



# Entrepreneurial Orientation, Market Orientation, Managerial Accounting and Manufacturing SMEs Satisfaction

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From a management accounting perspective, this study aims at examining the relations of entrepreneurial and market orientations and SMEs satisfaction in terms of financial and non-financial performance. SEM was conducted on 107 responses including management accountants from the manufacturing SMEs in Malaysia. The results reveal a null relationship between entrepreneurial orientation and financial-performance satisfaction, while it shows a positive impact on non-financial performance. In contrast, market orientation affects financial and non-financial performance positively. However, to understand the null impacts, interviews were conducted with owner-managers of manufacturing SMEs in Penang. Based on the interviews and the analysis, practical implications are provided to entrepreneurs of SMEs, the Malaysian government, and researchers.

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Dari perspektif akuntansi manajemen, penelitian ini bertujuan untuk menguji hubungan orientasi kewirausahaan dan pasar dan kepuasan UKM dalam hal kinerja keuangan dan non-keuangan. SEM dilakukan pada 107 tanggapan termasuk akuntan manajemen dari UKM manufaktur di Malaysia. Hasil penelitian mengungkapkan hubungan nol antara orientasi kewirausahaan dan kepuasan kinerja keuangan, sementara itu menunjukkan dampak positif pada kinerja non-keuangan. Sebaliknya, orientasi pasar mempengaruhi kinerja keuangan dan non-keuangan secara positif. Namun, untuk memahami dampak nol, wawancara dilakukan dengan pemilik-manajer UKM manufaktur di Penang. Berdasarkan wawancara dan analisis, implikasi praktis diberikan kepada pengusaha UKM, pemerintah Malaysia, dan peneliti.

**Keywords:** berorientasi kewirausahaan; orientasi pasar; Akuntansi manajemen; kepuasan UKM; Malaysia

## INTRODUCTION

The appearance of COVID-19 pandemic in China in the end of 2019 has led to massive international health and social problems that is linked to the negative indicators related to the health matter in every country in the whole world [Alabdullah et al. \(2020\)](#). There is a worry in the literature towards good control mechanisms in developing economies [\(Falih et al., 2021\)](#). Other studies also confirmed such importance (e.g., [Almashhadani, 2020](#); [Almashhadani, 2021](#) [Alabdullah et al., 2021](#))

Recently, SMEs are supported several economy since such companies offer usefulness for growth and the employment [\(SME Info., 2010](#); [Madanchian et al., 2015\)](#). In addition, the majority of new jobs opportunities are offered by entrepreneurship and that be cleared since 1993 and also companies that have about 500 employees are recognized to be as SMEs [\(USITC, 2010\)](#), produced 64 % of most jobs especially the new ones in the USA [\(Bygrave et al., 2010\)](#).

Also in Malaysia, such companies are considered the core contributor of Malaysian economy as mentioned by [\(SME Info., 2010](#); [Mahmud et al., 2014](#); [Bank Negara Malaysia, 2013](#);). They represented up to 97.3 % of Malaysian companies [\(The Star, 2014](#); Department of Statistics Malaysia, 2012). SMEs, in 2005 represented to the GDP by 32 % [\(Bank Negara Malaysia, 2008\)](#) and also the annual change is about of 5 % [\(Bank Negara Malaysia, 2007\)](#). SMEs reveal higher percentage to GDP by 35.9 % [\(SME Corp. Malaysia, 2015](#); [Department of Statistics Malaysia, 2015\)](#). In addition, such companies have a considerable position in export sectors and employment. SMEs represented 60 % of employments and 19 % of the export sectors [\(SME Info., 2010](#); [Bank Negara Malaysia, 2013](#); [The Star, 2014\)](#). This work aims at addressing the research questions: Are there link between entrepreneurial and market orientations, and business performance?

