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Exploring the Relationship between Corporate Entrepreneurship and Firm Performance in Ghana Club 100 Elite Companies: The Mediating Effect of Entrepreneurial Orientation

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Abstract

This study examines the role of corporate entrepreneurship (CE) in transforming small businesses into corporate giants, particularly within the Ghana Club 100, contributing to national development by addressing challenges like unemployment and efficiency. Focusing on elite firms in Ghana, the research explores how CE—comprising innovation, risk-taking, and proactiveness—drives firm performance, sustainability, and competitiveness. Using primary data collected from 199 surveys targeting CEOs and managers, the study finds that CE significantly impacts firm performance (FP) both directly and indirectly through entrepreneurial orientation (EO). The measurement model demonstrates strong reliability and validity, with high factor loadings and robust goodness-of-fit indices. Path analyses show that CE influences FP directly ($\beta = 0.28$) and indirectly via EO ($\beta = 0.31$), with a total effect of 0.59. The study recommends prioritizing CE practices, fostering innovation, risk-taking, autonomy, and proactiveness to enhance organizational performance and responsiveness to market dynamics, thereby improving financial outcomes and customer satisfaction.

Keywords

Corporate Entrepreneurship, Firm Performance, Ghana Club 100, Innovation and Strategic Renewal, Economic Growth and Stability

1. Introduction

Transforming small businesses into corporate giants is a vital strategy for national development, tackling challenges related to stability, benefit, efficiency, and un-

employment. Firms that embrace entrepreneurial activities within their organisation tend to experience greater profitability compared to those that do not (Kahkha, Kahrazeh, & Armesh, 2014). However, the modern business landscape is marked by two predominant features: complexity and uncertainty. Complexity results from intricate market dynamics, technological advancements, and evolving consumer needs, while uncertainty arises from unpredictable changes in regulations, economic conditions, and competitive pressures. Furthermore, Corporate entrepreneurship (CE) plays a crucial role in the growth and sustainability of firms, particularly in emerging economies like Ghana. The relationship between corporate entrepreneurship and firm performance has been widely explored, with CE often associated with innovation, strategic renewal, and improved operational efficiency.

In the context of Ghana, the Ghana Club 100, which comprises the top-performing companies in the country, serves as an ideal platform for investigating this dynamic. CE activities, including risk-taking, innovation, and proactiveness, are instrumental in fostering an entrepreneurial culture within organizations. The proactive approach enhances the ability of businesses to adapt to market changes, drive innovation, and achieve long-term success, thereby contributing significantly to economic growth and stability. These activities enhance the competitive edge of firms, particularly when these firms are part of a rapidly growing economy like Ghana's, where innovation is key to navigating market challenges (Adomako, 2024).

Empirically, most studies on entrepreneurship in Ghana are dominant by the small and medium sized firms, since these enterprises account for more than 97.3% of the total firm established in Ghana (Wu, Yan, & Umair, 2023). Thus, neglecting the importance of entrepreneurial activities among the large businesses operating in Ghana. Despite this, corporate entrepreneurship (CE) has generated considerable research attention because of its importance to corporate vitality and economic wealth generation.

While extensive literature examines the impact of Corporate Entrepreneurship (CE) on firm performance, there is a notable gap in empirical research specifically addressing large firms within the Ghana Club 100. This study aims to fill this gap by exploring how CE influences the performance of elite companies in this prestigious group. This article is structured as follows: the initial section provides an overview of key literature that forms the foundation for the theoretical framework and hypotheses. This is followed by a discussion of the methodology employed in the study. The subsequent section presents the findings from the empirical analysis. Finally, the paper concludes with a discussion and summary of the results.

2. Literature Review

2.1. Theoretical Literature Review

The relationship between corporate entrepreneurship (CE) and firm performance is a key area of research in strategic management. Several theories have been proposed to explain how and why corporate entrepreneurship influences firm perfor-

mance, with a particular emphasis on the mediating role of entrepreneurial orientation (EO). The Resource-Based View (RBV) theory, in particular, provides a robust framework for understanding these relationships by focusing on the role of resources and capabilities in generating competitive advantage. This section will explore various theories that link corporate entrepreneurship, entrepreneurial orientation, and firm performance, emphasizing how these constructs interact within the RBV framework.

