Conceptualizing Small Agro Firm’s Entrepreneurial Orientation in Developing Economies: Overcoming the one size fits all approach

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Abstract
Entrepreneurship is acknowledged as a solution to a range of poverty issues at the base of the pyramid (BoP) in developing countries. However, entrepreneurs face a double challenge making their entrepreneurial endeavors extremely difficult. They operate with negligible or scarce resources in an uncertain institutional environment. While, external interventions from governments and NGOs work to relief the resource scarcity and institutional constrains in economic structures, entrepreneurs try to develop some internal capabilities to tackle the challenges they are facing. Research increasingly shows interest in the methods and strategies that entrepreneurs use in this particular business context to cope with these challenges and achieve their goals. Learning from the concept of entrepreneurial orientation, the present study aims to analyze the dimensions of entrepreneurial behavior and conceptualize entrepreneurial orientation of small firms operating in poverty settings in developing countries. Hence, in-depth interviews (N=17) were conducted to investigate entrepreneurial behavior that is perceived to be relevant by agricultural entrepreneurs – i.e., agropreneurs – in Benin. The results indicate that there are five behavioral patterns of entrepreneurial orientation. When comparing these dimensions with literature, the study confirms that innovativeness and proactiveness are applicable to entrepreneurship at the BoP. It also extends the entrepreneurial orientation theory in that it identifies two new specific dimensions of the construct for this context: resource acquisition capability and collaborative orientation instead of competitive aggressiveness. The risk taking dimension is less obvious in the present study.

Keywords: Entrepreneurial orientation, agropreneurs, resource acquisition capability, collaboration orientation, base of the pyramid, developing countries
1. Introduction

Over the past decade, there have been increasing calls for alternative ways of tackling poverty problems in developing countries. Rather than the aid and charity approaches that have dominated the debate for the past few decades, the alternative line of discussion around inclusive markets and base of the pyramid (BOP) approaches emphasize the role of innovation and pro-poor entrepreneurship. Also, the importance of entrepreneurship to the structural economic transformation for economic development (Gries & Naudé, 2010), including poverty alleviation issues in developing economies has been widely acknowledged (Amin & Islam, 2015; Grimm, Knorringa, & Lay, 2012; Li & Rama, 2015; Mano, Iddrisu, Yoshino, & Sonobe, 2012; Nichter & Goldmark, 2009). Small and micro enterprises are major sources of employment and income (Mead & Liedholm, 1998), especially for the poorest members of society. However, this setting exhibits particular characteristics that make the start and growth of businesses typically more difficult than in other parts of the world (Miguel Rivera-Santos, Diane Holt, David Littlewood, & Ans Kolk, 2015). Entrepreneurs operate with negligible or scarce resources (Toledo, Hernández, & Griffin, 2010; Viswanathan, Sridharan, & Ritchie, 2010) and a lack of potential business opportunities (Alvarez, Barney, & Anderson, 2013). Furthermore, they develop their business activities in contexts marked by formal institutional voids (Khavul & Bruton, 2013; Mair & Martí, 2009; Mair, Martí, & Ventresca, 2012), including a high level of informality, uncertainty (Beugré & Offodile, 2001; Dia, 1996), and a relative high level of market failures due to the lack of market-based institutions and facilitating rules.

In addition, the global removal of trade barriers in the past three decades has increased internationalization of markets and enhanced entry of new competitors into formerly protected markets. These liberalization reforms with the shift from a state-protected economy to an open market economy introduced new operating conditions, markets and challenges (Le Roux & Bengesi, 2014). In general, firms should develop methods and strategies to cope with challenges and achieve their goals (Stevenson and Jarillo (1990)). In the context of BoP, internal factors of small firms deserve special attention. A lack of capabilities and strategic orientation may restrict entrepreneurs from finding and developing innovations.
Classical entrepreneurial orientation (EO) perspective provides a useful framework for researching enterprises capabilities (George T Lumpkin & Dess, 2001). EO refers methods, practices and decision-making styles that business owners use to act entrepreneurially (Tang, Tang, Marino, Zhang, & Li, 2008). EO perspective shows that firms with a strong EO achieve greater market access and higher profitability than firms with less or no EO do (Green, Covin, & Slevin, 2008; Rauch, Wiklund, Lumpkin, & Frese, 2009). The framework of EO can be readily applied to small firms in formal sector in developing countries (see Ginting, 2014; Gunawan, Jacob, & Duysters, 2015; Lim & Envick, 2013; Ndubisi & Agarwal, 2014), including the Sub-Saharan Africa (see Boso, Cadogan, & Story, 2013a; Boso, Story, & Cadogan, 2013b; Ibeh, 2003; Okpara, 2009) because its closeness to the Western context where the construct has been developed and refined. These restudies rely on the classical entrepreneurial orientation conceptualization of EO in mature economies through unidimensional or multidimensional perspective (Jeffrey G Covin & Slevin, 1989; G. T. Lumpkin & Dess, 1996; Miller, 1983). Although this conceptualization framework is suitable for firms operating in formal economies and institutional environment in developing countries (i.e., in institutional contexts that are most comparable to those in the US and Western European countries), little information exists regarding the informal sector where the majority of small firms operate in, in particular. The existing studies (e.g., (Le Roux & Bengesi, 2014; Lindsay, Ashill, Roxas, & Victorio, 2014; Roxas & Chadee, 2012) provide a limited insight in the capacity of EO as conceptualized in mature economies to capture behaviors developed by entrepreneurs in poverty settings to do their businesses.

