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The impact of entrepreneurial orientation on firm performance: Exploring the moderating influence of trust and organizational commitment in the Indian IT/ITE sector

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Abstract The purpose of the research study is to test how entrepreneurship orientation influences Indian MSME's performance and to delineate the moderation effect of trust in leadership and employee commitment on the relationship between entrepreneurial orientation and firm performance. Based on the social exchange theory, the study tested how firm performance is affected by Entrepreneurship Orientation such that relationships can be exchanged by trust and commitment. Applying descriptive research design, data were collected from randomly selected IT and ITE consulting firms located in Bangalore (A metro Tier I city in the country which presents close to 80 percent of Indian IT and ITE companies' establishment (timesofindia, 2020)). The hypothesized model was tested using SEM analysis. This study aims to: (1) examine the relationship between entrepreneurial orientation and firm performance within the context of Indian Micro, Small, and Medium Enterprises (MSMEs), with a specific focus on consulting organizations; (2) assess the moderating influence of trust among members on the relationship between entrepreneurial orientation and firm performance; and (3) investigate the interaction effect of managerial commitment on the relationship between entrepreneurial orientation and firm performance, thereby enhancing our understanding of the dynamics at play within MSMEs, particularly in the consulting sector. The capability of being innovative which measures entrepreneurial orientation impact firm performance and being proactive in the business over entrepreneurial orientation positively impacts firm performance while risk-taking attitude and firm performance relationship are not significant. This result is in support of the previous research report that showed only the innovativeness and proactiveness variable. Further, it is noticed from the hierarchical regression analysis that proactiveness and firm performance are moderated by the level of trust that the employee has in his/her functional manager, and proactiveness and firm performance are also moderated by the employee's level organizational commitment.

Keywords: Entrepreneurship Orientation, Firm Performance, Trust, Organisational Commitment, Micro, Small and Medium Enterprises

1. Introduction

In the dynamic landscape of the global business environment, entrepreneurial orientation (EO) has emerged as a crucial determinant of firm performance, particularly in the rapidly evolving Information Technology IT and ITE sector in India. Entrepreneurial orientation represents an organization's proclivity towards innovative thinking, risk-taking, and proactive decision-making, reflecting the entrepreneurial mindset within the corporate structure. Firms are turning to entrepreneurship to encourage continuous innovation, rapid development, value creation, competitive advantage, and increased efficiency and productivity. Entrepreneurship promotes not only business development, job creation, economic growth, profitability, innovation, and revenue production (Brush et al. 2006), but it is also a key driver of an organization's growth (Erken et al., 2011). Entrepreneurship fosters innovation, which has an impact on business growth (Hughes and Morgan 2007). To be successful, businesses require unique ideas, which entrepreneurship can give by the resources available to start a profitable business (Dean and McMullen 2007; Shane 2007). Entrepreneurial tasks are critical to accomplishing a firm's objectives (Kraus et al. 2012). It makes a substantial contribution to the growth of many organisations (Setiawan et al. 2012; Antoncic and Zorn 2004). Entrepreneurship also boosts innovation, knowledge, competition, and diversity in a variety of industries and

organisations (Santarelli and Vivarelli 2007). Entrepreneurship aids in the development of effective growth strategies for businesses. (Okangi, 2019)

Furthermore, "entrepreneurial orientation (EO) leads to faster growth among those firms that use it," according to the mainstream literature (Sarker and Palit 2015). According to Zulkifli and Rosli (2013), the EO variable has a considerable impact on Malay entrepreneurs' business growth. The majority of studies have found that "the EO variable is significantly associated to company growth" (Neneh and Van Zyl 2017; Gupta and Batra 2016; Kim et al. 2015). Because of its importance, various countries have created policies to support EO (Minniti and Levesque 2008; Brush et al. 2006). Tanzania, as one of the EO-implementing countries, has adopted measures to boost company competitiveness and growth (see Sutton and Olomi 2012). However, many Indian Micro, small and medium sector (MSME) businesses, notably those in the consulting industry, have not succeeded in incorporating entrepreneurship into their operations. Several definitions of entrepreneurship are present in the literature, with four gaining prominence in the field of study. These include the entrepreneur as an innovator according to Schumpeter, as an arbitrator/creator of balance according to Kirzner, as a bearer of uncertainty as proposed by Frank Knight, and as a coordinator from the perspective of Jean-Baptiste Say. The majority of subsequent works on the significance of entrepreneurship build upon or refine these four primary paths. Entrepreneurs understand that innovation necessitates diligence, expertise, original thinking, and the courage to challenge established truths. Creativity does not always require the development of entirely new concepts; it can also encompass revitalizing an existing product by evaluating evolving consumer needs over time and enhancing it to align with market demands.