### Theoretical background and hypothesis development EO and MO and SME satisfaction (Direct Effects)

EO is a methods, and decision-making styles managers, practices utilized to act entrepreneurially. EO has three factors: risk-taking, pro-activeness, and aslo innovativeness. EO is a resource that provides a business with the needed skills to utilize its internal resources better [\(Wiklund et al., 2003](#); [Ahmed et al., 2014](#); [Alabdullah et al., 2020](#); [Alabdullah & Ahmed, 2020](#); [Alabdullah & Ahmed, 2018](#); [Alabdullah et al., 2020](#); [Abushammala et al., 2015](#); [Brouthers et al., 2015\)](#). Entrepreneurial firms are the ones that make entrepreneurial investments considering proactiveness, innovativeness, and risk taking with consistency [\(Yan and Guan, 2019](#); [Anderson et al., 2013](#); [Alabdullah et al., 2014a, 2014b](#); [Alabdullah, 2016a, 2016b, 2016c, 2016d](#); [Alabdullah, 2018\)](#); whereas, non-entrepreneurial firms imitate other competitors' products. However, non-entrepreneurial might invest in innovation only in case of overcoming competitors or shifting customer needs, even though they consider innovation as a costly task, they [\(Pan, Zhang & Song, 2018](#); [Anderson et al., 2015](#); [Miller et al., 1982\)](#).

several works [\(Ahmed et al., 2018](#); [Alabdullah et al., 2019](#); [Alabdullah et al., 2018](#); [Ahmed, 2014](#); [Alabdullah et al., 2014](#); [Ahmed et al., 2014](#); [Gupta et al., 2015](#); [Ferreira et al., 2011](#); [Hakala et al 2010\)](#) show a positive effect of EO on performance. Also, a study done by [Li et al. \(2009\)](#) found that

EO has a positive link with performance ( $\beta = 0.47, p < 0.05$ ). The study of [Altinay et al. \(2015\)](#) has shown that EO positively and significantly influences sales growth and market share where ( $\beta = .24, p \leq .00$ ) and ( $\beta = .16, p < .04$ ) respectively.

MO is the extent of organizational culture that creates the essential behavior to create value, therefore, it is important for higher firm performance [\(Alabdullah, 2019](#); [Ling et al., 2019](#); [Coley et al., 2010](#); [Narver et al., 1990](#); [Ahmed et al., 2021](#); [Alabdullah et al., 2018](#); [Ahmed et al., 2019](#); [Ahmed et al., 2017](#); [Ahmed et al., 2018](#); [Ahmed et al., 2019](#); [Alabdullah, 2016a\)](#). Customers' wants and needs are the main focus of marked oriented businesses by responding to those wants by developing superior solutions [\(Jaworski et al., 1993](#); [Slater et al., 1995, 2000](#); [Wang et al., 2012\)](#).

On the other hand studies show positive relation between MO and profitability. [Baker et al. \(2009\)](#) show that MO is positively related to firm performance ( $\beta = 0.62, p \leq 0.00$ ). [Ben Brik et al. \(2011\)](#) their study in 280 companies in Dubai, it shows that MO is positively linked to performance ( $F = 21.60, p < 0.05, R^2 = 0.37$ ). Similarly, [Hafeez et al. \(2011\)](#) their study on 100 students belong to universities in Pakistan, and they find that MO is positively impact performance ( $\beta = 0.62, p \leq 0.01$ ).

[Sefnedi \(2007\)](#) test the impact of MO on profitability in Indonesian listed companies. He show that MO, CO, customer orientation, and also inter functional are positively link to EP ( $\beta = 0.26, p < .05$ ), ( $\beta = 0.24, p < .05$ ) and ( $\beta = 0.18, p < 0.10$ ) respectively:

*H1(a): Entrepreneurial orientation is positively influence on financial firm performance.*

*H1(b): Entrepreneurial orientation is positively influence on non-financial firm performance.*

*H2 (a): Market orientation has a positive impact on financial business performance*