The current used definitions of EO of firms in mature economies for small and micro enterprises in poverty settings may fails to explain or capture a relatively small proportion of the reality of entrepreneurial behavior in developing economies because of the lack of the significant resource scarcity conditions (Toledo et al., 2010), informal economy most companies are part of (Henriques & Herr, 2007) and the institutional logics of social embeddedness and networking (Chikwewe & Fletcher, 2010; Viswanathan, Rosa, & Ruth, 2010) that characterized the context. While the essential act of entrepreneurship – creation of new economic activity, new markets, new jobs, and new revenue streams - is context-free or universal (Jeffrey G Covin & Miller, 2014), the beliefs, preferences, and behaviors that lead to such new entries and company growth may be on the contrary context-specific, i.e. not universal (Garry D Bruton, Ahlstrom, & Li, 2010; Shinkle, Kriauciunas, & Hundley, 2013).
In this research, we primarily focus on the behavioral patterns of entrepreneurs in order to conceptualize the entrepreneurial orientation of small firms in informal sector in developing countries.

The current study applies a qualitative inductive approach to identify practices, attitudes and behaviors related to entrepreneurship from an actor perspectives. This paper explores two research questions in the area of small enterprises in the informal sector within developing countries: What are the relevant dimensions for capturing and meaningfully interpreting entrepreneurial orientation? How can this entrepreneurial behavior be conceptualized? By addressing these research questions, we conducted in-depth interviews with entrepreneurial businesses operating in fresh vegetable production (agropreneurs) in Benin, a developing sub-Saharan African country (N= 17).

The paper aims to make several contributions to the under researched and poorly understood phenomenon of entrepreneurial behavior in informal sector in developing countries. First, the paper contributes to the literature on strategic management by analyzing the behavioral patterns of small scale entrepreneurs. Second, the paper contributes to the literature on small business by offering new insights into the dimensions and delineation of entrepreneurial orientation in small firms. Finally, by identifying five distinctive dimensions of small firms’ entrepreneurial orientation, we offer a conceptualization of Entrepreneurial orientation in poverty settings in developing countries overcoming the prevailing generalization of EO construct.

The paper is organized as follows. The next section presents the theoretical framework situating the research. The research methodology of the study is then described, including the research settings, data collection and analysis, followed by the presentation of the empirical results. Lastly, we present a discussion of these results, conclusions, and some academic and managerial implications.

2. Theoretical framework

2.1. Classical characterization of firms entrepreneurial orientation

The conceptual framework of entrepreneurial orientation (EO) has traditionally its roots in the strategic decision making process literature. It has taken its point of departure from the
fact that managers are forced to move away from the paradigm within which organizations strive for mass production efficiencies, hierarchical organization, and bureaucratic structures that provide central control over activities, to a more flexible management and learning process for organizational success. Managers facing difficult environment related to a rapid change and the competitive environment are challenged to manage disruption created by phenomena such as interdependent global economy, higher economic volatility, hyper-competition, knowledge base competitions (Daft & Lewin, 1993). To cope with such challenges, scholars have suggested that an entrepreneurial approach to strategy making may be critical for organizational success. An entrepreneurial strategy making process referred to as an “entrepreneurial posture” by Covin and Slevin (1989), and “entrepreneurial orientation” by Lumpkin and Dess (1996). This strategic making process is said to exist in firms that engage in product or process innovations, undertake risky actions, and are first to come with up with proactive innovations (Miller, 1983). This illustration is consistent with the previous works of strategy making process described by Mintzberg (1973), Miles, Snow, Meyer, and Coleman (1978) and Miller and Friesen (1982). Firms with adaptive strategy-making are reactive compared to proactive firms (Mintzberg, 1973), and entrepreneurial firms are considered as conceptual opposite of the conservative firms which are reluctant to innovation. Miles et al. (1978) emphasized the fact that defender firms avoid risk by protecting previous gains while prospector firms are risk takers.

Miller (1983) identified three salient dimensions of the EO: innovation, risk-taking and pro-activeness. Innovativeness is the predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new product development. Risk taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments. Proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products or services ahead of the competition and acting in anticipation of future demand. Building from Miller (1983), Covin and Slevin (1989, 1991) posited the existence of a continuum used to plot a firm’s strategic behavioral proclivities. The continuum ranges from more conservative to more entrepreneurial, with the entrepreneurial end of the spectrum evidenced by innovativeness, proactiveness, and risk taking. Therefore, firms confronting challenges and intense competitive environments, entrepreneurial orientation may represent an important strategy.
making process. Furthermore, Lumpkin and Dess (1996) identified competitive aggressiveness and autonomy as additional components of the EO construct. Competitive aggressiveness is the intensity of a firm’s effort to outperform rivals and is characterized by a strong offensive posture or aggressive responses to competition. Autonomy refers to independent action undertaken by entrepreneurial leaders or teams directed at bringing about a new venture and seeing it to fruition. In general, entrepreneurial oriented firms outperformed their counterparts (J. G. Covin & Lumpkin, 2011; Wiklund & Shepherd, 2003).