An entrepreneurial orientation in information technology/information technology enabled services (IT/ITE) companies refers to a proactive and innovative mindset that fosters a culture of strategic risk-taking and value creation. In this context, it involves the constant pursuit of opportunities, adaptation to technological advancements, and a willingness to invest in research and development. Entrepreneurial IT/ITE companies exhibit traits such as agility, responsiveness to market changes, and a commitment to continuous improvement. They prioritize innovation, encouraging employees to think creatively and explore new solutions. This orientation is crucial in a dynamic industry where rapid technological evolution requires companies to embrace entrepreneurial principles to stay competitive and contribute meaningfully to the digital landscape. Mehralian, M. M. (2022).

In the realm of IT/ITE companies, innovativeness is the engine driving progress. It involves the continuous pursuit of creative solutions, leveraging cutting-edge technologies to stay ahead. Proactiveness is the proactive anticipation of market trends and client needs, enabling companies to adapt swiftly. In this dynamic landscape, risk-taking ability is paramount. IT/ITE firms must embrace calculated risks, exploring uncharted territories to foster growth. It involves a strategic balance between experimentation and prudence, pushing boundaries without compromising stability. Ultimately, the triumvirate of innovativeness, proactiveness, and risk-taking defines the ethos of successful IT/ITE enterprises, propelling them into the vanguard of technological evolution. Elshaer, I. A., & Sobaih, A. E. E. (2022).

This study delves into the examination of how social interactions among functional managers and their organizational commitment impact the link between entrepreneurial orientation (EO) and performance. While previous research has primarily concentrated on external factors influencing the EO–performance relationship, recent studies have started exploring internal contingencies. However, scant attention has been given to understanding the potential influence of social interactions within organizations on the successful exploitation of entrepreneurial opportunities. As social exchanges play a crucial role in aggregating knowledge across various functional areas, they may simultaneously impede the firm's effective implementation of its entrepreneurial posture (De Clercq et al., 2010). Consequently, this study aims to uncover the moderating role of social exchange relationships in the connection between entrepreneurial orientation and firm performance. The current investigation includes trust between managers and managerial commitment as factors within the social exchange relationship.

2. Literature Review

Small and medium-sized IT/ITE businesses (SMEs) around the world, particularly in developing economies, have enormous problems in regard to increasing organisational performance, staff commitment, and organisational happiness. Although though SMEs are viewed as a growth engine for developing economies, there hasn't been much research done on this topic in India (Soomro et al., 2019 & Soomro, B. A., & Shah, N. (2019). Business entrepreneurship has fundamentally changed over time, benefiting global economies in positive ways. New research may show that developing countries are putting more of an emphasis on improving their entrepreneurship activities.

The nation's economic growth is essentially accelerated by the optimization framework. Perhaps a better grasp of entrepreneurship, its benefits, and processes will encourage firms to expand their entrepreneurial efforts, leading to eventual commercial success. Future academics will therefore need to examine the crucial success variables influencing firm success (Ardelean, B. O. 2021). Organizational orientations are motivated by a desire to comprehend how businesses use various business strategies and how they exhibit them, and EO encapsulates how an entrepreneurial theme permeates many aspects of organisational behaviour (Wales, W. J., Covin, J. G., & Monsen, E. 2020). EO has been conceptualized in previous studies in both unidimensional and multidimensional ways. Focusing on "what is common among entrepreneurial enterprises," the one-dimensional view of EO. According to this theory, researchers operationalize EO by combining inventiveness, risk-taking, and