2.1.1. Resource-Based View (RBV) and Corporate Entrepreneurship

The Resource-Based View (RBV) posits that a firm's unique resources and capabilities serve as the primary drivers of sustained competitive advantage and superior performance (Barney, 1991). According to RBV, resources can be classified as either tangible—such as physical assets like capital, equipment, and infrastructure—or intangible, which include elements such as knowledge, organizational culture, brand reputation, and intellectual property. For resources to provide long-term competitive advantage, they must meet the criteria of being valuable, rare, inimitable, and non-substitutable, collectively referred to as the VRIN framework. Resources that fulfill these characteristics allow firms to achieve superior performance by creating value that competitors cannot easily replicate.

In the context of corporate entrepreneurship, the RBV framework provides a compelling explanation for how entrepreneurial activities contribute to enhanced performance. Corporate entrepreneurship encompasses a range of activities, such as innovation, strategic renewal, and venturing into new markets or industries. Through these activities, firms can develop or acquire new resources and capabilities that are aligned with the VRIN criteria. For example, engaging in innovation allows firms to create proprietary technologies, improve product offerings, and refine processes, thereby enhancing their competitive positioning. Similarly, strategic renewal enables organizations to adapt their resource base to align with evolving market demands, ensuring relevance and sustainability.

RBV suggests that corporate entrepreneurship is directly linked to firm performance through its capacity to generate resources and capabilities that are both unique and strategically advantageous. By fostering an entrepreneurial culture, organizations can reconfigure their existing resources or develop entirely new ones that respond to dynamic environmental changes. These newly developed resources, such as cutting-edge technologies, organizational expertise, or innovative business models, can enable firms to differentiate themselves from competitors. For instance, a firm investing in advanced technological capabilities through corporate entrepreneurship can create a resource—technological expertise—that offers a strong competitive edge by enhancing product quality or reducing production costs.

Moreover, RBV underscores the importance of effectively leveraging these resources to achieve superior financial outcomes and improved market positioning. Entrepreneurial initiatives not only facilitate resource creation but also enable firms to unlock new opportunities, enter untapped markets, and solidify customer

loyalty. Consequently, the unique resources and capabilities developed through corporate entrepreneurship become a cornerstone of competitive advantage, driving long-term success and sustainability in an increasingly competitive global environment.

2.1.2. Entrepreneurial Orientation as a Mediator

Entrepreneurial orientation (EO) refers to the strategic posture of a firm that emphasizes proactiveness, risk-taking, and innovativeness (Lumpkin & Dess, 1996). EO represents the behavioral tendencies and organizational mindset that guide how firms engage in entrepreneurial activities. It is considered a fundamental driver of corporate entrepreneurship (CE), which encompasses broader entrepreneurial behaviors within an organization, including innovation, venturing, and strategic renewal. While CE involves activities aimed at creating and exploiting opportunities for growth, EO is the underlying culture or attitude that shapes how these activities are carried out and how the firm responds to opportunities and challenges.

Incorporating EO into the relationship between corporate entrepreneurship and firm performance offers valuable insight into how entrepreneurial behaviors translate into performance outcomes. As organizations engage in corporate entrepreneurship, they pursue activities that aim to renew their strategies, create new products, or enter new markets, which ideally should lead to improved performance. However, it is the organizational culture represented by EO that determines the effectiveness of these entrepreneurial activities. According to Lumpkin and Dess (2001), EO mediates the relationship between corporate entrepreneurship and firm performance by influencing how the firm approaches and executes entrepreneurial initiatives. In other words, while CE might generate new resources or capabilities (such as innovations or new business models), it is the EO of the organization that shapes the way those resources are utilized to achieve competitive advantage and superior firm performance.

Firms with a high EO are more likely to engage in behaviors such as risk-taking, innovativeness, and proactivity, all of which contribute to the development of valuable resources and the optimal deployment of those resources. Innovativeness, for instance, encourages firms to pursue new product development or embrace technological advancements, while proactiveness drives firms to seize market opportunities before their competitors. Risk-taking, a third dimension of EO, allows firms to invest in unproven or uncertain opportunities that have the potential for high returns, thus fostering growth. Each of these behaviors enhances the firm's ability to create and capitalize on resources, which is a critical driver of performance improvement.

From the perspective of the Resource-Based View (RBV), EO acts as a mediator by facilitating the effective use of newly acquired or developed resources. The RBV posits that a firm's resources—whether tangible or intangible—are the key drivers of its competitive advantage and performance. In the case of corporate entrepreneurship, firms may generate new resources or capabilities through their entre-

preneurial activities, such as by creating innovative products, expanding into new markets, or developing proprietary technologies. However, for these resources to have a meaningful impact on performance, the firm must deploy them effectively. This is where EO plays a crucial role. A firm with a strong EO is more likely to exploit these newly developed resources in ways that lead to competitive advantage. For example, a company that has developed new technology through corporate entrepreneurship will benefit more from that technology if it is proactive in bringing it to market and willing to take risks in adopting the new technology across its operations.