Although this addresses several important aspects relevant for business, it is still insufficient for conceptualizing the strategic behavior of small firms at the base of the pyramid in developing economies, where a host of factors constrain small firms (Benet DeBerry-Spence & Elliot, 2012). On the one hand, the socioeconomic and institutional conditions of entrepreneurship in SSA differs from those in mature economies. On the other hand, the behavioral characteristics of enterprises are heavily shaped not only by the culture and religious values of each nation (Hofstede & Hofstede, 2001; House, Hanges, Javidan, Dorfman, & Gupta, 2004; Reynolds, Hay, & Camp, 1999; Runyan, Ge, Dong, & Swinney, 2012), also by socioeconomic and institutional conditions (Welter & Smallbone, 2011) that differently favor the emergence of entrepreneurial orientation and it components (Jeffrey G Covin & Miller, 2014). Therefore, such dimensions of EO discussed above - yet still not generally valid, but, applied for enterprises in developing economies - might rather be considered an attempt to artificially avoid setting arbitrary definition of entrepreneurial behavior. These dimensions of EO are thus no sufficient basis for the conceptualization of the EO in poverty settings in developing economies.

2.2. Institutional environments

From neo-institutional economic view, institutions establish a framework for economic transactions by defining what is socially acceptable within a society and enacting incentives and constraints to promote desirable behaviors and outcomes (North, 1990). The overall institutional environment is composed of two complementary frameworks: formal and informal institutions. Formal institutions comprise the formally codified laws and regulations that define a society’s legal framework as well as the supporting apparatuses, such as utilities, judicial systems, labor markets, and enforcement structures, which present incentives to operate legally and disincentives to operate illegally. In contrast, informal
institutions are norms, values, and beliefs within a society that establish definitions of legitimacy (North, 1990).

The nature of informality varies across societies. In developed economies, informality is an issue of legality because the formal institutional environments create a relatively clear demarcation of legality. Laws and regulations are well defined and the benefits of complying with these laws as well as the penalties rules are significant (Justin W. Webb, Ireland, & Ketchen, 2014). In contrast to developed economies, developing countries are characterized by institutional voids. Institutional voids may consist of the lack property rights (De Soto, 1989), limitations in contract law, corruption, unreliable utilities, and inefficient legal systems (Kistruck, Webb, Sutter, & Ireland, 2011; Justin W. Webb, Kistruck, Ireland, & Ketchen, 2010). Even when laws are clearly formalized, enforcement apparatuses are often inefficient. As a result, formal institutional voids reduce entrepreneurs’ willingness to transact with for fear of opportunism, and entrepreneurs have to spend significant investments in time and money to resolve contract violation (Lyon, 2000). Moreover, they introduce inefficiencies in market transactions and thereby economic entities such as small enterprises embedded in the local communities rely to a greater extent on informal institutions as providing complementary, substitute mechanisms for organizing and transacting. These informal institutions are related to family ties for operational support through labor, financial resources (Justin W Webb, Pryor, & Kellermanns, 2015), Social capital (Babah Daouda, Ingenbleek, & van Trijp, 2016; Ingenbleek, 2014), business networks (Boso et al., 2013a; Boso et al., 2013b), and informal savings scheme (Dia, 1996) or traditional credit or trust systems.

2.3. Socioeconomic conditions

In Sub-Saharan Africa, Zoogah, Peng, and Woldu (2015) distinguished two dimensions of institutional contexts. First, a modern context that originates from the colonial state, mostly associated with urban locations and close to the Western institutional environment with formal institutions. Second, a traditional context represented by rural areas where the majority of the people and their economic activities such as micro and small enterprises are embedded. The rural area features differ drastically from the Western context (Collier, 2008; Collier & Gunning, 1999) and are dominated by informal institutions.
The socioeconomic conditions of entrepreneurs in rural areas is characterized by a least status and power, and a significant resource scarcity. Resource scarcity refers to a limited access to key production and transaction factors such as technology, information, capital and knowledge (Benét DeBerry-Spence, 2010; Fafchamps, 1994, 1997; Henriques & Herr, 2007). To cope with the resources scarcity challenge, some entrepreneurs are able to harness indigenous knowledge (Dia, 1996) traditional technologies related to agriculture, and service through ingenuity for the growth of entrepreneurial businesses (Zoogah, 2012). Other small scale entrepreneurs rely on networks relationship and experimental learning to facilitate the development and transformation of their enterprises (Dia, 1996; M. Rivera-Santos, D. Holt, D. Littlewood, & A. Kolk, 2015).