proactiveness into one construct. The multifaceted perspective of EO, in contrast, "focuses on 'how entrepreneurial organisations might be distinct'." Scholars who hold this viewpoint separate the three EO dimensions Huang, S., Huang, Q., & Soetanto, D. (2022). Entrepreneurial orientation (EO) refers to “a process, practice, and decision-making style of organizations that act entrepreneurially” (Lumpkin and Dess,1996). Entrepreneurial orientation (EO) is well-thought of as an important notion for exploiting opportunities that are highly difficult to pursue or follow by the competitors in the business (Ketchen and Short 2012). Many researchers agree that entrepreneurial orientation is “a combination of innovativeness, proactiveness, and risk taking” (Schillo 2011; Kreiser et al. 2002; Lumpkin and Dess 2001). Innovativeness refers to the propensity to pursue creativity and investigation. It imitates ~~on~~ the attractiveness of “Novel concepts and imaginative methodologies that result in the development of fresh products, services, and processes" (Hult et al., 2004; Kreiser et al., 2002; Lumpkin and Dess, 1996). Innovativeness plays a crucial role in entrepreneurial orientation as it enables firms to actively explore and capitalize on new opportunities.” The connection between a person's entrepreneurial mindset and organisational performance can be assessed by various moderators that could influence this connection. The results indicated that the correlation between EO and OP was moderately strong. The study's findings confirm that the three EO dimensions—innovativeness, proactiveness, and risk-taking—have a balanced impact on business performance Vasconcelos, (V. N. D. S. A., Silveira, A., & Bizarrias, F. S. 2016).

Proactiveness is defined as a proactive process that seeks to anticipate and act on future opportunities in terms of products, technologies, and markets, as opposed to merely reacting to events after they unfold (Schillo 2011). It involves introducing new products ahead of competitors and strategically eliminating operations in the declining stages of the business life cycle (Antoncic and Zorn 2004). Proactiveness illustrates how organizations engage with market opportunities by taking the initiative in the marketplace. Proactive organizations aspire to be pioneers, operating in advance and capitalizing on emerging opportunities (Reijonen et al. 2017). The third dimension of entrepreneurial orientation, risk-taking, is an internal factor essential for fostering entrepreneurship within an organization. An entrepreneurial orientation reflects an organization's inclination to engage and its readiness to utilize resources for opportunities with uncertain outcomes (Schillo 2011; Lumpkin and Dess 1996). The ability to take risks enables firms to engage in bold rather than cautious activities. However, it is important to note that entrepreneurship does not involve reckless decision-making but rather a reasonable awareness of risks and the ability to calculate and manage them. Previous research has indicated that, despite government support, the high failure rate of small and medium-sized enterprises (SMEs) is largely attributed to their inability to expand and enhance their offerings. There is an urgent need for further research to determine strategies for increasing the survival rate of SMEs.

