplysninger frem til 19.5.2020.

**LOVLIG GRUNNLAG**

Prosjektet vil innhente samtykke fra de registrerte til behandlingen av personopplysninger. Vår vurdering er at prosjektet legger opp til et samtykke i samsvar med kravene i art. 4 og 7, ved at det er en frivillig, spesifikk, informert og utvetydig bekreftelse som kan dokumenteres og som den registrerte kan trekke tilbake. Lovlig grunnlag for behandlingen vil dermed være den registrertes samtykke, jf. personvernforordningen art. 6 nr. 1 bokstav a.

**PERSONVERNPRINSIPPER**

NSD vurderer at den planlagte behandlingen av personopplysninger vil følge prinsippene i personvernforordningen om:

- lovlighet, rettferdighet og åpenhet (art. 5.1 a), ved at de registrerte får tilfredsstillende informasjon om og samtykker til behandlingen
- formålsbegrensning (art. 5.1 b), ved at personopplysninger samles inn for spesifikke, uttrykkelig angitte og berettigede formål, og ikke viderebehandles til nye uforenlige formål
- dataminimering (art. 5.1 c), ved at det kun behandles opplysninger som er adekvate, relevante og nødvendige for formålet med prosjektet
- lagringsbegrensning (art. 5.1 e), ved at personopplysningene ikke lagres lengre enn nødvendig for å oppfylle formålet

**DE REGISTRERTES RETTIGHETER**

Så lenge de registrerte kan identifiseres i datamaterialet vil de ha følgende rettigheter: informasjon (art. 13), innsyn (art. 15), retting (art. 16), sletting (art. 17), begrensning (art. 18), underretning (art. 19), dataportabilitet (art. 20).

NSD vurderer at informasjonen som de registrerte vil motta oppfyller lovens krav til form og innhold, jf. art. 12.1 og art. 13.

Vi minner om at hvis en registrert tar kontakt om sine rettigheter, har behandlingsansvarlig institusjon plikt til å svare innen en måned.

**FØLG DIN INSTITUSJONS RETNINGSLINJER**

NSD legger til grunn at behandlingen oppfyller kravene i personvernforordningen om riktighet (art. 5.1 d), integritet og konfidensialitet (art. 5.1 f) og sikkerhet (art. 32).

For å forsikre dere om at kravene oppfylles, må dere følge interne retningslinjer og eventuelt rådføre dere med behandlingsansvarlig institusjon.

**OPPFØLGING AV PROSJEKTET**

NSD vil følge opp ved planlagt avslutning for å avklare om behandlingen av personopplysningene er avsluttet.

Lykke til med prosjektet!

Kontaktperson hos NSD: Lasse Raa  
Tlf. personverntjenester: 55 58 21 17 (tast 1)