2.4. Institutional logics of entrepreneurial actions

Entrepreneurial actions in rural areas are embedded within prevailing institutional logics of social embeddedness and networking. Based on Thornton and Ocasio (1999), institutional logic is conceptualized as “the sets of values, rules, assumptions and practices associated with the key institutions of a society (such as the family, the market, politics, religion and bureaucratic administration) which have been socially constructed over time and through which patterns of social organization and human activity are shaped and given meaning” (Watson, 2013, p. 413). Various studies have shown that rural contexts are characterized by social interactions and network relationships (Chikweche and Fletcher, 2010; Viswanathan, Rosa, et al., 2010). Thus, through embeddedness in traditional ties, including kinship, age groups, tribes, and religions, members come to view themselves as collective group entities. They aim to fulfill group goals, cope with resource scarcity to fulfill basic needs for the group, and achieve a shared way of life (e.g., London & Hart, 2004; Viswanathan, Rosa, et al., 2010; Woolcock and Narayan, 2000). With the logic of exchange in networks, the ongoing social ties shape actors expectations and opportunities (Granovetter, 1985; Uzzi, 1996) in ways that differ from the economic logic of markets or within the boundaries of hierarchical firms (within the organization) in mature economies (Williamson & Mueller, 1985). For small firms operating in developing countries, the economic functions and transactions within the boundaries of hierarchical firms are either impossible or extremely difficult because they are inherently lacking in resources (Toledo et al., 2010; Viswanathan, Sridharan, et al., 2010) and facing formal institutional void institutional (Khavul & Bruton, 2013; Mair & Marti, 2009; Mair et al., 2012). It causes higher production costs. Market mechanism is also not a better
solution because perfect competition (transactions are carried out without transaction costs) is far from reality. It causes higher transaction costs.

Together, institutional settings, socioeconomic conditions, and logics of entrepreneurship in the informal sector in developing countries might shape differently the entrepreneurial orientation and its components from what we know from entrepreneurship in developed economies.

3. Materials and methods

In order to conceptualize the entrepreneurial orientation in informal sector in developing countries, we adopted a qualitative case study approach (Eisenhardt, 1989) and followed the procedures outlined by Gioia et al. (2013) for our qualitative data analysis. Once we had decided to focus on EO of small firms and articulated our research questions, we proceeded to select a case of entrepreneurship that would serve as rich sources of data to help us answer our questions.

3.1 Research setting

The selection of cases to study should be driven by the aim of better understanding the phenomena of interest (Buchanan, 2012). Since the potential of entrepreneurship in agricultural sector in general, and high value crops (fruits and vegetables) industry in particular (Anonymous, 2013; Valdés & Foster, 2010; Wiggins, Kirsten, & Llambí, 2010) for poverty alleviation is widely acknowledge (Garry D. Bruton, Ketchen Jr, & Ireland, 2013), we sought out entrepreneurship case that was operating in this context. The case we selected for this study was entrepreneurial businesses operating in fresh vegetable production in Benin, a developing country in Sub-Saharan (Figure 1). At the time of data collection, vegetable production businesses (agropreneurship) has been in operation in rural and peri-urban areas and these represent a context where informality is highest in developing countries. Firstly, about 75% of the population in SSA lives on less than 2 dollars a day (World-Bank, 2010). Agriculture is the most important economic sector, with approximately 60% of workforce gaining their revenue from this industry (Eisenhardt, 1989; Zoogah et al., 2015), and contributes up to 80% to export revenues (SCR-P-Benin, 2011; World-Bank, 2014). However, the socioeconomic conditions of farmers in rural areas is characterized by a least
status and a significant resource scarcity (Toledo et al., 2010). Furthermore, the rural area in
is dominated by informal economy (Zoogah et al., 2015).

Secondly, high value crop such as vegetable crops production contributes to poverty
reduction by providing employment and wages to laborers (Weinberger & Lumpkin, 2007).
The production is more labor intensive than the production of staple crops, because it often
requires twice as much labor than the production of cereals crops. Moreover, labor demands
also arise in the postharvest activities such as transportation, packing, sorting, grading, and
cleaning that are labor-intensive. The additional labor requirements in vegetable production
business are met through hired labor, benefiting small farmers and landless laborers
(Maertens, 2006; Weinberger & Lumpkin, 2005). Greater employment opportunities result in
greater incomes for poor people. A relative profitability and high value-added of vegetables
compared to cereals has been shown and resulting in a substantially increase in producers’
revenue (Joshi, Gulati, Birthal, & Tewari, 2004). In addition the vegetable production has a
comparative advantage under conditions of agricultural land scarcity and labor abundance,
the typical situation in many countries in Sub Saharan Africa. The market integration of
vegetable producers has been shown to be higher than that of staple crops producers
(Weinberger & Lumpkin, 2007).