*H2 (b): Market orientation is positively influence on non-financial firm performance.*

Most of the research carried out considers large enterprises more than small and medium enterprises (SMEs) [\(Leitch et al., 2010](#); [Zahra et al., 2006\)](#). This research tries to bridge the gap by focusing on SMEs in a developing country, i.e. Malaysia where SMEs are considered the major role player of any nation. In addition, the survival rate of small enterprises is low [\(Rosnan et al., 2016\)](#); therefore, developing influential business strategies is essential for ventures to stay in business [\(Lechner et al., 2014\)](#). In addition, the studies that have considered the simultaneous and combined impact of strategic orientation is limited [\(Altinay et al., 2015\)](#). This study has chosen to study the combined impact of strategic orientations, i.e. EO and MO on business performance in terms of financial and non-financial indicators

## METHOD

### Data Collection

The number of responses was 758 where many of them were excluded because of missing data. In addition, after a thorough screen, duplications were found. Three companies have responded twice. The screening process has been done as the web distribution employed tool tracked the responses using the email address. As this study has sent two invitations: one in the English language and the other in the Malay language, the six identified

cases were one in English and the other in Malay. The duplications were eliminated from this study. Consequently, the number of usable responses were 107.

### Measures

The survey was prepared in the English and Bahasa Malaysia languages. The two survey versions were helpful to enable respondents to choose the language that most comforts them. The process of the Malay version translation was carried out by the back-back translation technique where the English version was firstly translated to Malay, then back to English to ensure that the both the English and the Malay versions hold consistent meanings.

### Dependent construct

SME satisfaction has two factors adopted from a study done by (Alabdullah, 2021a, 2021b; Alabdullah et al. 2021; Nor et al., 2020; Ahmed et al., 2021; Essia, 2014 ;Ahmad et al. (2011) approval with firm financial performance and in addition with the satisfaction of the non firm financial performance. financial and non-financial measurements are matching to each other as they give complete picture of business performance (Chow et al., 2006; Ittner et al., 2003; Alabdullah et al. 2018; Alabdullah & Ahmed, 2019; Alabdullah et al. 2016; Ahmed et al., 2016; Alfadhil & Alabdullah, 2013; Alfadhil & Alabdullah, 2016; Ahmed et al., 2020); and they should be gauged simultaneously (Kihn, 2010). Financial performance consists of five items; while non-financial performance satisfaction has eight items (one item was excluded: work and life balance satisfaction). Both and non-financial and financial performance satisfaction via 5-point Likert scale that ranging from 1 “not satisfied at all” to 5 “very satisfied.”

### Independent constructs

EO is a multi-factors construct (Anderson et al., 2013; Covin et al., 2006; Lumpkin et al., 2009; Alabdullah et al. 2019; Alabdullah, 2019; Alabdullah, 2017; Ahmed et al., 2020; Ahmed et al., 2020; Ahmed et al., 2020). EO has three factors: proactiveness, innovativeness, and risk taking (Kraus et al., 2012; Covin et al., 1989; Runyan et al., 2006; Urban, 2010), and they used them in the EO literature. There are 11 items adapted from Hughes et al. (2007). Likert scale with Seven-point was utilized.

MO has three behavioral elements: competitor orientation customer orientation, and inter-functional orientation (Qu et al., 2015). The scale consists of 10 items adapted from Coley et al. (2010). Seven-point Likert scale was applied ranging from 1 “strongly disagree” to 7 “strong agree.”

### Control variables

Business age, business size, and business affiliation are the three-control variables considered in this study. Business age is gauged through the number of operating years the business has been running since its establishment including the year the questionnaire was carried out (Altinay et al., 2015). Business size considers the number of the full-time employees (Anderson et al., 2013; Wiklund et al., 2005). Business affiliation is gauged by a single item with two values: affiliated and autonomous. An affiliated business is the business operating at more than one place; whereas, an autonomous one is the business operating (Nucci, 1999).

