

# THE MODERATING EFFECT OF ENVIRONMENTAL FACTORS AND FIRM'S AGE ON STRATEGIC ORIENTATIONS AND PERFORMANCE OF INDIAN WOMEN ENTREPRENEURS

*C.Muthuvelayutham, and R.Jeyakodeeswari\**

,Associate professor, Department of Management Studies, Veerapandi Pirivu, Jothipuram Anna University, Coimbatore, India, 641 013. [drmuthu.2009@gmail.com](mailto:drmuthu.2009@gmail.com)

\*PhD scholar, Anna University, Coimbatore, and Assistant Professor, Department of Business Administration, Lady Doak college, Madurai, India, 625002 [jkodi ldc@gmail.com](mailto:jkodi ldc@gmail.com)

## ABSTRACT

Strategic orientation has become a central concept in the domain of entrepreneurship that has received a substantial amount of theoretical and empirical attention..Many researchers have neglected to study the role of strategic orientation in the context of women entrepreneurs. .In spite of the cultural barriers in India, the Indian women entrepreneurs have struggled to prove themselves in specific industries though proper application of a set of strategic orientations and through demonstrating both financial and non-financial performances. The Resource Based View of the firm, when applied to women entrepreneurs, established varied results because, the environmental factors played a major role in their firms success. This study established a relationship between strategic orientations and performance under a new condition where the environmental munificence acted as a significant moderator. The study adopted Hierarchical regression analysis to test the hypothesis for the purpose. The results concluded that only under a specific environmental condition, a women entrepreneur can perform well and suggested the government to take efforts to develop such environments.

**Keywords;** Environmental Munificence, Firm Size, Firm Performance, Resource Based View. Strategic Orientation, Women Entrepreneur

## 1 INTRODUCTION

Research studies on women entrepreneurship identified women entrepreneurs as key players and contributors to the economic development of a country. (Baker, Aldrich & Liou, 1997). The dynamic environment and greater competition from corporate force the women entrepreneurs in small scale industry to make competitive advantage of their firms. In India too, women

entrepreneurs struggle very hard to prove themselves as successful when compared to males. The fourth All India Census of Micro Small and Medium Enterprises [MSME] stated that women entrepreneurs in service sector comprised of 41 percent of the total women entrepreneurs in India They are strongly represented at micro and small business level, preferably home based service business like

Beauty parlours. Recently The Indian Salon Report 2013 indicated that the Indian Salon industry would reach \$3.5 billion and that it would create more than three million jobs by 2015. Many women have found business opportunities in this industry due to its ease of formation and its ability to fetch a decent income for their living. A considerable number of women in Beauty parlours in India, were able to survive more than 10 years after establishment despite certain environmental threats. This was because of the fact that they have applied different strategies under each of such environmental condition for their survival (Jeevan Jyoti and Jyoti Sharma, 2011). This research was intended to identify those strategies being adopted by the women entrepreneurs and also to find out if there were any relationship between the strategies and the performance of their firms.

Though much of women entrepreneurship research had been focused on the problems of women entrepreneurs (Nayyer et al, 2007, Meenu Goyal and Jai Parkash, 2011) (Shruti Lathwal 2011), their empowerment (Geetha Sular Nachimuthu and Barani Gunatharan, 2012, and their motivational factors (Hasni Che Ismail et al, 2012), without giving attention to their success

factors, some researchers have focused on the environmental factors which played a major role in the intentions and success of women entrepreneurs. As such, this research also analysed the environmental conditions (environmental munificence) influencing the performance of women entrepreneurs

This study suggests a new approach to women entrepreneurship research, through identifying the success factors of the women entrepreneur and a set of strategic orientations required for both her financial and non-financial performance. This study confirms that the environmental munificence specific to a women entrepreneur has a role in moderating the relationship between strategic orientations and performance.

## **2. REVIEW OF LITERATURE AND DEVELOPMENT OF HYPOTHESIS**

The Resource based theory suggested by Barney(1991), insisted the importance of internal resources and its implications. There is lot of evidence from the past literature that the internal resources played a role in bringing success to the firm. Varadarajan (1990), identified that the strategic orientation of the firm may result in certain managerial aspects. Hall (1993) Prahalad and Hamel (1990) emphasized on the importance

of internal intangible resources for the competitive advantage of the firms and as far as the financial resources are concerned. The strategic approaches of the firm were considered as effective internal intangible resources when applied to women entrepreneurs

Researchers like Chaganti and Parasuraman (1994) took efforts to understand the strategic approaches exercised by the women and found no differences between the male and female entrepreneurs. The past literature relating to Strategic orientation have used different sets of dimensions inclusive of learning orientation with Marketing orientation and Entrepreneurial orientation (Zhengping FU, Bing LIU, 2011) , Market orientation comprising of customer, competitor and technology orientation (Glenn B. Voss & Zannie Giraud Voss , 2000), study with interaction orientation and customer satisfaction (Kumar and Ramani, 2006) etc., Though previous studies have identified several such aspects of, the present study considers only two. One being Entrepreneurial orientation and other being Market orientation.

Entrepreneurial orientation is explained as entrepreneurial strategy-making process that can create competitive advantage.(Andreas Rauch et

al(2009) . Venkatraman (1989) suggested five dimensions of Entrepreneurial orientation which are Innovativeness, risk taking, pro-activeness, Competitive aggressiveness and Autonomy, whereas, Miller (1983) concentrated on only the first three dimensions which were used consistently in literature. With regard to Market orientation, most of the studies have recognized it from the angle of organisational culture, considering three behavioural aspects, viz., the orientation of the firm towards it's customers, the orientation towards its competitors and the inter-functional coordination, out of which the work by Narver and Slater (1990) was the best discussed one.

Studies on women entrepreneurship by Lerner, Hisrich and Brush (1997) clearly pointed out that the women entrepreneurs have very few resources than the male entrepreneurs, thus proving the existence of gender differences. There are contradicting findings about the discrimination made by lenders while funding to women entrepreneur. Coleman (2000), identified lot of discrimination while Butner and rosen (1989), found a little of such act.

