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Entrepreneurial Orientation and Startup Performance: Evidence from Emerging Market Enterprises

Dr. Lucas Ferreira Mendes
Department of Entrepreneurship and Innovation
Federal Institute of Business and Management Studies
São Paulo, Brazil BR

Abstract

Entrepreneurial orientation plays a critical role in shaping startup performance, particularly in emerging economies characterized by uncertainty and rapid market changes. This study examines the relationship between innovativeness, risk-taking, and proactiveness and their impact on startup growth and financial performance. Using survey data from early-stage enterprises, empirical results reveal that innovativeness and proactiveness significantly influence revenue growth, while risk-taking shows a moderate but positive effect. The findings contribute to entrepreneurship literature by providing evidence from emerging markets and offering practical insights for startup founders and policymakers.

Keywords: Entrepreneurship, startup performance, innovation, emerging markets, business strategy

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1. Introduction

Entrepreneurship is widely recognized as a driver of economic growth, job creation, and technological advancement. In emerging markets, startups operate in environments marked by institutional gaps, resource constraints, and intense competition. Entrepreneurial orientation—defined through innovativeness, risk-taking, and proactiveness—has been identified as a key determinant of firm success. This paper investigates how these dimensions influence startup performance in emerging economies.

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2. Methodology

2.1 Research Design

A quantitative cross-sectional study was conducted using structured questionnaires administered to startup founders.

2.2 Sample and Data Collection

Data were collected from 120 startups operating for less than five years across manufacturing, technology, and service sectors.

2.3 Variables and Measures

- **Independent variables:** Innovativeness, risk-taking, proactiveness
- **Dependent variables:** Revenue growth (%), market expansion index

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3. Results

Table 1. Entrepreneurial Orientation and Startup Performance

Dimension	Revenue Growth (%)	Market Expansion Score
Innovativeness	18.6	4.3
Risk-Taking	11.2	3.6

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Dimension	Revenue Growth (%)	Market Expansion Score
Proactiveness	21.4	4.7

Regression analysis showed that innovativeness ($\beta = 0.41$, $p < 0.01$) and proactiveness ($\beta = 0.47$, $p < 0.01$) had statistically significant effects on startup performance.

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4. Discussion

The findings confirm that entrepreneurial orientation is strongly associated with improved startup performance in emerging markets. Innovativeness enables firms to differentiate their offerings, while proactiveness allows early market entry and competitive advantage. Although risk-taking contributes positively, excessive risk exposure may hinder sustainable growth. These results align with prior studies emphasizing balanced strategic entrepreneurship.

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5. Conclusion

Entrepreneurial orientation significantly influences startup success in emerging economies. Policymakers and incubators should support innovation-driven and proactive entrepreneurial behaviors to enhance startup sustainability and economic development.

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