2.1. Entrepreneurial Orientation and Social Exchange Theory

In line with social exchange theory, reciprocal and mutually attractive principles govern exchange interactions (Emerson, 1981). Economic actions are intertwined with social connections, striking a balance between self-interested gains and the establishment of enduring partnerships (Granovetter, 1985). These connections serve as valuable resources that can aid exchange partners in the realm of cross-functional cooperation within organizations (Nahapiet and Ghoshal, 1998). For instance, the social capital generated within departments functions as a relational asset fostered through interactions among functional managers, playing a crucial role in enhancing the internal operational effectiveness of the organization (Leana and van Buren, 1999; Tsai and Ghoshal, 1998). The social links between functional departments create an environment that fosters the exchange of fresh ideas and expertise (Nahapiet and Ghoshal, 1998), ultimately improving managers' capacity to capitalize on opportunities (Floyd and Lane, 2000; Mom et al., 2007). Research on the impact of entrepreneurship orientation on firm performance in micro, small, and medium-sized enterprises (MSMEs) reveals a critical gap in understanding the nuanced mechanisms and contextual factors influencing this relationship. The literature predominantly focuses on larger enterprises, overlooking the unique challenges and opportunities faced by MSMEs. Limited empirical evidence exists regarding how specific dimensions of entrepreneurial orientation, such as innovation, risk-taking, and proactiveness, interact with the dynamic nature of MSMEs and subsequently affect performance outcomes. Additionally, few studies have explored the moderating role of external factors, such as institutional environments and industry characteristics, which may significantly shape the outcomes of entrepreneurship orientation in MSMEs. Closing this research gap is essential for fostering a comprehensive understanding of the complex dynamics within the MSME sector and informing targeted strategies for sustainable growth. The present study is intended to test the relationship between entrepreneurial orientation and firm performance in the Indian MSME context especially for consulting organizations, the moderating role of trust among the members in the relationship between entrepreneurial orientation and firm performance, and the interaction effect of the commitment of managers in the relationship between entrepreneurial orientation and firm performance.

3. Materials and Methods

This study has been conducted with a predetermined objective which are mentioned as (1) to study the relationship between entrepreneurial orientation and firm performance in Indian MSME context especially for consulting organizations; (2). to study the relationship between entrepreneurial orientation and firm performance. To evaluate the moderating role of trust among ~~the~~ team members in the relationship between entrepreneurial orientation and firm performance; (3) Also to

study the interaction effect of manager commitment in the relationship between entrepreneurial orientation and firm performance. In connection to the set objectives, this study tests the following hypotheses:

(1) H_1: There is a significant impact of entrepreneurial orientation on the firm performance in Indian IT/ITE companies.

(2) H_2: The relationship between entrepreneurial orientation and firm performance in Indian IT/ITE companies is significantly moderated by Trust

(3) H_3: The relationship between entrepreneurial orientation and firm performance in Indian IT/ITE companies is significantly moderated by organizational commitment.

Figure 1 shows the conceptual model.

4. Date Collection

This research sought to investigate the entrepreneurial orientation within the Indian IT/ITE sector. An intricately designed survey instrument was developed for data collection from managerial personnel. Due to the restricted accessibility to managers in IT/ITE companies, a convenience-based non probabilistic sampling approach was employed. Data collection involved electronically gathering responses from managers, utilizing emails obtained from professional social media platforms such as LinkedIn. A total of 289 emails were extracted, and the survey instrument was administered via Google Forms, a method endorsed by researchers both during and after the pandemic (Aruldoss et al., 2022; Goel et al., 2022).

5. Research Design

5.1. Quantitative Research Design

In this study, the selection of specific measurement scales for each variable aligns with the theoretical framework of social exchange theory and the research objectives aimed at understanding the impact of Entrepreneurship Orientation on firm performance through the mediating mechanisms of trust and commitment within IT and ITE consulting firms in Bangalore, India.

Entrepreneurship Orientation, as a key independent variable, is operationalized using the dimensions of innovation, proactiveness, and risk-taking ability. The selection of the measurement scale proposed by Hughes and Morgan (2007) and Y. H. Li et al. (2009) is justified as these scales have been widely used and validated in prior research across different cultural contexts. Given the multi-dimensional nature of Entrepreneurship Orientation, this scale offers a comprehensive assessment that captures the nuanced aspects of entrepreneurial behavior within the context of IT and ITE consulting firms.

Firm performance, the dependent variable of interest, is measured using the scale developed by Li and Atuahene-Gima (2001). This choice is grounded in the relevance and applicability of the scale to the specific industry context under investigation. Furthermore, the robustness of this scale has been demonstrated in previous studies, enhancing the validity and reliability of the measurement.

Trust among organizational members, serving as a mediator in the hypothesized model, is assessed using the scale proposed by Rempel and Holmes (1986). This scale has been widely utilized in research exploring interpersonal trust within organizational settings and is well-suited for capturing the relational dynamics inherent in social exchange processes.