Deshpande and Sunita (2009), discovered that the lack of family support, lack of institutional

support and male dominance were the key areas where women in India suffered. Therefore, the environment in which a woman operates plays a crucial role in contributing to her success. For the present study, the environmental factors were considered as moderators of the relationship between SO and performance.

With respect to performances, the literature has recommended the application of multiple performance measures (Corchran and Wood, 1984;; and Ibrahim and Rue, 1998). Studies by Cooper and Gascon (1992), Srinivasan et al (1994), Rosa et al (1996) and that of Chaganti and Parasuraman (1994) considered the financial aspects such as sales turnover, number of employees, value of capital assets, etc., whereas the studies by Ricardo Baba Sunmuglvadivu Elumalai (2011) , Dess & Robinson (1984) considered the non-financial performance measures like reputation, public image, goodwill and employee commitment, entrepreneur's satisfaction, etc., The nonfinancial performances were very crucial to female ones because the non financial performances like status improvement, increase in self confidence, increase in the power to decide on own, liberty to spend money, etc., will slowly eradicate the stereotyped practices of

the society. A study by Lerner et al (1997) on Israeli women entrepreneurs declared network affiliation, human capital, and goals of the entrepreneur as factors affecting the performance. Rosa et al (1996) study suggested that meeting of domestic needs could also be a measuring component of performance as many women micro entrepreneurs strive to meet their domestic needs through their business

Also, one recent publication by Brush (2013) quoted that the women entrepreneurship research should look beyond economic gains. On such specifications from past literature, the non – financial gains were included for the present research along with the financial ones.

There are many research evidences that EO results in better performance. But the extent of such relationship intensively differs. A study by Wiklund & Shepherd (2003), revealed that those firms that engaged a healthy entrepreneurial orientation were able to perform well than those who did not engage it . A study by Jyothi et al (2011) examined the relationship between women Entrepreneurial Orientation (EO) and Satisfaction. The results revealed that women who were oriented towards business had a high level of satisfaction. But contrary results of very

limited relationship was found in studies carried on by Zahra, (1991) and Lumpkin and Dess,(2001).

Maximum of the studies related to MO, identified thick association between performance and MO, (Deshpande et al., 1993; Narver and Slater, 1990; Jaworski and Kohli, 1993), where in few others identified lack of such association (Sandvik & Sandvik, 2003).

### ***2.1 Importance of Environmental munificence and firm's size for women entrepreneurs***

In many cases, the researchers have included three or four variables for analysing the environment which includes the environmental munificence, environmental dynamism, environmental hostility and heterogeneity. Environmental hostility (threats), Environmental heterogeneity (Segment characteristics), Environmental dynamism (continuous change), etc., though found to be important in many studies, above all, it is the Environmental munificence (resource abundance) that plays a greater role for women entrepreneurs in the Indian context.

Environmental munificence is described as abundant resource availability in the environment in which the firm is operating. Not only the

availability, but what matters important is the opportunity of accessibility and acquirement of such resources by the entrepreneurs (Brown and Kirchoff, 1997). Many studies on South Asian women found that their accessibility to information, human capital (Punitha et al, 1999), financial resources (Carr et al, 1996), were lacking. This is true in the context of India also.

Hina Sha (2013) working paper on creating an enabling environment for women entrepreneurs in India, declared that the environment consisted of available resources like favourable government programmes offering financial loans and incentives, financial policies etc., but , those women lacked awareness about such programmes. The cultural norms of India which involves gender bias had played a major role in denying the getting awareness options to them. The imperfect organisational setups and non supportive family setups had been a great hindrance for those women to be successful in their ventures. Therefore, In case of a country like India, environmental munificence and the level of accessibility to resources have found to be important factors to be studied by the researchers.

There are many other environmental factors being identified in the literature. Study by Pennings,

(1982) included factors like, technology training facilities, financial resources, and location of the site whereas Day (2002) included the availability of support services, government incentives and Skilled labour as such factors.

A study by Henry James(2012), revealed that Indian women entrepreneurs in micro enterprises suffer without Legal provisions, transparency in government policies, infrastructural facilities including the regular supply of power, institutional support and guidance, skill training and education to girl children, etc., and he suggested that these environmental factors have to be provided to them through government initiatives. From this it is clear that the micro firms are the less privileged in getting access to environmental facilities. Therefore it is important to consider the size of the firm apart from environmental munificence. The relationship between size of the firm and performance had been dealt by many researchers and they found either a significant relationship (Vijayakumar and Tamizhselvan (2010), or an inverse relationship (Hall and Bronwyn, 1987; Barrett, 2010)

Some researchers have talked on the impact of size on the growth of the firm through research and development ( Rajan and Zingales , 1998).

Such R&D activities are key responsible for innovation (a dimension of EO) in any organisation.

## ***2.2 Importance of Moderators for the research***

As stated by Lumpkin and Dess, (1996), studies involved in finding a direct relationship between variables like Entrepreneurial orientation [EO] and performance will not provide wholesome understanding and therefore, either a mediator or a moderator variable or both have to be introduced. Based on this suggestion, two moderators were used in this research, the size of the firm and environmental munificence.

Many variables have been considered as moderators in the past literature. For example, Wang, C. L. (2008) studied the link between EO and performance with strategy types recommended by Miles and Snow (1978)as moderating variable and Lumpkin and Dess, (2001)considered industry life cycle stage as an effective such moderator. Some researchers found Market tribulence as an effective moderator (Kamalesh Kumar and Charles Yauger , 1998), between MO and performance, while some others did not find such effectiveness (Arif Hartono<sup>1</sup>, 2013).

Adding to this, a meta analysis study of Kirca, Jayachandran & Bearden (2005), acknowledged a very limited conformity on market turbulence as a moderator. Few important studies have proved Size of the firm and environmental munificence (Lumpkin & Dess, 2001) (Dess, Lumpkin, & Covin, 1997); (Zahra, 1996) as moderators between EO and performance

Rauch et al, (2009) study also found the size of business as an important moderator. In that meta analysis, Rauch et al (2009) keenly observed various number of studies which considered the size of business or the firm's size as a moderator variable and inferred that the level of impact of environmental factors varied according to size of the firms.