The dimensions of EO—innovativeness, risk-taking, and proactiveness—serve as behaviors that determine whether the firm successfully leverages its entrepreneurial activities to achieve superior firm performance (Covin & Slevin, 1989). These behaviors enable the firm to not only create resources but also apply them in ways that provide a sustained competitive edge. Innovativeness leads to the generation of new, valuable resources; proactiveness ensures the firm seizes the right opportunities at the right time; and risk-taking encourages the firm to invest in ventures that offer significant potential returns.

Thus, EO mediates the relationship between corporate entrepreneurship and firm performance by ensuring that the entrepreneurial activities result in valuable, competitive resources that are deployed effectively. Corporate entrepreneurship generates resources, but EO determines how successfully those resources are utilized. Without a strong EO, the resources created through corporate entrepreneurship may go underutilized or may not be fully leveraged to create competitive advantage. In this sense, EO acts as the key link between corporate entrepreneurship and firm performance, enabling organizations to maximize the potential of their entrepreneurial initiatives.

2.2. Empirical Literature Review

Ziyae and Sadeghi (2020) examined the mediating effect of strategic entrepreneurship on the relationship between corporate entrepreneurship and firm performance through the resource-based view. A survey of 103 financial technology companies in Iran, using structural equation modelling, found that both corporate and strategic entrepreneurship positively impact firm performance, with strategic entrepreneurship mediating this relationship. Ahmadpour Daryani and Karimi (2017) investigated the relationship between corporate entrepreneurship (CE) and firm performance in Agricultural SMEs (ASMEs) in Iran, focusing on knowledge creation and learning orientation as mediators. Data from a 2015 questionnaire survey of ASME owners and managers were analysed using structural equation modelling (AMOS20). Results indicate that CE significantly impacts learning orientation, knowledge creation, and firm performance, with the mediators playing a crucial role in these relationships.

Rezaei and Ortt (2018) studies explore how entrepreneurial orientation (EO) dimensions—innovativeness, proactiveness, and risk-taking impact firm perfor-

mance through R&D, production, and marketing/sales functions. Using data from 279 high-tech SMEs analyzed via structural equation modeling, the results reveal distinct relationships: innovativeness boosts R&D performance, proactiveness enhances marketing/sales, while risk-taking negatively affects production. A sequential positive relationship is identified from R&D to production, marketing/sales, and overall firm performance, highlighting the complementary roles of these functions. The findings provide managers with insights to optimize functional performance and enhance overall outcomes. Also, Kantur (2016) studied firm-level entrepreneurship and organizational performance in an emerging economy, focusing on the mediating role of strategic entrepreneurship between entrepreneurial orientation and performance. Analysing data from 324 respondents across 118 companies, the study found that strategic entrepreneurship fully mediates this relationship, impacting both financial and non-financial performance.

Lim and Kim (2020) investigate the effect of EO on firm performance by considering the roles of dynamic capabilities (DC) and corporate entrepreneurship (CE). The authors propose that DC and CE mediate the relationship between EO and firm performance, and their empirical results support these propositions. Zehir, Gurol, Karaboga, and Kole (2016) examined the mediating role of entrepreneurial orientation (EO) in the relationship between strategic human resource management (SHRM) and firm performance. While prior research has extensively explored SHRM's impact on performance, recent studies highlight the role of third variables, such as EO, which involves innovativeness, proactiveness, and risk-taking. Data collected from firms in Istanbul using questionnaires were analyzed with SPSS and AMOS software. Results show that EO significantly mediates the SHRM-performance relationship, enhancing both financial and employee performance. These findings emphasize the importance of integrating EO into SHRM strategies to maximize organizational outcomes and competitive advantage.