Finally, due to the complexity that characterized vegetable farms, the decision-
making and entrepreneurial behavior of their owner-managers is critical for the success of
their business activities. Particularly, the need to use large amounts of inputs; the
requirement of managerial skills; the requirements imposed to integrate international and
lucrative markets regardless producers location (Swinnen & Maertens, 2007); the necessity
for vertical coordination to deliver perishable products to markets or processing facilities in
time; the need for access to future markets to withstand the price and supply fluctuations;
and requirements for quality labor (Carter, Barham, Mesbah, & Stanley, 1995), should be
entrepreneurially managed. Thus, the vegetable-based business in SSA provides a
particularly interesting context in which to study the entrepreneurial orientation of firms at
in informal sector in developing countries.
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Figure 1. Southern Benin with the study locations

3.2 Data collection

Consistent with a typical case analysis, we explored entrepreneurial behaviors of agro-entrepreneurs using qualitative technique to enhance the validity and reliability of findings (Noor, 2008). Data was collected through semi-structures interviews vegetable farm owners-managers. This technique was used because it’s flexibility to approach different respondents differently while still investigating the same topic (Noor, 2008). Criteria for the selection of a farm-firm are that (1) ownership and management is under the responsibility of an individual farmer, (2) the farmer is holding at least a vegetable farm and (3) the production is market-oriented.

Besides some guiding questions such as ‘What do you mean with that?’ or ‘Could you please explain that a little more in detail?’, functional questions are used, which are based on established research guidelines for entrepreneurial behaviors of small firms (Nordqvist & Melin, 2010). Relevant questions include: ‘Do you generally take new initiatives/strategic actions and those ahead of your competitors?’; ‘Describe your fam business and your personal capabilities to take new actions (initiatives)’; ‘Do you generally invest where the outcome is highly uncertain or do you prefer to invest where less resource is at stake and you know fairly well the result?’ and ‘Do you generally take actions that directly and aggressively challenge the positions held by your competitors?’ The sample size consists of 17 interviews, conducted with farm owner- fresh vegetable farms throughout the southern Benin (Figure1).
Interviews were conducted from April to June 2015, and the average length of the interviews is approximately 40 minutes. Following the guidelines of methodological research on how to pursue meaningful and valid qualitative research (Crouch & McKenzie, 2006), the main restriction when selecting the interviewees was to ensure speaking with established farmers in the vegetable production industry. In addition, the data were collected from different regions and from farm firms of different sizes and age. The regions are known as vegetables production area in Benin and a large part of the country’s workforce gaining their revenue from this activity (SCR-P-Benin, 2011; World-Bank, 2014). The area offers products for various target markets: local markets and neighboring countries (Nigeria, Togo and Ghana).

3.3 Data analysis

Following the procedures described in (Gioia, Corley, & Hamilton, 2013), our data analysis consisted of four main phases. First, narrative case summaries were written for each interviewee to capture their overall experiences and perspectives. Second, interview transcripts were analyzed to develop first-order concepts. Third, we organized our first-order concepts into more abstract behavioral patterns. Each summary included information about the interviewee’s experiences of daily actions taken in their work, attitudes and understandings of entrepreneurship phenomenon. These summaries, combined with the extensive amount of time spent in the research settings, were designed to help us develop a clear understanding of the strategic orientation and perspectives of the participants (Easterby-Smith, Golden-Biddle, & Locke, 2008). While the summaries helped us to ground those actions reported in the experiences of individuals, the coding process allowed us to identify patterns that were representative of the entire set of interview data (Lee, Mitchell, & Sablynski, 1999). The first-order concepts results are validated and categorized into behavioral patterns and compared to previous research (Eisenhardt, 1989).
4. Results

As a first step, the interviews were analyzed to capture which activities the interviewees mostly associate with the actions taken during the entrepreneurial process. Throughout the answers and narratives of the respondents, we attempted to identify the behavioral patterns that allowed agro-entrepreneurs to accomplish actions related to various entrepreneurial endeavors, albeit not with equal proportions of time and effort. An overview of the behavioral patterns were identified across the discussion with agro-entrepreneurs is provided in Table 1.

Behavioral pattern 1: switching back and forth between production-oriented task and exploration activities

The interviews provide an opportunity to capture actions in which entrepreneurs are engaged frequently. One key pattern that emerged from the interviews were the switching between two core tasks: production-oriented task and exploration activities. We found that one category of farmers claimed that allocated their time mainly on production. This category claimed that the focus on development of high quality food production, new products, the use of good materials (including raw materials, inputs and equipment), the expansion of farm size, the diversification of the businesses, and the improvement of products represent critical activities of a good agropreneur. As mentioned by a respondent, “... it is fantastic to know that the quality of your products [absence of parasites attacks, lifetime of good physical appearance...], is attractive and that your customers are not going to struggle in commercializing them.”