The relationship of environment with that of the strategic orientation of the firm and the moderating effect of such environment on the EO and performance of the firm had been widely dealt by many researchers (Lumpkin & Dess, 2001) (Dess, Lumpkin, & Covin, 1997).

Studies by Castrogiovanni (1991) and Amran Awang et al, (2011) found environmental munificence as a positive moderator between the performance of the firm and EO, where in Rohani

mohd et al (2012) did not find such presence at all .

Under a highly munificent environment, there is greater possibility for innovation (Lumpkin, 1996) because such environment would accelerate research and development within the firm (Zahra, 1996) Also under such condition, the firm's proactive character will be strongly associated with that of its performance because this would encourage the opportunity seeking tendency (Miller and Friesen, 1982).

If environmental munificence is low, the firms will get caught with the already existing products and services and will not grow (Levinthal and March, 1993). Therefore studies suggest that a high environmental munificence is responsible for better market orientation.

Almost all researchers have suggested that the Risk-taking propensity of the firm would be moderately encouraged under munificent environment and that this would also result in higher performance (McClelland, 1960). There are also studies with negative results.

A study by Alarape and Aderemi Ayinla (2009), with Nigerian industries found that there was no relationship existed either between proactiveness

and munificence or between innovativeness and munificence. But with risk taking, there was a reverse relationship, because risk taking would find importance, only in an environment where there were many challenges whereas in case of a situation in which abundance of resources were available there arises no question of risk taking at all.

Many studies have also effectively quoted that such munificence had led to success of a firm (Starr and Bygrave ,1991;Wiklund 1999) . Studies of the past had acknowledged the importance of moderators in confirming a relationship between two variables and based on

that idea, this research had considered Environmental munificence and firm's size as moderators between Strategic orientation and performance of the firm .Since the basic theoretical framework for the present study has emerged from the resource-based view of the firm (RBV) which recommends that a firm can identify as well as restore competitive advantage and performance for a longer time through proper application of various resources, the effect of a synergized strategic resource on the performance of female entrepreneurs is established in this study. The above discussion paved way for the following hypothesis.

**Figure 1 Hypothesis of the study**

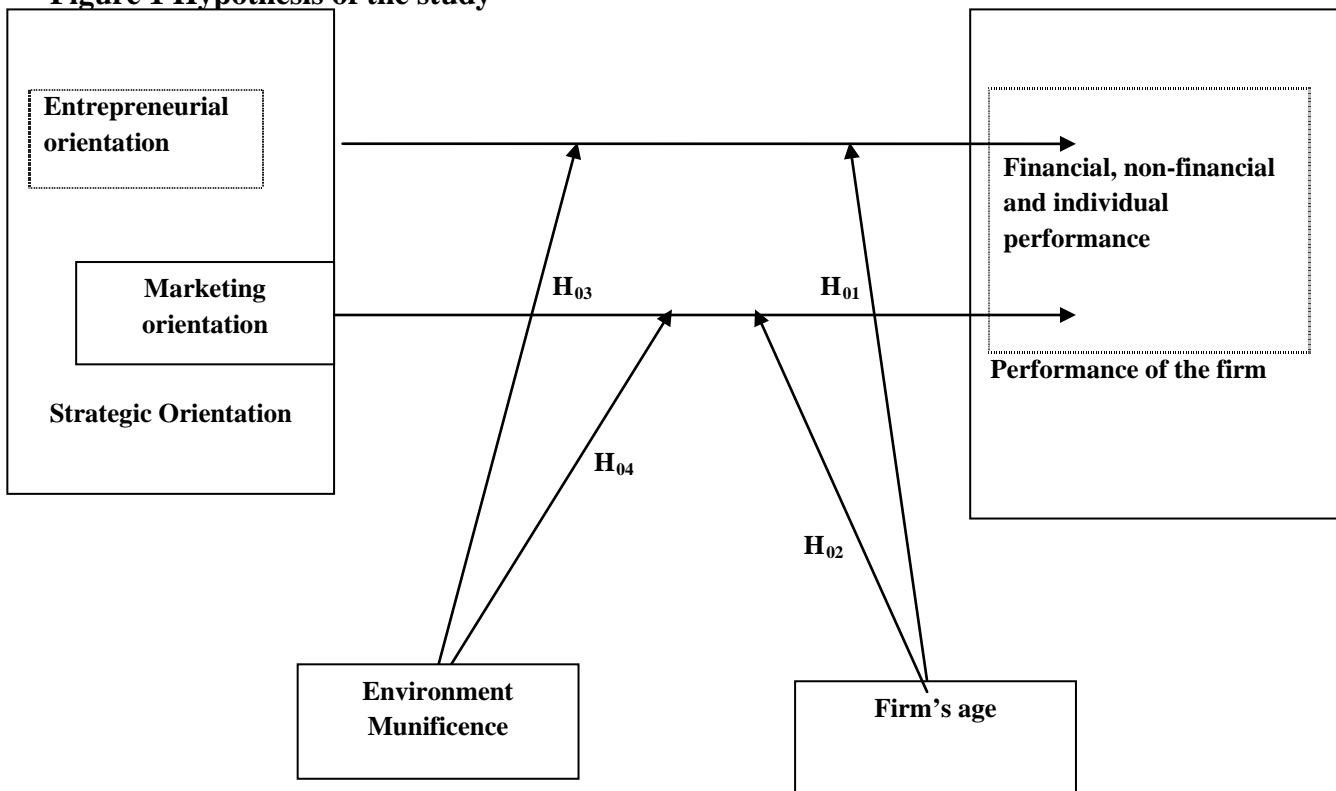


Figure 1: Hypothesis of the study



H<sub>01</sub>. There is positive effect on performance of the interaction between entrepreneurial orientations and firm's age

H<sub>02</sub> - There is positive effect on performance of the interaction between marketing orientations and firm's age.

H<sub>03</sub> - There is positive effect on performance of the interaction between entrepreneurial orientations and environment munificence

H<sub>04</sub>. There is positive effect on performance of the interaction between marketing orientations and environment munificence.