Organization commitment, another key mediator in the research model, is operationalized using the scale developed by Allen and Meyer (1990). This scale offers a comprehensive assessment of affective, continuance, and normative commitment, allowing for a nuanced understanding of individuals' psychological attachment to the organization.

Overall, the selection of these specific measurement scales is justified based on their theoretical alignment with the social exchange theory, their established validity and reliability in prior research, and their relevance to the context of IT and ITE consulting firms in Bangalore, India. Utilizing standardized measurement instruments enhances the rigor and comparability of the study findings, thereby contributing to the advancement of knowledge in the field of entrepreneurship and organizational behavior.

6. Results and Discussion

A summary of the respondent's demographic information is shown in Table 1. There were more male respondents than female respondents (male F&%= 178 and 79; female F&%= 47and 21) aged between 35 and 40 years since there were more respondents in this age group in the sample (aged between 35 and 40 years= 35%). Close to 25% of the respondents were 40 to 45 years old. The majority of the firms have more than 150 or fewer than 200 employees working in their organization (No. of employees = 82/225(36%)). Approximately 25% of the firms have 50 to 100 employees (N=58/225; %=25.8). The highest sales per annum of the sample firms were between 50 and 100 lakhs (N=76/225; %=33.8) and between 100 and 200 lakhs (N=72/225; %=32).

The means, standard deviations, correlations, reliability, and validity are presented in Tables 2 and 3. Table 3 shows the reliability coefficient Cronbach's alpha values, which are greater than 0.70 and less than 0.95 for all the variables, indicating that the measures have good construct validity and face validity, as recommended by experts

(Hair et al., 2019). Construct validity shows that the underlying notions are indeed tapped into by the indicators. The average variance extracted (AVE) and composite reliability (CR) estimates for each construct were computed to evaluate the convergent validity. All the constructs' CR values—which varied from 70 to 88—were greater than 0.70, and their AVE values—which are higher than the cut-off levels recommended by researchers—were over 0.50. (Fornell & Larcker, 1981; Hair et al., 2019). As recommended by Fornell and Larcker (1981) and Netemeyer et al., we additionally evaluated for discriminant validity by comparing the variance extracted estimates of the measures with the squares of the correlations between the components (1990). Since all of the AVE estimations in this investigation were higher than the recommended limit of 0.50, discriminant validity was established (Fornell & Larcker, 1981, p. 46).

Table 1 Demographic profile.

Sl. No	Demographic Factor		Number of Respondents	Percentage
1	Gender	Male	178	79.1
		Female	47	20.9
2	Age	25-30 Yrs	21	9.3
		30-35 Yrs	38	16.9
		35-40 Yrs	80	35.6
		40-50 yrs.	56	24.9
		Above 50 Yrs	30	13.3
3	No. of employees working	< 50	10	4.4
		50-100	58	25.8
		100-150	43	19.1
		150-200	82	36.4
		> 200	32	14.2
4	Sales	< 25 Lakhs	8	3.6
		25-50 Lakhs	58	25.8
		50-100 Lakhs	76	33.8
		100-200 Lakhs	72	32.0
		> 200 Lakhs	11	4.9

Source: Author's Computation

Table 2 Mean, standard deviation, and correlation.

			Correlation					
	Mean	S. D	Innovation	Proactiveness	Risk-Taking	Trust	Organisational Commitment	Firm Performance
Innovation	3.98	0.12	1					
Proactiveness	4.21	0.76	0.32***	1				
Risk-Taking	4.03	1.02	0.41***	0.28***	1			
Trust	3.99	0.96	0.27***	0.38***	0.36***	1		
Organisational Commitment	4.54	0.43	0.48***	0.27***	0.42***	0.48***	1	
Firm Performance	3.83	1.05	0.29***	0.31***	0.42***	0.27***	0.31***	1