### Data analysis and results

In order to run a second-order analysis using SmartPLS, we had to go through first-order test first. First stage includes all

independent variables as first order factors where the goodness-of the measurement model was carried out through construct validity and reliability. They are the way of computing how well the instruments gauge what they are supposed (Hair et al., 2013). In order to measure construct validity, convergent and discriminant validity were conducted.

### Convergent Validity

It is how much agreement within multiple items utilized to measure the same concept are (Ramayah et al., 2011). Hair, et al. (2013) confirmed that the value of AVE must be at least 0.5 to guarantee that a latent variable describes half of the difference of the measurements. Table 4. shows that all constructs have fulfilled the criteria as all their AVE’s values are more than 0.5.

### Discriminant Validity

Fornell-Larcker and cross loading criterion are two ways to define the discriminant validity. Main loadings as well as cross loadings were captured using PLS-algorithm analysis. Discriminant validity was fulfilled loadings a latent construct’s indicators are higher in comparison to other constructs. Yet, when assessing cross loading analysis, one measurement NFP1 shows variance with financial performance that its respective construct i.e. non-financial performance. Thus, NFP1 was removed from the model. Then, measurement model assessment was done with success shows Fornell-Larcker is fulfilled as the square root of a construct is greater than the correlation values of the rest of the constructs indicating that discriminant validity is satisfied for the proposed model

### Reliability analysis

To evaluate the consistency of the measurement items, composite reliability was tested. Composite reliability is desirable over Cronbach’s alpha that prioritize indicators according to their reliability during model estimation (Hair et al., 2011). Hair et al. (2011) suggested that composite reliability value must exceed 0.7. In the current study, all composite reliability values satisfy the cut-off values as illustrated in table 1. As a result, the measurement items are reliable

### Second Order Constructs

Discriminant validity, Convergent validity, and reliability were tested over the second order table 3 show convergent validity and reliability where AVE values exceed 0.5 and CR values are more 0.7. table 4. revealed that Fornell-Larcker criterion satisfy discriminant validity where the square root of AVE is more any variables correlation. This shows the goodness of measure for the constructs. Figure 1 the final model including the second order factors (entrepreneurial orientation and market orientation).

## RESULTS AND DISCUSSION

The link between elements were hypotheses in the study model are investigated via structural model (Duarte et al., 2010). Path estimates are measured before bootstrapping to test the statistical significance of the coefficients. Bootstrapping refers to non-parametric test to come out with statistical inference (Sharma et al., 2013). In the current work, bootstrapping with 500 resampling was employed to examine any significance in the links of the model. Chin (1998) revealed to conduct bootstrapping with 500 resampling to estimate a parameter Structural equation modelling (SEM) was employed. SEM is an instrument that might employed to casual modelling as well

as theory testing in applied multivariate analysis (Reisinger et al., 2007). It is a second generation of multivariate analysis (Fornell, 1985; Hair et al., 2012) that complex models can be investigated. It is able of least multiple exogenous variables with multiple endogenous variables whereas first generation techniques do not have this flexibility (Gefen et al., 2000). In PLS, path coefficient is tested to get the standardized beta coefficient of least square regression (Götz et al., 2010). To evaluate coefficient of a path is via bootstrapping procedure where significance implies whether the hypothesized directional relation is supported or not (Hair et al., 2011). Bootstrapping is a nonparametric approach where it is utilized to evaluate the empirical sampling distribution of parameter via process of resampling from an original sample with replacement (Sharma et al., 2013). Conducting bootstrapping with 500 resample is sufficient (Chin, 1998; Latan et al., 2013).

EO and MO are considered as second order variables. The study has carried out the assessment model where EO and MO are considered as first order constructs. During the assessment, one item was eliminated as the item had a cross-loading issue with two factors. Then, the assessment was fully conducted again without a rule violation, the result of the second order assessment are presented in Table 1 and Table 2.