### **3. RESEARCH METHODOLOGY**

#### **3.1 Sample and data collection**

The study employed a questionnaire survey approach to collect data, and all the independent, dependent variables required five-point Likert-scale responses ranging from "strongly disagree-1 to "strongly agree"-5. Variables in the questionnaire included background information, Strategic orientation, Environmental munificence and performance of the firm. The population was the women owned individual Beauty Parlours that were located in the seven taluks of Madurai district. Firms that have invested between Rs.500,

000/- to Rs.2500, 000/- and that have employed more than 3 people were considered for the study. The researcher adopted the Stratified Random Sampling method and distributed 560 questionnaires (each 80 to the 7 taluks) to the entrepreneurs/ executives of the parlour. Of the 560 questionnaires distributed, 509 responses were received with 3 incomplete ones. Finally, 506 were found to be valid and they were used for the quantitative analysis.

#### **3.2 Measures**

The statements of innovativeness were adapted from Miller and Friesen (1982) and Hurt et al.(1977) and that of proactiveness and risk taking were adapted from Narman and Slevin(1993). Market orientation was measured using MKTOR Scale developed by Narver & Slater (1990) (cultural Perspective).

Perceived Environmental munificence was organized as seven-item instrument on a five point Likert scale. First four items indicated the level of availability of infrastructure facilities in the environment and the other three were the availability of capital, family support and business opportunity. These items were gathered from the past literature (Zahra and Covin ,1995; Arthur and

Nystrom ,1991) and found suitable for the present study. The size of the firm was measured based on the number of employees in the firm.

Since the entrepreneurs were unwilling to provide objective data on financial performance, a subjective approach was adopted which considered the perception of such individuals on their performance. Three different dimensions were adopted for the study consisting of financial performance, non-financial performance and individual performance of past three years. The financial performance measures included increase in return on investment, sales volume, number of employees and firm's size in terms of space and equipments. Reduction in complaints, increased customer retention, employee commitment, popularity of the firm and innovated products and services were considered as non –financial measures (Dess and Robinson,1984) and the increase in income, savings, their ability to

balance between family and business, self-confidence and status were measured for Individual performance (Rosa et al, 1996) . All the above said variables were gathered using 5-point Likert scale items

### ***3.3 Limitations of the study***

The study did not collect the objective data with regard to analysing the financial performance of the entrepreneurs. Instead their perceptions were collected. Another constraint faced by the researcher was the lack of availability of enough literature relating to the strategic orientation of micro firms at the Indian level. Therefore the researcher had to collect literature from the publications in International journals and books.

## **4. RESULTS**

### ***4.1 Sample Characteristics***

The sample characteristics are represented in Table-1

**Table 1: Sample Characteristics**

<b>Demographics</b>	<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
Age	Below 25 years	76	15.0
	26-35 years	233	46.0
	36-45 years	180	35.6
	Above 45 years	17	3.4
Marital Status	Married	229	45.3
	Single	205	40.5
	Divorced	44	8.7
	Widow	28	5.5
Experience	Below 5 years	242	47.8
	5-10 years	175	34.6
	Above 10 years	89	17.6
Specialization	Aroma therapist	35	6.9
	Hair care and styling	197	38.9
	Pedicurist	39	7.7
	Manicurist	12	2.4
	Massaging	25	4.9
	Complete skin care	53	10.5
	Bridal makeup	145	28.7
Level of education	School level	113	22.3
	UG level	268	53.0
	PG level	125	24.7
Technical education	Certificate course	355	70.2
	Diploma course	70	13.8
	UG degree	24	4.7
	PG degree	57	11.3
Type of customers	Students	259	51.2
	Working women	156	30.8
	House wives	52	10.3
	Professionals	20	4.0
	Higher officials	19	3.8
Motivating factors	Government	38	7.5
	Husband / Father	181	35.8
	In-laws	164	32.4
	Friends	123	24.3
Monthly earnings	Below Rs.5000	249	49.2
	Rs.5001-10000	172	34.0
	Rs.10001-15000	51	10.1
	Above Rs.15000	34	6.7

	Total	506	100.0
--	-------	-----	-------

Above table shows that 46% of the women entrepreneurs are 26-35 years old, 45.3% of the women entrepreneurs were married and 47.8% of the women entrepreneurs having below 5 years experience in beauty parlors, most of the women entrepreneurs were specialized in hair care and styling (38.9 %) and bridal makeup (28.7 %). Maximum women entrepreneurs (53 %) were having under graduation level qualification, 70.2 % women entrepreneurs done certification courses in beautician field, students (51.2 %) were the most frequently visiting customers, husband/ father and in law are the motivational factors for starting beauty parlors to the women entrepreneurs and 49.2 % women entrepreneurs were getting only below Rs.5000 every month.

#### ***4.2 Descriptive statistics and inter correlation among dimensions***

Table 2 provides the descriptive statistics and correlations among the variables used in

hierarchical regression analysis. Significant positive correlation existed between entrepreneurial orientation ( $r=0.424$ ,  $p<0.01$ ) and marketing orientation ( $r=0.528$ ,  $p<0.01$ ) with financial performance of the beauty parlors. Significant positive correlation existed between entrepreneurial orientation ( $r=0.487$ ,  $p<0.01$ ), marketing orientation ( $r=0.544$ ,  $p<0.01$ ) and environment munificence ( $r=0.431$ ,  $p<0.01$ ) with non financial performance of the beauty parlors. Significant positive correlation existed between entrepreneurial orientation ( $r=0.310$ ,  $p<0.01$ ), marketing orientation ( $r=0.558$ ,  $p<0.01$ ) and environment munificence ( $r=0.131$ ,  $p<0.01$ ) with individual performance of the beauty parlors. It concluded that strategic orientation and environmental munificence helped to increase the firm's performance.

**Table 2: Mean, Standard Deviations, Reliability and Inter Correlations**

Variables	Cronbach alpha	Mean	SD	1	2	3	4	5	6
Firm's age	–	1.7	0.75	1					
Entrepreneurial orientation	0.797	39.1	6.18	-0.009	1				
Marketing orientation	0.842	48.93	8.32	-.254**	.630**	1			
Environment munificence	0.730	61.08	9.52	-0.081	.410**	.373**	1		
Financial performance	0.838	19.54	4.33	-.176**	.424**	.528**	0.077	1	
Non financial performance	0.776	20.04	4.18	-.196**	.487**	.544**	.431**	.445**	1
Individual performance	0.895	17.26	2.85	-.367**	.310**	.558**	.131**	.594**	.710**

\*\* Correlation is significant at the 0.01 level (2-tailed).