Rehman et al. (2020) investigate the role of dynamic capabilities in the success of small and medium-sized enterprises (SMEs). It explores how absorptive capacity and corporate entrepreneurship mediate the relationship between IT capabilities and firm performance. Data from 417 respondents in the manufacturing sector of Punjab, Pakistan, were analyzed using structural equation modeling with Smart-PLS software. The findings reveal that absorptive capacity and corporate entrepreneurship partially mediate this relationship. Furthermore, the sequential path involving IT technical skills, absorptive capacity, corporate entrepreneurship, and firm performance was found to be more significant than other paths in influencing firm performance. Ahmed et al. (2020) examined the impact of corporate entrepreneurship (CE) on business performance, with employee engagement as a mediator. Data from 201 middle managers at the Big 5 banks in Pakistan was analyzed using structural equation modeling. The results showed a significant positive relationship between CE and business performance, with employee engagement mediating this link. The study highlights the role of employee engagement in CE and business performance and offers insights into future research in

this area.

3. Research Methodology

The study adopted a quantitative research approach, utilizing primary data to investigate the research problem. A survey research design was employed, with data collected through a structured questionnaire administered as part of a cross-sectional field survey. The research focused on the Ghana Club 100, targeting chief executive officers (CEOs) and managers of companies within this elite group.

3.1. Sampling and Measurement

The survey questionnaires were distributed to 215 firms that had been listed on the Ghana Club 100 since its inception. Out of these, 199 entrepreneurs completed the hard copy questionnaires, yielding a response rate of 90.5%, which was deemed satisfactory for the intended analysis. A sampling frame was developed by compiling a list of companies that had been part of the Ghana Club 100 between 2005 and 2023. Companies were filtered to include only those that had appeared on the list at least three times between 2013 and 2023.

3.2. Measures and Definitions of Variables

3.2.1. Corporate Entrepreneurship (CE)

Corporate Entrepreneurship (CE) refers to organizational-level initiatives fostering innovative practices, risk-taking, and proactive strategies to achieve competitive advantages and long-term growth. Innovation (CE1) encompasses introducing new products, services, or processes to enhance operational efficiency and market relevance (Zahra, 1996). Risk-taking (CE2) involves committing significant organizational resources to uncertain ventures, reflecting a firm's willingness to pursue high-reward opportunities despite potential failure (Lumpkin & Dess, 1996). Proactiveness (CE3) denotes the firm's forward-looking perspective, characterized by seeking opportunities and anticipating market trends ahead of competitors (Miller, 1983). Together, these dimensions underscore CE's role in driving organizational renewal and adaptive capacity in dynamic environments.

3.2.2. Entrepreneurial Orientation (EO)

Entrepreneurial Orientation (EO) is a strategic posture that captures a firm's inclination to innovate, take calculated risks, and challenge market norms for competitive advantage. Autonomy (EO1) reflects the degree to which individuals or teams independently undertake entrepreneurial initiatives without bureaucratic constraints (Lumpkin & Dess, 1996). Innovativeness (EO2) refers to the firm's propensity to engage in creative and novel solutions that foster differentiation in the marketplace (Schumpeter, 1934). Competitive Aggressiveness (EO3) represents the firm's intensity in outperforming rivals, characterized by bold actions to secure market share (Covin & Slevin, 1989). These dimensions collectively explain EO's impact on strategic decision-making and firm performance.

3.2.3. Firm Performance (FP)

Firm Performance (FP) measures organizational success through financial, market, and customer-focused outcomes. Financial Performance (FP1) emphasizes profitability metrics such as revenue growth, return on investment (ROI), and earnings before interest and taxes (EBIT), which gauge economic efficiency (Venkatraman & Ramanujam, 1986). Market Growth (FP2) evaluates a firm's ability to expand its market share and customer base, serving as a proxy for competitive positioning. Customer Satisfaction (FP3) assesses the extent to which products or services meet customer expectations, directly influencing loyalty and retention rates (Anderson et al., 1994). These dimensions provide a holistic view of FP as a multidimensional construct critical for strategic assessments.

4. Results and Discussion

4.1. Descriptive Statistics

Table 1 presents the descriptive statistics for indicators of Corporate Entrepreneurship (CE), Entrepreneurial Orientation (EO), and Firm Performance (FP). The mean scores for the CE indicators, Innovation (CE1), Risk-taking (CE2), and Proactiveness (CE3), are 4.15, 3.95, and 4.2, respectively, with standard deviations ranging from 0.58 to 0.65, indicating relatively low variability. These indicators show moderate skewness (ranging from −0.5 to −0.2) and positive kurtosis (ranging from 0.5 to 0.8), indicating a slight left skew and relatively normal distribution with a slight peak.

Table 1. Descriptive statistics for indicators of CE, EO, and performance.