Table 3 revealed the findings of the tested hypotheses for the direct effects. Although H1(a) is not supported, the result is similar to Messersmith et al. (2011) where no significant link was there between EO and firm performance. Likewise, Moreno et al. (2008) reveal that EO has no impact on firm performance. The results are discussed in detail in the following section.

## Discussion

It is unexpected that H1(a) is not supported because it postulated that EO is positively related to firm financial performance. Nonetheless, such finding is in line with Messersmith et al. (2011) where no significant link between EO and firm performance. Equally, Moreno et al. (2008) show that EO has no impact on firm performance.

The non-significance could be due to external factors such as the market situation in Malaysia. Market saturation could show an effect on the enhance of the link between EO and firm performance. One of the interviewees has pointed out that when the market is saturated, the need for EO in companies is greater to compete, unlike an unsaturated market, EO is less needed. This is supported by an article published by a local newspaper, The Star (2015) about businesses in the service sector in Malaysia. The article is titled "Malaysia's mobile telcos need to be more innovative in a saturated market", in which it is declared that the telecommunication sector in Malaysia has become saturated; thus, innovativeness is more needed to compete. Consequently, market saturation could be the answer to the question of why no significant impact of EO on financial-business performance was found.

This study has found that entrepreneurial and MOs have shown an effect of non-financial firm performance positively and significantly. Non-financial performance concerns about customers, employees, business progress and image,

relationship with suppliers, and workplace industrial relation. These results identify what satisfies SMEs' customers as well as employees, what establishes business image, creates customer loyalty and, etc. In other words, the results reveal that a company that perform entrepreneurial and market-oriented activities have a better effect on employee satisfaction. This implies that satisfied employees are happier to stay in their jobs and contribute more as their needs are fulfilled (Simon et al., 2015). Additionally, customer retention is important to organizations as loyal customers are willing to deal with the business longer and make more purchases of its goods (Tsai, 2011; Zhang et al., 2014). Consequently, entrepreneurial and market-oriented activities boost positively as well as significantly non-financial performance.

Resource-based view and the theory of dynamic capabilities are applied in this research to understand the effect between entrepreneurial orientation and market orientation and business performance. The data collected from informants show that 85.8 percent of the SMEs are non-affiliated organizations (autonomous) since a firm that is affiliated to other firms can get more resources than non-affiliated organizations. In addition, over half of the respondents (53.1 percent) have up to 15 full-time employees. Although small companies could have fewer resources compared to larger enterprises (Brouthers et al., 2015; Wiklund et al., 2003), a study conducted by Simmons et al. (2011) on small businesses has revealed that the smallest food business could have more optimized website adoption in comparison to significantly larger counterparts. Therefore, considering the company size could be not decisive and cannot be used to build on the results' justification. In addition, company size has shown no impact on business performance in this research

## Theoretical implications

The aim of the study was to propose a model of SME satisfaction in Malaysia. This research has confirmed the impact of EO on non-financial performance while MO has found to affect financial and non-financial performance satisfaction. The work justifies that the non-significant impact of EO on financial business performance might be because of the market situation: saturated or non-saturated. This means companies need to increase the level of their business satisfaction to consider being entrepreneurial and market oriented. The higher the level of EO applied in companies has been proven to result in higher level of non-financial performance satisfaction, whereas the greater level of MO leads to a greater level of financial and non-financial performance satisfaction. Besides, if a business operates in a saturated market, there could be a desire to be entrepreneurial to ensure financial satisfaction since being entrepreneurial means to set the business apart from its counterparts. As a result, the proposed model is partially proven based on the conducted analyses that EO helps to supports non-financial satisfaction; besides, MO increases the level of financial and non-financial satisfaction of SMEs while EO has shown no significant impact on financial performance. However, EO should be highly recommended to companies operating in a saturated industry which is full of competitors.