Reliability for each dimension was measured using Cronbach alphas measures. Both measures of reliability were more than the suggested minimum standard of 0.60 (Baker, Parasuraman, Grewal, & Voss, 2002; Nunnally, 1978). For all fourteen dimensions, the measures of reliability are above 0.70. Above summarizes all measurement items, Cronbach alphas and their scales for all the items.

**4.3 Hierarchical regression analysis**

Table 3 shows the hierarchical regression analysis. At the initial step we entered the effects of entrepreneurial orientations and marketing orientations, which together explained a significant share of the variance in non financial performance of the firm. (Model 1, R square

=0.331). In model 1(non financial performance), entrepreneurial orientation ( $\beta=0.24$ ) and marketing orientation ( $\beta=0.39$ ) showed significant positive and direct relation on non financial performance of the firm.

In addition to model 1(non financial performance), second model showed the effects of moderators (environment munificence and firm's age) on dependent variable (non financial performance of the firm), that were explained a significant share of the variance in non financial performance of the firm. (Model 2, R Square =0.382). In model 2, entrepreneurial orientation ( $\beta=0.20$ ), marketing orientation ( $\beta=0.31$ ), environment munificence ( $\beta=0.23$ ) showed significant positive and direct relation on non

financial performance of the firm. Firm's age showed direct and positive relation on non financial performance of the firm ( $\beta=0.10$ ).

In model 3 (non financial performance), we entered the two way interaction terms to test our possible hypothesis. This addition increased the explained variance in non financial performance (Model 3, R square =0.583). Hypothesis 01 specified that there was positive effect on performance of the interaction between entrepreneurial orientations and firm's age. As shown in model 3 (non financial performance), the two way interaction between entrepreneurial orientations and firm's age was positive and statistically significant ( $\beta=0.64$ ) at 0.05 level. Thus hypothesis 01 was supported. Next hypothesis 02 showed that there was positive effect on performance of the interaction between marketing orientations and firm's age. Model 3 (non financial performance) results showed that two way interaction between marketing orientations and firm's age was positive and statistically significant ( $\beta=0.77$ ) at 0.01 level.

Thus hypothesis 02 was supported. Next hypothesis 03 predicted that there was positive effect on performance of the interaction between entrepreneurial orientations and environment munificence. Model 3 (non financial performance) results explained that two way interaction between entrepreneurial orientations and environment munificence was positive and statistically significant ( $\beta=5.70$ ) at 0.001 level. Thus hypothesis 03 was supported. Finally hypothesis 04 predicted that there was positive effect on performance of the interaction between marketing orientations and environment munificence. Model 3 (non financial performance), results illustrated that two way interaction between marketing orientations and environment munificence was positive and statistically significant ( $\beta=6.41$ ) at 0.001 level. Thus hypothesis 04 was supported. Hypothesis results were concludes that two way interaction between strategic orientation (entrepreneurial and marketing orientations) and environment munificence, firm's age had positive effect on non financial performance of the firm.

**Table 3: Results of Hierarchical Regression Analysis (Non Financial Performance)**

Variables	Non Financial Performance			Financial Performance			Individual Performance		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<b>Independent variables</b>									
<b>Entrepreneurial orientation</b>	0.24***	0.20** *	3.88** *	0.15**	0.23** *	0.19	-0.07	0.01	1.43***
<b>Marketing orientation</b>	0.39***	0.31** *	4.08** *	0.43***	0.44** *	-0.79	0.60***	0.52***	-2.29***
<b>Moderators</b>									
<b>Environmental munificence</b>		0.23** *	-0.1		- 0.18** *	-0.69**		-0.09*	-0.84***
<b>Firm's age</b>		0.10**	-0.28		-0.08*	- 1.71***		- 0.24***	-1.28***
<b>Two way interaction</b>									
<b>Entrepreneurial orientation x firm's age</b>			0.64*			1.23***			0.58
<b>Marketing orientation x firm's age</b>			0.77**			0.49			0.51
<b>Entrepreneurial orientation x environmental munificence</b>			5.70** *			-0.61			2.65***
<b>Marketing orientation x environmental munificence</b>			6.41** *			1.64**			4.12***
<b>R</b>	0.575	0.618	0.764	0.541	0.569	0.613	0.561	0.61	0.676
<b>R square</b>	0.331	0.382	0.583	0.293	0.324	0.375	0.314	0.372	0.457
<b>Adjusted R square</b>	0.328	0.377	0.576	0.29	0.319	0.365	0.312	0.367	0.449
<b>F</b>	124.23** *	77.42* **	86.86* **	104.03* **	60.11* **	37.30** *	115.33** *	74.31** *	52.36***

Note: \*\*\* p < 0.001, \*\* p < 0.01, \* p < 0.05

Model 1(financial performance) revealed that effects of entrepreneurial orientations and marketing orientations explained firm’s financial performance (R square=0.293), both factors ( $\beta=0.15$ ,  $\beta=0.43$ ) showed positive and direct relation on firm’s financial performance. Model 2 indicated that the effects of moderators (environment munificence and firm’s age) on

dependent variable (financial performance of the firm), explained a significant share of the variance in non financial performance of the firm. (Model 2, financial performance, R Square =0.324). In model 2, entrepreneurial orientation ( $\beta=0.23$ ), marketing orientation ( $\beta=0.44$ ), environment munificence ( $\beta=-0.18$ ) showed significant negative and direct relation on

financial performance of the firm. Firm's age showed direct and negative relation on financial performance of the firm ( $\beta=-0.08$ ).

In model 3 (financial performance), in addition increased the explained variance in financial performance (Model 3, R square =0.375).

Hypothesis 01 stated there was positive effect on performance of the interaction between entrepreneurial orientations and firm's age. As shown in model 3 (financial performance), the two way interaction between entrepreneurial orientations and firm's age was positive and statistically significant ( $\beta=1.23$ ) at 0.001 level.

