

ABSTRACT

Entrepreneurial Orientation and the Performance of Small and Medium Sized Enterprises in Jamaica: Considering the Contingent Effects of the Environment and Resources

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This study investigated the influence of entrepreneurial orientation on the performance of small and medium sized enterprises (SMEs) in Jamaica and considered the potential contingent effects of resource variables (human capital, networks and financial capital) and the environment (hostility and dynamism) on this relationship. A cross sectional survey design was utilised and data was collected from 110 SMEs spread across several industries. Hierarchical Multiple Regression was used for hypothesis testing. It was found that for SMEs in Jamaica, the enactment of an entrepreneurial orientation produced higher performance. However, this positive impact is somewhat lessened by the hostile environment in which firms operate. This is an important finding given the mixed results in the literature and considering the developing country context. In relation to the resources of the firm, the findings indicated that enterprises that have well qualified, knowledgeable and experienced owners/manager (high human capital levels) will see greater positive results from the adoption of entrepreneurial strategies on financial performance. The results of this study extend the literature on EO as one of the few studies conducted outside of the developed country context, and given its consideration of the important effects of resource and environmental variables. These findings should support efforts by policymakers to strengthen the technical and managerial framework of SMEs to boost survival rates and performance. For SME owner/managers, it provides further evidence that entrepreneurial strategies, even in hostile environments, is a worthwhile approach to achieve strong performance.

Keywords: Karlene Essemonia Bailey; entrepreneurial orientation; environment and resource factors.