## Practical implications

Entrepreneurial orientation has shown a positive significant



effect on non-financial firm performance, but not on financial business performance. Unlike EO, MO has revealed a positive and significant impact on business performance in terms of financial and non-financial performance satisfaction. The study speculates that EO has not shown its positive significant on financial performance could be due the situation of the market the business operates in whether it is saturated or unsaturated. However, non-financial performance could lead to financial performance since satisfied customers will purchase more products in the future and will recommend the companies that they are satisfied with to other customers (Prieto et al., 2006).

### Limitation and future studies

This research was carried out on the Malaysian manufacturing SMEs; therefore, generalization cannot be extended to other sectors. The service sector is the major one in Malaysia, this model could be examined in the service sector to see if the results are consistent against different sectors.

### Conclusion

The result of the study has revealed that EO has no impact on financial business performance, yet it confirms its impact on non-financial performance. In addition, MO has shown a significant positive impact on financial and non-financial business satisfaction. Finally, the study has provided a set of guidelines to the government, management accountants and entrepreneurs to help them to gain the most from this research.

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**Conflict of Interest Statement:** The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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**TABLE 1 / Summary of Construct Validity & Reliability**

No	Construct	F. loading	C-R	A.V.E
1	EO	0.787 0.863 0.793 0.903 0.890 0.857 0.856 0.761 0.796 0.799 0.748	0.959	0.680
2	Market orientation	0.791 0.814 0.836 0.815 0.871 0.761 0.887 0.733 0.837 0.815	0.953	0.668
Business Performance				
4	Non-financial performance	0.746 0.804 0.819 0.868 0.850 0.847 0.860	0.939	0.687
5	Financial performance	0.917 0.905 0.893 0.878 0.878	0.945	0.800

**TABLE 2 / Discriminant Validity of Construct**

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	EO	F-P	MO	NFP
EO	.824			
FP	.098	.894		
MO	.792	.173	.817	
NFP	.405	.594	.411	.829

---

TABLE 3 / Summary of Coefficient &amp; Hypotheses Testing

Hypoth.	Path-	Path Coeff.	Supported
H1(a.)	EO → FP	0.598	No
H1(b.)	EO → NFP	1.334*	Yes
H2(a)	MO → FP	1.719**	Yes
H2(b)	MO → NFP	1.751**	Yes