Thus hypothesis 01 was supported. Next hypothesis 02 proved that there was positive effect of the interaction between marketing orientations and firm's age on performance. Model 3 (financial performance) results showed that two way interaction between marketing orientations and firm's age was positive, but not statistically significant ( $\beta=0.49$ ). Thus hypothesis 02 was not supported. Next hypothesis 03 envisaged that there was positive effect on performance of the interaction between entrepreneurial orientations and environment munificence. Model 3 (financial performance) results explained that two way interaction between entrepreneurial orientations

and environment munificence was negative, but not statistically significant ( $\beta=-0.61$ ). Thus hypothesis 03 was not supported. Finally hypothesis 04 showed that there was positive effect on performance of the interaction between marketing orientations and environment munificence. Model 3(financial performance), results illustrated that two way interaction between marketing orientations and environment munificence was positive and statistically significant ( $\beta=1.64$ ) at 0.01 level. Thus hypothesis 04 was supported. Hypothesis results concluded that two way interaction between entrepreneurial orientation and firm's age, marketing orientation and environment munificence had positive effect on financial performance of the firm.

Model 1 (individual performance) concluded that effects of marketing orientations explained firm's individual performance (R square=0.314), only marketing orientations ( $\beta=0.60$ ) showed significant positive and direct relation on firm's individual performance. Model 2 indicated that the effects of moderators (environment munificence and firm's age) on dependent variable (individual performance of the firm), explained a significant share of the variance in non individual performance of the firm. (Model 2,



R Square =0.372). In model 2 (individual performance), marketing orientation ( $\beta=0.52$ ) showed direct and positive relation with individual performance of the firm. Environment munificence ( $\beta=-0.09$ ) and firm's age showed significant direct and negative relation on individual performance of the firm ( $\beta=-0.24$ ).

In model 3 (individual performance), in addition increased the explained variance in individual performance (Model 3, R square =0.457). Hypothesis 01 stated there was positive effect on performance of the interaction between entrepreneurial orientations and firm's age. As shown in model 3 (individual performance), the two way interaction between entrepreneurial orientations and firm's age was positive and not statistically significant ( $\beta=0.58$ ). Thus hypothesis 01 was not supported.

Next hypothesis 02 proved that there was positive effect of the interaction between marketing orientations and firm's age on performance. Model 3 (individual performance) results showed that two way interaction between marketing orientations and firm's age is positive, but not statistically significant ( $\beta=0.51$ ). Thus hypothesis 02 was not supported. Next hypothesis 03 showed

that there was positive effect on performance of the interaction between entrepreneurial orientations and environment munificence. Model 3 (individual performance) results explained that two way interaction between entrepreneurial orientations and environment munificence is positive and statistically significant ( $\beta=2.65$ ) at 0.001 level. Thus hypothesis 03 was supported. Finally hypothesis 04 showed that there was positive effect on performance of the interaction between marketing orientations and environment munificence. Model 3 (individual performance), results illustrated that two way interaction between marketing orientations and environment munificence was positive and statistically significant ( $\beta=4.12$ ) at 0.001 level. Thus hypothesis 04 was supported. Hypothesis results were concludes that two way interactions between strategic orientation (entrepreneurial orientation and marketing orientation) and environment munificence had positive effect on individual performance of the firm.

## **5. DISCUSSION AND IMPLICATIONS FOR FUTURE RESEARCH**

This study investigated the moderating effects of firm's age and environmental munificence in

relationship between strategic orientations and beauty parlors performance. In this research study we analyzed four conditions . First condition showed that there existed positive effect on performance of the interaction between entrepreneurial orientations of the women entrepreneurs and firm's age. Two interactions between firm's age and entrepreneurial orientations on non financial performance and financial performance of the beauty parlors were significantly positively related. But interactions between firm's age and entrepreneurial orientations on individual performance were insignificantly related. Second condition showed that there existed positive effect on performance of the interaction between marketing orientations of the women entrepreneurs and firm's age. Two way interaction between firm's age and marketing orientations on non financial performance of the beauty parlors were significantly related, but financial and individual performance were insignificantly related (Wiklund and Shepherd, 2005). Third condition showed that there existed positive effect on performance of the interaction between entrepreneurial orientations and environment munificence. Moderation effect between entrepreneurial orientations and

environment munificence on non financial and individual performance was significantly related and financial performance of the beauty parlors was insignificantly related. Final condition showed that there existed positive effect on performance of the interaction between marketing orientations and environment munificence on non financial, financial and individual performance of the beauty parlors which were significantly related. Above hierarchical regression analysis results concluded that moderating effects of firm age and environmental munificence (Lumpkin & Dess, 2001, Wiklund & Shepherd, 2005) had significant relation on firms performance.

The low correlation between entrepreneurial, marketing orientations and firm's performance was amazing in light of other studies, such as those by Rauch et al. (2004), and Kemelgor (2002). We also found significant negative relations between firm's age and performance and it was contradictory to Frank (2010) results, due to competition in the market. As the numbers of competitor beauty parlors got increased year by year, firm's age was negatively related with firm's performance. By adding some new specialization in beauty parlors like Aroma therapy will help them to increase their performance. Creating

brand values and loyalty among the customers might be useful to increase the performance long with firm's age.

Results involved that strategic orientations does not include a "secret weapon" under all environmental munificence and performance of a firm, but that entrepreneurial and marketing orientation might possibly be pursued in fast changing environments that offer new opening and in which the firm has sufficient capital resources at its removal to take advantage of those opportunities using a selection of advanced business activates. Implementing strategic orientations in women owned enterprises is not always suitable with low access to the firm's financial capital. Suppose a women entrepreneurs' financial capital have to be exhausted due to undesirable business environment like lack of family support, labor and supplier availability, it is first important to reinstate those financial capitals before taking strategic orientations measures (Frank, 2010).