*** Correlation is significant at the 1% level.

As presented in Table 4, the primary constructs (innovativeness, proactiveness, and risk-taking behavior) were incorporated into the equation to evaluate the hypotheses (step-1). Next, organizational commitment and trust were added to all three of these constructs (step-2). While moderate variables (R2 = 0.750; adjusted R2 = 0.51; F = 2.410, R2 = 0.18, F =.886) are positively correlated with firm performance, the value of the coefficient of the attitude model was significant and illuminated a 75 percent adjustment in the exogenous variable. H1 and H2, but not H3, are strongly and favorably related to company performance. According to the results, the statistical significance for innovativeness and proactiveness was found at the 0.05 level. This underscores their pivotal role in driving organizational performance. However, it's noteworthy to examine the implications of the nonsignificant relationship observed with risk-taking behavior. While unexpected, this finding prompts a deeper exploration into the nuanced interplay between risk-taking propensity and firm performance. It invites consideration of contextual factors or potential nonlinear relationships that might influence the impact of risk-taking behavior on organizational outcomes.

In practical terms, these findings underscore the importance of fostering a culture of innovation and proactivity within organizations. By encouraging employees to explore new ideas and opportunities while proactively addressing challenges, organizations can enhance their adaptability and competitive edge. Moreover, the inclusion of organizational commitment and trust underscores the significance of fostering a supportive and trusting work environment, which can bolster employee engagement and contribute to overall organizational success.

Table 3 Exploratory Factor Analysis and Construct Validity and Reliability.

Constructs			Factor Loadings	Alpha	CR	AVE
Entrepreneurial Orientation	Innovation	I1	0.724	0.842	0.876	0.68
		I2	0.783			
		I3	0.812			
		I4	0.865			
		I5	0.842			
	Proactiveness	P1	0.789	0.852	0.912	0.79
		P2	0.867			
		P3	0.854			
		P4	0.888			
	Risk Taking	RT1	0.745	0.798	0.878	0.66
		RT2	0.721			
		RT3	0.756			
		RT4	0.876			
		RT5	0.735			
Trust		T1	0.822	0.801	0.825	0.62
		T2	0.832			
		T3	0.743			
Organisational Commitment		OC1	0.742	0.821	0.878	0.66
		OC2	0.773			
		OC3	0.812			
Firm Performance		PF1	0.814	0.768	0.902	0.77
		PF2	0.812			
		PF3	0.876			

* CR: Construct reliability. AVE: average variance extracted.

In summary, the results presented in Table 4 offer valuable insights into the interplay between key organizational constructs and firm performance. They not only affirm the importance of innovativeness and proactiveness but also highlight the nuanced nature of these relationships within the context of organizational behavior.

Table 4 Hierarchical Regression Analysis.

Variables	Column 1	Column 2
Dependent Variable---→	Firm Performance	Firm Performance
Main variables	STEP 1	STEP 2
Innovativeness	0.117*	0.11*
H1	(1.986; 0.04)	(1.90; 0.048)
Proactiveness	0.213***	0.239***
H2	(3.621; 0.000)	(3.80; 0.000)
Risk Taking Ability	0.004	0.004
H3	(0.076; 0.939)	(0.066; 0.947)
Moderators		
Innovativeness x Trust H1a		-0.78
		(-1.36; 0.17)
Proactiveness x Trust H2a		0.42*
		(-2.19; 0.04)
Risk taking ability x Trust H3a		0.02
		(0.89; 0.621)
Innovativeness x Organisation Commitment H1b		0.062
		(0.045; 0.89)
Proactiveness x Organisation Commitment H2b		0.43***
		(-3.40; 0.000)
Risk taking ability x Organisation Commitment H3b		0.08
		(0.323; 0.747)
R^2	0.57	0.75
ADJ R^2	0.46	0.51
ΔR2		0.18
F	5.472***	2.410***
ΔF		.886*
df	276	267

The study revealed that (1) the ability to be innovative, which measures entrepreneurial orientation impacts firm performance and (2) being proactive in the business orientation which positively impacts firm performance (H1&H2) are found significant while the relationship between risk-taking attitudes and firm performance relationship is not significant hence H3 is rejected. This result is in support of a previous research report that showed that only the innovativeness and proactiveness variables were statistically significant, while the rest of the variables were not and moreover risk-taking propensity did not influence on both financial business performance or nonfinancial performance (Yun Hee Cho and Joo-Heon Le, 2018). Furthermore, the hierarchical regression analysis shows that proactiveness and firm performance are moderated by employees' level of trust in their functional manager and that proactiveness and firm performance are also moderated by employee's level of organizational commitment. Our findings support the importance of trust in the successful exploitation of business prospects.