Contrarily, a second category of farmers emphasized the importance of switching back and forth between production-oriented and other activities. One respondent told us, “... you need to keep one eye outside the farmyard to know how things are on around”. Some of other activities mentioned are related to investigating the current situation on production about particular crop in other regions, the weather which give them clue about the level of production in others regions.
Table 1. Behavioral patterns

<table>
<thead>
<tr>
<th>Examples of recorded actions</th>
<th>Behavioral patterns</th>
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<tbody>
<tr>
<td>. Focus on high quality food production</td>
<td>Behavioral pattern 1: Switching back and forth between production-oriented tasks and others activities (BP1)</td>
</tr>
<tr>
<td>. Using good raw materials, inputs and equipment</td>
<td></td>
</tr>
<tr>
<td>. Expand farm size</td>
<td></td>
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<tr>
<td>. Switch between production tasks and explorative actions</td>
<td>Behavioral pattern 2: Avoiding becoming trapped in businesses that may become uncompetitive (BP2)</td>
</tr>
<tr>
<td>. Act quickly</td>
<td></td>
</tr>
<tr>
<td>. Engage in new projects</td>
<td>Behavioral pattern 3: Engaging in resource acquisition (BP3)</td>
</tr>
<tr>
<td>. Adopt new technologies which ease the production and increase the productivity</td>
<td></td>
</tr>
<tr>
<td>. Enter new markets</td>
<td>Behavioral pattern 4: Building and maintaining collaborative relationships that support business activities (BP4)</td>
</tr>
<tr>
<td>. Need to progress and develop</td>
<td></td>
</tr>
<tr>
<td>. Involved in experimentation</td>
<td>Behavioral pattern 5: Involving in moderate risk taking (BP5)</td>
</tr>
<tr>
<td>. Engage in technical know-how and learning</td>
<td></td>
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<tr>
<td>. Search of financial resources</td>
<td></td>
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<tr>
<td>. Involvement in market information exploration</td>
<td></td>
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<tr>
<td>. Get market knowledge from customers</td>
<td></td>
</tr>
<tr>
<td>. Build and nurture relationships with other producers and producers organizations</td>
<td></td>
</tr>
<tr>
<td>. Maintain close contacts with government advisory services and NGOs.</td>
<td></td>
</tr>
<tr>
<td>. Establish long-term relations with customers and intermediaries in the markets</td>
<td></td>
</tr>
<tr>
<td>. Take a moderated risk that make the business resilient to failure</td>
<td></td>
</tr>
<tr>
<td>. Ensure the longevity of the business</td>
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Behavioral pattern 2: avoiding becoming trapped in crops production (businesses) that may become uncompetitive

Results show that agropreneurs tend to be bogged down in successful businesses. Unsurprisingly, for all of them investing in successful business is the default mode of action. Nevertheless, the majority of agropreneurs in our sample (about two third) saw the benefit of stepping back and not getting stuck in the successful businesses, but engaged in new
projects. Accordingly, their actions included adopting new technologies to facilitate the production and increase the productivity, engaging in new products, finding new buyers (markets). Ten of the seventeen agropreneurs emphasized the need to progress, and develop. Also, we captured that agropreneurs always tend to allocate a small part of cultivated plot for experimenting new crops in order to create new revenue streams. However, although agropreneurs seem to be open for in trying new technologies, the portion of land allocated for this form of experimentation is in some way relatively negligible. In general, the experimental site does not exceed 2 plots of 2*5 meters each per farmer.

Behavioral pattern 3: engaging in resource acquisition

Agropreneurs engaged in activities which sustained resource acquisition. When starting the farm businesses some have highlighted the little resource they owned at the beginning. All of the agropreneurs interviewed have mentioned the need to engage in resource acquisition process for growth. Resources frequently mentioned by respondents are related to technical know-how, financial resource, and market information. Actions are related to the development and nurturing of relationships with friends, colleagues, potential micro-financing institutions.

While we categorized the engagement in resource acquisition as behavioral pattern 3, this behavior appeared as a precondition of the others above mentioned. Systematically, producers highlighted this endeavor at the initial state of their agropreneurial process, even if they are doing it continuously. For instance, for the initial “know-how” acquisition, some respondents indicated to have been worked as labor in vegetables farm-firms for an amount of time, others mentioned to learn from close relatives. At the growth stage of the entrepreneurial process, some agropreneurs planned to visit a colleague for new information searching.

Behavioral pattern 4: building and maintaining collaborative relationships that support business activities

Another key pattern that emerged form respondents answers were collaborative behavior with a wide range of actors, including customers, suppliers, producers’ organisations, technical advisory organizations and even competitors. Often, agropreneurs have to meet or
communicate rapidly with these actors which, over time, become part of their networks. For example, the relationship with governmental advisory services and NGOs working in the agricultural sector favor information acquisition on latest technologies (technical lines of production, inputs, and equipment). A frequent contact with suppliers gave them the opportunity to be informed about the availability of new inputs on the market. Calls to potential buyers help to be informed on the market trends or the characteristics of product they may be willing to buy the coming months. Distribution is done through long-term relations with customers or intermediaries in the markets. In this relationship, farmers assure supply and customer assure price.

Behavioral pattern 5: Involving in moderate risk taking

From the respondents answers, it was found that the risk-taking is controversially used. Eleven of the agropreneurs interviewed stress the need to take “moderate” risk to remain competitive, while others are rather risk-averse to ensure the longevity of the business. According to the former group, a moderate risk refers to taking risk which won't be harmful the sustainability of the firm in case of failure. The latter group emphasized the need to be sure to some extent before engaged in actions that the responses is unknown before because the businesses they own in still under a precarious balance.