The value of replication studies has been established by the fact that same findings indicated conceptualization, investigation and designing reliable observation, while conflicting

results make it necessary to process the theory, or in this scenario, to address the effects of firm's age on strategic orientations and business performance in a different manner. In difference to most studies results, our findings show that firm's age can also have a negative effect on business performance. This finding calls for additional examination of the circumstances under which the firm's age and performance relation is negative. Therefore, additional attention should be paid to distinguish between specific industry perspectives and developments. Thus, it becomes obvious that to better recognize the firm's age, strategic orientation factors and performance relation, multi model regression analyses should be used more widely in future research. It would also be advisable for researchers to converse suitable performance measures based on the firms, because the strategic orientation, firm's age and performance relation is perceptive to the composition of such events in main-effects and interaction analyses.

## **Conclusion**

This study has proved that the women entrepreneurs had applied the same set of strategic orientations in their businesses.. This study has

brought into light the various environmental factors required to support the women entrepreneur in India. Though these women were committed toward strategic orientations, that alone could not improve their performance, because the role of environmental factors comprising of family support, labour and raw material availability, infrastructure facilities, and financial availability were found to be very important.

With the introduction of self-help groups (SHGs), and the active participation of Non government organizations, there is increase in number of women entrepreneurs in the country, Khanka (2010) . The increase in number alone cannot be considered as an effective indicator of availability of resources for women entrepreneurs in the country. . An extensive work which can prove that women adopt different strategic orientations to give higher performances has become necessary and therefore, this study made an attempt to analyze the link between the Strategic orientation and performance under a particular environmental condition. This paves way for the policy makers to provide a more favorable environment and thereby improve the financial as well as non-financial performance which in turn would empower women in India. In future, more of such studies

have to be undertaken comparing male and female entrepreneurs of any particular industry as suggested by Brush (1992), so that it would help researchers in the field to arrive at better understanding of the environmental discrepancies among them. Due to this the perception of the researchers in entrepreneurship field would also change with respect to women entrepreneurship. Studies on such differences will have an opportunity to contribute towards framing women entrepreneurship theories .in the future especially in developing countries like India.

## 6. REFERENCES

- Amran Awang, Zainal Ariffin Ahmad, Abdul Rashid Said Asghar, Khairul Anwar Subari, Shamsul Anaz Kassim (2011), 'The Effect Of Knowledge And Networking On Relationship Between Entrepreneurial Orientation And Performance Of Small And Medium Agro-Based Enterprises: Role Of Technology, Strategy And Perceived Environment', International Journal Of Economics And Business Modelling, pp79-91
- Angeline W. McArthur, Paul C. Nystrom,(1991), Environmental dynamism, complexity, and munificence as moderators of strategy-performance relationships, Journal of Business Research , 23( 4), pp 349-361.

- Andreas Rauch, Johan Wiklund, G. T. Lumpkin, Michael Frese (2009), 'Entrepreneurial Orientation and Business Performance: An assessment of past research and suggestions for the future', *Entrepreneurship Theory and Practice*, 33 (3), pp761-787
- Alarape, Aderemi Ayinla.(2009), 'Assessing the Relationship between the Perceived Business Environment and Firm's Entrepreneurial Orientation', *Ethiopian Journal of Environmental Studies and Management* Vol.2 No.1,pp50-56.
- Arif Hartono<sup>1</sup>, (2013) 'Investigating Market Orientation—Business Performance Relationships in the Yogyakarta (Indonesia) Batik Family Firms', *International Journal of Marketing Studies*; Vol. 5, No. 5; pp31-39.
- Baker T., Aldrich H. E. & Liou N. (1997). 'Invisible Entrepreneurs: The Neglect of Women Business Owners by Mass Media and Scholarly Journals in USA', *Entrepreneurship and Regional Development*, 3(9): 221 -238.
- Baker, J., Parasuraman, A., Grewal, D., & Voss, G. B. (2002). 'The influence of multiple store environment cues on perceived merchandise value and patronage intentions', *Journal of Marketing*, 66(2), 120–141.
- Barrett, Christopher. B., Marc. F. Bellemare, and Janet. Y. Hou. 2010. 'Reconsidering Conventional Explanations of the Inverse Productivity-Size Relationship', *World Development* 38 (1):88-97.
- Brown, T. E. and Kirchoff, B. A. (1997), "The Effects of Resource Availability and Entrepreneurial Orientation on firm Growth", *Frontiers of Entrepreneurship Research*. Babson College
- Bygrave, W. (1989) 'Venture capital industry: A resource exchange perspective'. Unpublished Dissertation, Boston University.
- Carr, M., Chen, M. & Jhabvala, R. (1996). 'Speaking out: Women's economic empowerment in South Asia'. London: IT Publications.
- Castrogiovanni, G. (1991) 'Environmental munificence: A theoretical assessment', *Academy of Management Review*, 16(3): 542–565.
- Dess, G. G., Lumpkin, G. T., & Covin, J. G. (1997). 'Entrepreneurial strategy making and firm performance: tests of contingency and configurational models', *Strategic Management Journal*, 18, 677-695.
- Deshpande, R., Farley, J.U. and Webster, F.E. Jr (1993), 'Corporate cultures, customer orientation, and innovativeness in Japanese firms: a quadrad analysis', *Journal of Marketing*, Vol. 57, January, pp. 23-7.
- Frank, Hermann, Kessler, Alexander and Fink, Matthias, 'Entrepreneurial Orientation and Business Performance - A Replication Study (April 1, 2010)', *Schmalenbach Business Review*, Vol. 62, pp. 175-198, April 2010.
- Ganesan R. & Satapathy S. (2002). 'Background Differences and Entrepreneurial Traits among Women Entrepreneurs', *International Journal of Entrepreneurship*, 6: 75-87.
- Green, K., Covin, J., & Slevin, D. (2008). 'Exploring the relationship between strategic reactivity and