Functional managers can allocate more time to in-depth knowledge exchange and exhibit heightened motivation to share tacit knowledge when there exists a high level of trust in each other's honesty and truthfulness (Yli-Renko et al., 2001; Zaheer et al., 1998). This dynamic of trust contributes to the effective implementation of entrepreneurial orientation (EO). Conversely, at lower trust levels, the relationship between EO and performance may deteriorate due to a reluctance to share power, especially in situations involving expertise (Kim and Mauborgne, 1998). This reluctance can be detrimental to the organization's pursuit of entrepreneurial prospects, hindering knowledge exchange and making EO more uncertain and costly (Floyd and Lane, 2000).

The moderating impact of organizational commitment on the relationship between EO and performance follows a similar pattern (Fig. 2, Panel C). A high level of organizational identification signifies functional managers' willingness to engage in frequent communication and knowledge sharing with colleagues (De Clercq and Sapienza, 2006; Kim, 1998). While such interactions are crucial for the successful implementation of a company's objectives, a lack of organizational commitment may lead functional managers to give up more easily in the face of uncertainty or the expenses associated with entrepreneurial ventures.

The study results and findings have significant implications both theoretically and managerially. One notable example is the proposition by Miller and Le-Breton Miller (2011), who suggest using the percentage of profit reinvested as a metric for assessing proactiveness. This metric offers insights into how the top management style, particularly in terms of entrepreneurial decision-making and outcomes, can be evaluated. This approach is particularly intriguing because it provides a means to: (a) extend research on entrepreneurial orientation into situations where primary data collection is challenging; and (b) offer a method to cross-validate assessments of entrepreneurial top management style derived from primary data, thus mitigating issues related to common method bias.

Entrepreneurship plays a pivotal role in economic growth, influencing employment, fostering innovation, creating new markets and products, and contributing to overall economic prosperity. Different levels of analysis in entrepreneurial orientation can complement each other, with manifestations of entrepreneurial top management styles reinforcing cultural norms that support entrepreneurship. Demonstrating entrepreneurial initiatives, especially when yielding positive results, can help a firm identify itself as entrepreneurial. The integration of innovation and entrepreneurship is crucial for firm performance in terms of product quality and pricing, ensuring economic growth for both the firm and its stakeholders. Entrepreneurs, often requiring creativity and inventiveness, play a key role in bringing new ideas into reality. Sustaining innovation with a proactive strategy is valuable, as this talent is not innate and contributes significantly to a firm's success.

The following limitations of the study should be acknowledged. While the study primarily focuses on market and entrepreneurial orientations, it's essential to acknowledge that other strategic orientations, such as autonomy and competitive aggressiveness, exist within organizational frameworks. These alternative orientations can significantly influence organizational behavior and outcomes. By not including them in the study, there's a possibility of overlooking valuable insights into how different strategic orientations interact and impact firm performance. Future research could explore these alternative orientations to provide a more comprehensive understanding of strategic management dynamics.

Second, the study does not consider various constructs that could potentially influence market and entrepreneurial orientation and their outcomes. Constructs such as organizational capacities, innovation capabilities, and social context play vital roles in shaping organizational behavior and performance. Ignoring these factors may limit the depth of understanding regarding the determinants and consequences of market and entrepreneurial orientations. Future research endeavors should aim to incorporate these constructs to capture a more holistic view of the organizational landscape and its impact on strategic orientations and outcomes.

Finally, this study confines its analysis to a specific industry sector, which may restrict the generalizability of the findings. While industry-specific research offers valuable insights tailored to particular contexts, it may overlook the diversity of economic contributions from other sectors. In this case, the study neglects sectors such as the service industry, which could also play a significant role in economic development. By limiting the scope to a single industry sector, there's a risk of missing out on broader patterns and dynamics that could have implications beyond the studied sector. Future research should aim for cross-sectoral analyses to capture a more comprehensive understanding of the relationships between strategic orientations and economic development across various industries.