This pattern is partially an expansion of the behavioral pattern 2 above described where the experimenting field in a bare minimum of land available for the production. This implies that the resource engaged is also minimized.

5. Discussion

As a second step, we discussed and compared the dimensions identified in the Table 1 with the dimensions from the established EO construct in the literature. Based on Lumpkin & Dess and (1996) and Miller, (1983), we further elucidated how entrepreneurial behaviors describe entrepreneurship in vegetable business entrepreneurship by comparing and contrasting seemingly related or opposed dimensions. This discussion of findings highlights the proactive, resource acquisition orientation, collaborative behavior and moderate risk taking behaviors of farm firms.
BP1: Switching back and forth between production-oriented task and other tasks versus proactiveness EO dimension

The advantage of being able to switch back and forth between production tasks and other activities is partially in congruence with the findings of small business literature. There, proactiveness as an opportunity seeking behavior, a forward looking perspective (G. T. Lumpkin & Dess, 1996) or a first mover’s behavior has been found to be beneficial for firms in formal sectors in developing countries (Boso et al., 2013a) and microenterprises operating in emerging economies (Lindsay et al., 2014). Several farm-owner managers indicate being dynamic in both production and explorative activities is an important trait for an agropreneur as the numerous positive evaluation in Table 1 for the behavioral pattern 1.

In these impoverish contexts, people who engage in entrepreneurial activities manifest significant initiative and proactiveness in moving quickly in various activities. Only a few statements describe the lack of actions of agropreneurs to be reactive due to the high focus on production activities as it is the case in traditional farming system.

Through a proactive behavior, agropreneurs are able to respond to changes in their environment (weather, markets, technology, “competition”-with others farmers from neighboring countries or remote regions of the country), and sustainability. It can be noted from anecdotal examples the interviewees gave us that some farmers seem to be quite successful in developing themselves as ‘proactive agropreneurs’ as conceptualized above, for instance through an alertness on events.

BP2: Avoiding becoming trapped in successful businesses versus Innovativeness EO dimension

Several farmers indicate that being innovative is an important trait for a farm enterprise, as the numerous activities evaluations in Table 1 for progress, development, new markets entry, adoption of technologies, show. Constant progress and modernization within the business as well as the improvement of the product portfolio are important factors. This result is in line with prior micro and small business research, which considers being innovative to be important in businesses (Le Roux & Bengesi, 2014). Farm owner-managers have strong incentives to act in the long-term interests of their enterprises. This state of affairs makes it more likely that they support innovation as a source of growth, wealth creation and also as a survival mechanism over time. However, since innovation occurs primarily through new combinations of resources, ideas and technologies, these smallholder
agropreneurs typically have too few resources to truly invest in innovative products given
the primitive economic conditions that confront them. Their innovative behavior is generally
related to adoption of new technologies. In addition, the always emphasis the need to
experiment the new technologies adopted at a relative small scale before deeply engage in.

BP3: Engaging in resource acquisition

Most vegetable farm owner-managers consider resource acquisition as critical for their
businesses. They have too few resources to invest, and the search for resources becomes a
main activity in running the businesses. In general, the literature acknowledges the
importance of the resource acquisition for a firm. For instance, the resource-based view
(RBV) of the firm ([Barney, 1991] argues that resource scarcity is a primary cause of firms
being competitively disadvantaged. Moreover, in the production function, access to scarce
resources results in prosperity. Almost all enterprises need technological and financial
resources, but not all enterprises can access them. Particularly in poverty settings, access to
formal resources is extremely difficult for entrepreneurs due to many factors, making
imperative that they acquire these resources. Agroenprenurial behavior related to intense
focus on resource acquisition therefore make sense to lifting their businesses. However,
the conceptualization of EO by Miller (1983) or Lumpkin and Dess (1996) does not capture
this notion of resource acquisition capability that is critical for agropreneurs in poverty
settings.

BP4: Building and maintaining collaborative relationships that support business activities: a
collaborative entrepreneurial behavior versus competitive aggressiveness dimension of EO

Most farmers consider their businesses to be relationally and structurally embedded.
Competition seems to be an important notion, but is usually not perceived in an aggressive
manner, but in the quality improvement and collaboration with actors. Often, competitors
also know each other well or even have friendly connections or organized in producers’
association, but works individually on their farms. As a member of an association, the
producer is a member of an organization that provides needed assistance through
monitoring, group selling, assisting in finding markets, and social assistance. Furthermore, it
is easy for the producer to access extension services and financial support through the
association.. The farmers also argue that communication is very important. Comparing these
statements with the EO dimension, only little competitive aggressiveness can be identified with regard to an aggressive behavior in competition. In addition, agropreneurs emphasized of the importance of collaboration between actors. It is clear that farmers manage their enterprises within the institutional logics of embeddedness and networking which differ from the institutional logics of market and hierarchy that underlying the entrepreneurial endeavor in mature economies (Pascucci, 2010), where the aggressive competition is the modus operandi. The collaboration appears as crucially important to the entrepreneurial process of producers, because the resource needed to for businesses and the transaction are passed to them basically through the relationship.