Variable	Indicator	Mean	SD	Skewness	Kurtosis
Corporate Entrepreneurship (CE)	Innovation (CE1)	4.15	0.58	−0.5	0.8
	Risk-taking (CE2)	3.95	0.65	−0.2	0.5
	Proactiveness (CE3)	4.2	0.62	−0.3	0.7
Entrepreneurial Orientation (EO)	Autonomy (EO1)	3.85	0.68	−0.15	0.6
	Innovativeness (EO2)	4.05	0.63	−0.35	0.9
	Competitive Aggressiveness (EO3)	3.95	0.67	−0.25	0.75
Firm Performance (FP)	Financial (FP1)	4.1	0.6	−0.4	0.8
	Market Growth (FP2)	4	0.65	−0.35	0.75
	Customer Satisfaction (FP3)	4.25	0.58	−0.45	0.85

Source: Author computation.

For EO, the mean scores for Autonomy (EO1), Innovativeness (EO2), and Competitive Aggressiveness (EO3) are 3.85, 4.05, and 3.95, with standard deviations between 0.63 and 0.68. These indicators also show mild negative skewness (−0.15 to −0.35) and positive kurtosis (0.6 to 0.9), and are somewhat symmetric

distribution with slight peaks. Regarding Firm Performance, the mean scores for Financial (FP1), Market Growth (FP2), and Customer Satisfaction (FP3) are 4.1, 4.0, and 4.25, respectively, with standard deviations ranging from 0.58 to 0.65. These indicators exhibit negative skewness (−0.4 to −0.45) and positive kurtosis (0.75 to 0.85), indicating a slightly left-skewed distribution with moderate peaks.

4.2. Measurement Model: Factor Loadings, Reliability, and Validity

Table 2 presents the measurement model for Corporate Entrepreneurship (CE), Entrepreneurial Orientation (EO), and Firm Performance (FP), showing factor loadings, reliability, and validity statistics. The factor loadings for the indicators range from 0.78 to 0.85, indicating strong relationships between the indicators and their respective constructs. Cronbach's Alpha values for all constructs are above 0.80, signaling good internal consistency, with CE (0.86), EO (0.85), and FP (0.88) demonstrating reliable measures.

Table 2. Measurement model: factor loadings, reliability, and validity.

Construct	Indicator	Loading	Cronbach's Alpha	Composite Reliability	AVE
Corporate Entrepreneurship	CE1	0.83	0.86	0.88	0.66
	CE2	0.81			
	CE3	0.85			
Entrepreneurial Orientation	EO1	0.78	0.85	0.87	0.65
	EO2	0.82			
	EO3	0.81			
Firm Performance	FP1	0.84	0.88	0.9	0.68
	FP2	0.85			
	FP3	0.79			

Source: Author computation.

Composite Reliability (CR) values are also high, ranging from 0.87 to 0.90, confirming the constructs' reliability. The Average Variance Extracted (AVE) for each construct is above the recommended threshold of 0.50, with values of 0.66 for CE, 0.65 for EO, and 0.68 for FP, suggesting good convergent validity. Overall, the results indicate that the measurement model is reliable and valid for assessing the constructs of CE, EO, and FP.

4.3. Goodness-of-Fit Indices for the SEM Model

The goodness-of-fit indices for the SEM model (Table 3) indicate a strong fit between the model and the data. The Chi-Square value of 0.12, which is well below the threshold of 0.05, suggests that the model's overall fit is excellent. The Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI) values are 0.93 and 0.91,

respectively, both exceeding the recommended threshold of 0.90, further supporting the model's good fit. The Root Mean Square Error of Approximation (RMSEA) is 0.07, which is below the threshold of 0.08, indicating a reasonable approximation of the model to the observed data.

Table 3. Goodness-of-fit indices for the SEM model.

Fit Index	Threshold	Model Value
Chi-Square (χ^2)	$p > 0.05$	0.12
Comparative Fit Index (CFI)	>0.90	0.93
Tucker-Lewis Index (TLI)	>0.90	0.91
Root Mean Square Error of Approximation (RMSEA)	<0.08	0.07
Standardized Root Mean Square Residual (SRMR)	<0.08	0.05

Source: Author computation.

Lastly, the Standardized Root Mean Square Residual (SRMR) value of 0.05, also below the recommended cutoff of 0.08, suggests that the model's residuals are small and the model fits the data well.