- entrepreneurial orientation: The role of structure–style fit. *Journal of Business Venturing*, 23(3): 356-383.
- Gupta C.B and Srinivasan.N.P, (1999), Sultan Chand and Sons, New Delhi, India.pp1.26-1.27.
  - Gupta V., Turban D. & Bhawe N. (2008). The Effect of Gender [Stereotype](#) Activation on Entrepreneurial Intentions. [Journal of Applied Psychology](#), 93(5): 1053-1069
  - Hall, Bronwyn H. 1987. The Relationship Between Firm Size And Firm Growth in The Us Manufacturing Sector. *Journal of Industrial Economics* 35 (4):583.
  - Hina Sha (2013), working paper series, South and South-West Asia Office (SSWA) Economic and Social Commission for Asia and the Pacific (ESCAP),C-2 Qutab Institutional Area, New Delhi-110016, India.
  - Hughes, M & Morgan R.E. 2007. Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth. *Industrial Marketing Management*. 36.651-661
  - Jennifer E. Jennings And Candida G. Brush (2013), Research on Women Entrepreneurs: Challenges to (and from) the Broader Entrepreneurship Literature?, *The Academy of Management Annals*, Vol. 7, No. 1, 661–713.
  - Jeevan Jyoti and Jyoti Sharma (2011), Factors affecting orientation and satisfaction of women entrepreneurs in rural India, *Annals of Innovation & Entrepreneurship*, volume 2, No.1
  - Kemelgor, Bruce H. (2002), A Comparative Analysis of Corporate Entrepreneurial Orientation between Selected Firms in the Netherlands and the USA, *Entrepreneurship and Regional Development* 14, 67-87.
  - Kohli, A.K. and Jaworski, B.J. (1990), "Market orientation: the construct, research propositions, and managerial implications", *Journal of Marketing*, Vol. 54, pp. 1-18.
  - Lerner, Miri, Candida G. Brush, and Robert D. Hisrich. 1997. "Israeli women entrepreneurs: An examination of factors affecting performance." *Journal of Business Venturing* 12, no. 4: 315-334
  - Levinthal, D., & March, J. (1993). Myopia of learning. *Strategic Management Journal*, 14, 95-112.
  - Lumpkin, G.T. & Dess, G. G. (2004). Entrepreneurial Orientation. In Hitt, M.A.& R. D. Ireland (Eds.) *The Blackwell Encyclopedic Dictionary of Entrepreneurship* (Blackwell Encyclopedia of Management). Oxford: Blackwell Publishing
  - Marsha Van Egeren, Stephen O'Connor, (1998) "Drivers of market orientation and performance in service firms", *Journal of Services Marketing*, Vol. 12 Iss: 1, pp.39 – 58
  - McClelland, D.C. 1960. *The Achieving Society*. D. Van Nostrand Company, Inc.: Princeton, NJ.

- Miles, R. E. & Snow, C. C. (1978), *Organizational Strategy, Structure and Process*, New York: McGraw-Hill.
- Miller, D. and P.H. Friesen. 1982. "Innovation in Conservative and Entrepreneurial Firms: Two Models of Strategic Momentum." *Strategic Management Journal* 3: pp. 1-25.
- Murphy, G. B., Trailer, J. W., & Hill, R. C. (1996). Measuring performance in entrepreneurship research. *Journal of Business Research*, 36, 15-23.
- Narver, J.C. and Slater, S.F. (1990), "The effect of a market orientation on business profitability", *Journal of Marketing*, Vol. 54, October, pp. 20-35.
- Nunnally, J. C. (1978). *Psychometric theory*. New York: McGraw-Hill.
- Penning, J. M. (1982). Organizational birth frequencies: An empirical examination. *Administrative Science Quarterly*, 27, 120-144.
- Punitha, M., Sangeetha, S. & Padmavathi, K. (1999). Women entrepreneurs: Their problems and constraints. *Indian Journal of Labour Economics*, 42(4), 707-716.
- Rajan, R. and Zingales, L. (1998), "Financial Dependence and Growth", *The American Economic Review*, vol. 88, pp. 559-86
- Rauch, Andreas, Johan Wiklund, Michael Frese, and G. T. Lumpkin (2004), *Entrepreneurial Orientation and Business Performance: Cumulative Empirical Evidence*, *Frontiers of Entrepreneurship Research*, 164-177.
- Sandvik, I. L., & Sandvik, K. (2003). The Impact of Market Orientation on Product Innovativeness and Business Performance. *International Journal of Research in Marketing*, 20(4), 355–376.
- Sunil Deshpande and sunita sethi (2009), *Women Entrepreneurship In India, Problems, solutions and future Prospects*, *SSM International Research Journal*, volume II, issue 9,
- Venkatraman, N., & Ramanujam, P. (1986). Measurement of Business Performance in Strategic Research: A Comparison Approach, *Academy of Management Review*, 11, 801–814.
- Vijayakumar, A. and Tamizhselvan, P. (2010), "Corporate Size and Profitability-An Empirical Analysis", *College Sadhana – Journal for Bloomers of Research*, Vol. 3, No. 1, pp. 44 – 53.
- Wang, C. L. (2008) Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship Theory and Practice*, 32(4): 635-656
- Wiklund, J. (1999) "The sustainability of the entrepreneurial orientation—performance relationship." *Entrepreneurship Theory and Practice*, 24(1), pp. 37–48.
- Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium sized businesses. *Strategic Management Journal*, 24, 1307-1314.
- Wiklund, Johan and Dean Shepherd (2005), *Entrepreneurial Orientation and Small Business Performance: a*

- Configurational Approach, *Journal of Business Venturing* 20, 71-91.
- Wheelen, T.L., & Hunger, J.D. (2002). *Strategic Management and Business Policy*. 8th ed. New Jersey: Pearson Education.
  - Zahra, S. A. (1991). Predictors and financial outcomes of corporate entrepreneurship: An exploratory study. *Journal of Business Venturing*, 6, 259-285.
  - Zahra, S. & Covin, J. (1995) Contextual Influence on the Corporate Entrepreneurship-Performance Relationship. *Journal of Business Venturing*, 10: 43-58.
  - Zahra, S.A. (1996). Technology strategy and financial performance: Examining the moderating role of the firm's competitive environment. *Journal of Business Venturing*, 11, 189-219.
  - Kamalesh Kumar and Charles Yauger (1998), 'Examining the Market Orientation- Performance Relationship: A Context-Specific Study', *Journal of Management* 1998, Vol. 24, No. 2, 201-233
  - Henry James(2012) , Success of Women Micro-Enterprise Development', *International Journal of Scientific and Research Publications*, Volume 2, Issue 9,