By addressing these limitations in future research endeavors, scholars can advance the understanding of strategic management dynamics and their implications for organizational performance and economic development.

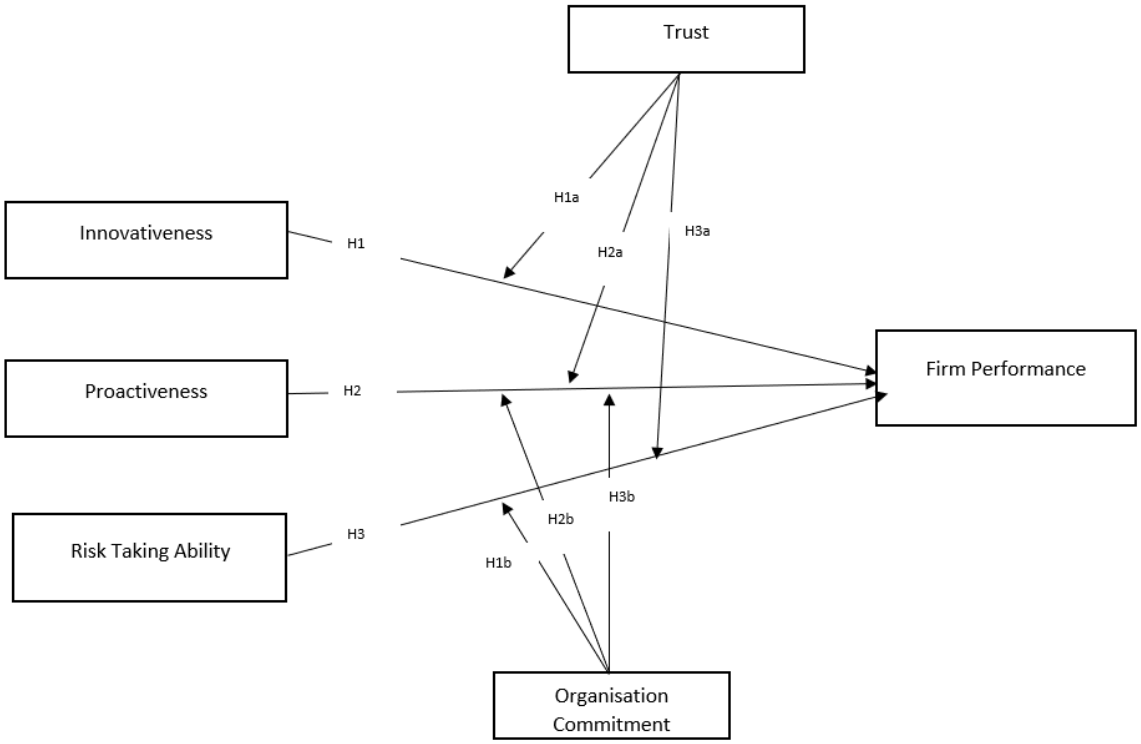

Figure 1 Conceptual model.

4. Conclusions

The findings underscore the pivotal role of entrepreneurial orientation in shaping organizational success, emphasizing the need for a proactive and innovative mindset. Furthermore, the moderating effects of trust and organizational commitment elucidate the nuanced interplay between these variables. As organizations navigate the ever-evolving landscape of the Indian IT/ITE sector, fostering a culture of trust and commitment becomes imperative. This research offers valuable insights for practitioners and policymakers, highlighting the significance of aligning entrepreneurial endeavors with robust interpersonal relationships to optimize firm performance in this dynamic industry.

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Ethical considerations

I confirm that I have obtained all consent required by the applicable law to publish any personal details or images of patients, research subjects, or other individuals used. I agree to provide *Multidisciplinary Science Journal* with copies of the consent or evidence that such consent has been obtained if requested.

Conflict of Interest

The authors declare no conflicts of interest.

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