4.4. Structural Model: Path Coefficients (Direct Effects)

The results from the structural model path coefficients provide valuable insights into the relationships between corporate entrepreneurship (CE), entrepreneurial orientation (EO), and firm performance (FP). The path coefficient between CE and FP is 0.28, with a t-value of 3.11 and a *p*-value of 0.002, indicating a significant positive relationship between CE and FP (Table 4). The path from CE to EO has a strong coefficient of 0.65, with a t-value of 8.12 and a *p*-value less than 0.001, confirming that CE significantly influences entrepreneurial orientation.

Table 4. Structural model: Path coefficients (Direct effects).

Path	Coefficient	SE	t-value	*p*-value
CE → FP	0.28	0.09	3.11	0.002
CE → EO	0.65	0.08	8.12	<0.001
EO → FP	0.47	0.1	4.7	<0.001

Source: Author computation.

Finally, the path from EO to FP shows a coefficient of 0.47, a t-value of 4.7, and a *p*-value less than 0.001, highlighting that entrepreneurial orientation positively impacts firm performance.

4.5. Structural Model: Path Coefficients (Mediation Effects)

The mediation analysis results (Table 5) reveal important insights into the relationship between corporate entrepreneurship (CE), entrepreneurial orientation

(EO), and firm performance (FP). The indirect effect, through the mediation of EO, shows a coefficient of 0.31, with a t-value of 4.43 and a *p*-value less than 0.001, suggesting that entrepreneurial orientation significantly mediates the relationship between CE and FP.

Table 5. Mediation analysis.

Effect	Coefficient	SE	t-value	*p*-value
CE → FP (Direct)	0.28	0.09	3.11	0.002
CE → EO → FP (Indirect)	0.31	0.07	4.43	<0.001
Total Effect (Direct + Indirect)	0.59	0.08	7.38	<0.001

Source: Author computation.

The total effect, which combines both the direct and indirect effects, is 0.59, with a t-value of 7.38 and a *p*-value less than 0.001, highlighting the substantial overall impact of CE on FP, both directly and indirectly through EO.

4.6. Variance Explained (R^2 Values)

The R^2 values presented in Table 6 indicate the proportion of variance explained by the independent variables for each dependent variable. For Entrepreneurial Orientation (EO), an R^2 value of 0.42 means that 42% of the variance in EO is explained by corporate entrepreneurship (CE), suggesting a moderate influence of CE on fostering entrepreneurial orientation within organizations.

Table 6. Variance explained (R^2 Values).

Dependent Variable	R^2	Interpretation
Entrepreneurial Orientation	0.42	42% of variance explained by CE
Firm Performance	0.57	57% of variance explained by CE and EO

Source: Author computation.

For Firm Performance (FP), the R^2 value of 0.57 indicates that 57% of the variance in firm performance is explained by both CE and EO combined suggesting that both corporate entrepreneurship and entrepreneurial orientation have a substantial impact on driving firm performance, with CE playing a critical role in shaping EO, which in turn influences FP.

5. Conclusion and Recommendation

This study provides clear evidence of the significant role of corporate entrepreneurship (CE) in driving firm performance (FP) and strengthening entrepreneurial orientation (EO). The analysis reveals a strong, positive relationship between CE and FP, with a direct effect of 0.28, demonstrating that firms that actively foster CE achieve better financial and operational results. Additionally, CE strongly in-

fluences EO (path coefficient of 0.65), indicating that organizations with a greater entrepreneurial focus cultivate a stronger entrepreneurial mindset. The mediating effect of EO (indirect effect of 0.31) further highlights that EO serves as a critical mechanism through which CE enhances FP. The total effect of 0.59 reinforces the combined influence of CE and EO on performance, emphasizing the importance of integrating entrepreneurial strategies into business operations. To translate these findings into action, organizations should institutionalize structured innovation programs, establish internal venture funds, and encourage cross-functional collaboration to develop new products and services. A controlled-risk framework should be implemented to support experimentation while minimizing downside risks, including initiatives such as fail-fast programs and pilot project funding. Additionally, firms should enhance proactiveness by deploying competitive intelligence systems, actively identifying market gaps, and incentivizing employees to pursue emerging opportunities. Decision-making autonomy must be expanded by decentralizing authority, equipping mid-level managers with leadership training, and tying performance-based rewards to innovative contributions. To ensure alignment with overall firm performance, CE initiatives should be integrated into key performance indicators (KPIs), continuously measured for effectiveness, and refined based on data-driven insights. By embedding these targeted strategies into their operations, organizations can systematically enhance their CE capabilities, drive sustainable growth, and achieve superior financial and operational performance.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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