**BP5: Involving in moderate risk taking versus Risk-Taking EO dimension**

Taking risks is one of the terms showing diverging opinions of the interviewees. The agropreneurs often estimate risk-taking to be necessary. In general, they referred to the common adage “nothing ventured nothing gained”. Nevertheless, they emphasized the need to be moderate is risk-taking actions. There was no real evidence of great risks took from the responses we got from agropreneurs even though many of them believe that vegetable farming is more risker than the traditional farming because of the perishable nature of products and the lack of storage facilities. On the one hand, due to the environment in which they are operating characterized by unsupportive policy and regulatory formal institution, instable and predictable climate conditions, and asymmetric information the market place. On the other hand, because of the limited resources they are owning. Both environmental condition and resource scarcity situation make some to be reserved and consequently risk averse, while others are willing to take moderated risks.

This dualistic thinking is also represented in the literature which emphasizes that in a perceived high-risk business environment, few people are willing to attempt new initiatives, and those who are willing to do so are likely to generate more profit, enhancing the firm’s growth, if their businesses succeed (Tang & Murphy, 2012). However, there are reasons to believe that risk avoidance is stronger in entrepreneurship in poverty settings because the owner-manager tends to have the most of its wealth invested in the small firm and so bears the full financial burden of failed investments which might threaten the livelihoods of the family. Consequently, necessary but risky strategic decisions and actions are postponed due to concerns about the safety of the family livelihoods and the resilience of the enterprise – a
capacity of the business to bounce back from unexpected, stressful and adverse situations (Armenakis & Harris, 2009; Beck, Brüderl, & Woywode, 2008). The situation is not the same in other types of firms in mature economies, where the motivation is more the wealth creation and the resource issue is not so challenging (G. D. Bruton, Ahlstrom, & Si, 2015).

Smallholder entrepreneurial orientation construct

As it has been shown in above discussion, the conceptualization of entrepreneurial orientation of small firms in poverty settings in developing countries cannot be derived from the same dimensions used to define the construct in mature economies. It is therefore useful for refining the EO of small firms in informal sector by means of typical the dimensions that characterized them in order to be able to grasp the reality of decisions and actions undertaken and subsequently explain and handle them.

The core of the “entrepreneurial orientation of small firm” lies in the handling of innovative actions along new technologies adoption, being proactive in both opportunity exploitation and exploration, acquisition of resources including competences which make up the ability of the firm to handle the challenges and lift out the stagnation, and collaboration with external actors to get businesses stability and development. Due to the fact that a failure in risk-taking can be handled only to a very limited extent because of a lack of resilience, small entrepreneurs in poverty settings are very sensitive.

The entrepreneurial orientation of in poverty settings in developing countries refers to small firm entrepreneurial behavior comprised of five dimensions (encompassing innovativeness, proactiveness, resource acquisition, collaboration and moderate risk-taking). An entrepreneurial-oriented firm uses innovativeness not as a specialized in innovation process, but as a general innovative orientation, an adoption of existing innovations that might improve businesses performance. An entrepreneurial oriented small firm, act more problem-focused and proactively search for new information while remains largely open to external environment. A small firm is more motivated to engage in resource acquisition to lifting businesses out of stagnation and engaged in growth process. An entrepreneurial oriented firm develop relationships and communication with actors to fill the limited resource available. This is not to say that an entrepreneurial oriented firm will not be concerned with competition. However, entrepreneurial oriented firm would be unlikely to engage in aggressive competition and would rather favor quality improvement and collaboration with others actors including competitors.
6. Conclusion

This paper contributes to an improved understanding of entrepreneurial behaviors in the informal sector in poverty settings. It explored entrepreneurial dimensions that are perceived to be relevant from the perspectives of owner-managers of farms. Results from the empirical study context are categorized and compared to the EO construct in literature, indicating peculiarities for small firms in developing countries.

Our contribution goes further than the definitional development of a core EO dimensions. Although much work needs to be done, our conceptualization adds to efforts toward the systematic development of a theory of EO in a specific context of poverty context. On the basis of this conceptualization, it is possible on the basis of various theories and methods to generate scientific statements. Within the field of small business entrepreneurship, decisions and processes in micro and small enterprises are still of interest.

This study is not without limitations. Concerning the focal construct, limitations include the fact that the behavioral patterns were investigated within a specific sector of agricultural businesses. It has to be admitted that other sectors might develop practice different dimensions of the EO construct. Furthermore, it has to be noticed that this research only represents a first step in the development of a construct of entrepreneurial orientation of small firms in informal sector in developing countries. Future work on developing a valid scale of EO would be an important empirical work in this area. In addition, concerning the development of the nomological net, we encourage further research on entrepreneurial orientation and relationships to other antecedents and outcomes constructs. The conceptualization we developed here based on empirical data might be replicated in other sectors in future research.

Reference


