

## Does Entrepreneurial Orientation Influence Business Success?

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### ABSTRACT

*Entrepreneurship literature indicates that entrepreneurship orientation has positive influence on firm performance, but empirical studies are mixed. The primary purpose of this paper is to clarify the nature of the entrepreneurial orientation construct and to examine how entrepreneurial orientation affects performance in Serbian large companies. Also, the study examines the moderating role of key environmental characteristics in this relationship. Five dimensions of entrepreneurial orientation (innovativeness, proactiveness, risk-taking, competitive aggressiveness and autonomy) have been identified in the literature and after factor analysis three of them are used in this research: innovativeness, proactiveness and risk-taking. The survey which refers on these dimensions is conducted on 146 middle and senior managers operating in different industries in Serbia. Using data from annual reports, performances are measured by financial indicator such as ROI, ROA and ROS. The data for the study are collected within three year period (2014-2016) to avoid short-term effect. The results of the study indicate that all three dimensions of entrepreneurial orientation have significant positive impact on firm performance. Also, perceived environmental factors moderate this relationship. The results from this study can help managers in selecting suitable entrepreneurial activities in order to improve performance of their companies taking into account environmental characteristics.*

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