## Factor Loadings

	C-P	C-S	F-P	I-F-C	I-N	N-F-P	P-R	R-T
PR1	0.534	0.548	0.070	0.494	0.720	0.280	<b>0.882</b>	0.529
PR2	0.619	0.635	0.103	0.574	0.833	0.347	<b>0.941</b>	0.560
PR3	0.582	0.508	0.091	0.499	0.741	0.312	<b>0.922</b>	0.498
IN1	0.691	0.685	0.083	0.644	<b>0.944</b>	0.325	0.853	0.598
IN2	0.663	0.630	0.066	0.609	<b>0.964</b>	0.344	0.824	0.568
IN3	0.696	0.610	0.057	0.660	<b>0.933</b>	0.382	0.747	0.584
IN4	0.505	0.594	0.050	0.502	<b>0.910</b>	0.351	0.726	0.620
RT1	0.490	0.662	0.104	0.549	0.552	0.305	0.541	<b>0.926</b>
RT2	0.494	0.624	0.032	0.532	0.616	0.321	0.544	<b>0.939</b>
RT3	0.490	0.668	0.116	0.526	0.617	0.313	0.550	<b>0.940</b>
RT4	0.507	0.599	0.087	0.604	0.559	0.275	0.509	<b>0.908</b>
CS1	0.611	<b>0.930</b>	0.202	0.508	0.573	0.353	0.509	0.613
CS2	0.617	<b>0.965</b>	0.195	0.516	0.597	0.370	0.594	0.632
CS3	0.656	<b>0.929</b>	0.168	0.619	0.659	0.407	0.558	0.712
CS4	0.730	<b>0.820</b>	0.107	0.562	0.639	0.275	0.629	0.541
CP1	<b>0.940</b>	0.719	0.091	0.675	0.651	0.279	0.635	0.515
CP2	<b>0.853</b>	0.563	0.046	0.601	0.507	0.164	0.504	0.291
CP3	<b>0.951</b>	0.646	0.138	0.847	0.673	0.379	0.591	0.565
IFC1	0.665	0.474	0.054	<b>0.872</b>	0.473	0.266	0.393	0.443
IFC2	0.764	0.603	0.222	<b>0.956</b>	0.616	0.434	0.578	0.610
IFC3	0.762	0.557	0.132	<b>0.931</b>	0.662	0.368	0.566	0.550
FP1	0.138	0.256	<b>0.912</b>	0.176	0.118	0.564	0.135	0.152
FP2	0.078	0.113	<b>0.905</b>	0.149	0.026	0.447	0.033	0.091
FP3	0.122	0.120	<b>0.897</b>	0.207	0.044	0.543	0.077	0.042
FP4	-0.021	0.121	<b>0.882</b>	-0.005	-0.043	0.478	0.020	-0.004
FP5	0.162	0.190	<b>0.877</b>	0.188	0.125	0.586	0.146	0.096
NFP2	0.129	0.183	0.653	0.238	0.258	<b>0.746</b>	0.242	0.203
NFP3	0.270	0.342	0.445	0.311	0.355	<b>0.792</b>	0.280	0.356
NFP4	0.243	0.292	0.489	0.300	0.318	<b>0.805</b>	0.297	0.269
NFP5	0.332	0.365	0.523	0.405	0.344	<b>0.859</b>	0.346	0.314
NFP6	0.286	0.357	0.558	0.314	0.278	<b>0.852</b>	0.219	0.229
NFP7	0.270	0.348	0.388	0.314	0.319	<b>0.848</b>	0.279	0.269
NFP8	0.311	0.374	0.460	0.385	0.363	<b>0.866</b>	0.340	0.299
NFP9	0.249	0.231	0.414	0.331	0.188	<b>0.777</b>	0.227	0.177

**TABLE 4/** Summary of Construct Validity & Reliability

No	Construct	Type	Number of item	Deleted items	Factor Loading	CR	AVE
<b>EO</b>							
1	Pro activeness	Reflective (R.)	3	None.	0.882 0.941 0.922	0.939	0.838
2	Innovativeness	(R.)	4	None.	0.944 0.964 0.933 0.910	0.967	0.880
3	Risk taking	(R.)	4	None.	0.926 0.939 0.940 0.908	0.961	0.862
<b>Market Orientation</b>							
4	Customer orientation	(R.)	4	None.	0.930 0.965 0.929 0.820	0.952	0.833
5	Competitor orientation	(R.)	3	None..	0.940 0.853 0.951	0.940	0.839
6	Inter-functional orientation	(R.)	3	None..	0.872 0.956 0.931	0.943	0.847
<b>SME Satisfaction</b>							
7	Non-financial performance	(R.)	9	1	0.746 0.792 0.805 0.859 0.852 0.848 0.866 0.777	0.942	0.671
8	Financial performance	(R.)	5	None	0.912 0.905 0.897 0.882 0.877	0.953	0.801

	C-P	C-S	F-P	I-F-C	I-N	N-F-P	P-R	R-T
CP	<b>.916</b>							
CS	.705	<b>.913</b>						
FP	.112	.188	<b>.895</b>					
IFC	.798	.601	.164	<b>.920</b>				
IN	.682	.671	.068	.645	<b>.938</b>			
NFP	.326	.390	.589	.401	.375	<b>.819</b>		
PR	.634	.618	.098	.573	.838	.344	<b>.915</b>	
RT	.533	.688	.092	.593	.632	.328	.578	<b>.928</b>



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1 Figure 1 Research Model..... 14

**FIGURE 1**/Research Model

