Market opportunities impact on SME’s entrepreneurial behavior: study on entrepreneurial orientation in North Macedonia

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ABSTRACT

Despite being acknowledged as the primary catalyst for economic development, entrepreneurship in emerging markets contends with multiple constraints. The availability of unexploited business opportunities certainly raises the entrepreneurial potential of Small and Medium Enterprises (SMEs). Entrepreneural orientation strategy strongly supports SMEs to improve their position in the market by instilling the courage to explore new prospects and take risks, promote innovation, act proactively on the market, and establish autonomy and competitive aggressiveness as norms in their operations. This research focuses on the entrepreneurial orientation approach as a key firm-level phenomenon and its influence on business performance in emerging markets. More specifically, the study elaborates on SMEs’ risk-taking, innovativeness, pro-activeness, autonomy, and competitive aggressiveness under the moderating influence of unexploited opportunities. A multiple-case study technique was used to develop the five propositions generated from the conceptual framework of the study. Six companies operating in the private healthcare sector in North Macedonia actively participated in the research, contributing a substantial body of data. According to the study findings, the unexploited opportunities have a reasonably large effect on SMEs’ entrepreneurial orientation activities and corresponding performance. Nonetheless, despite the hostile entrepreneurial environment, SMEs have demonstrated boldness in taking risks, initiating innovation, and continuity in taking proactive actions in the private healthcare industry.

Introduction

Entrepreneurial behaviour of SMEs in developing countries is of highest importance since it satisfies the economic growth needs, while at the same time, improves the well-being and living status of the respective nations. In fact, through continuous investments, innovations, and the creation of blue oceans, entrepreneurship expands the choices available to people within the country’s borders. As developing countries often suffer from high unemployment rates, individuals often take the route of self-employment, which is often the expected result from the supporting entrepreneurial policies and programs often available in these regions. While numerous studies outline the significance of self-employment and view it as benefit arising from entrepreneurial behaviour, in some cases it is argued that it only enhances economic growth in the short-term horizons (Adusei, 2016).

A logical thinking behind this conclusion is the overemphasised supporting entrepreneurial policies and pervasive attraction of low ability entrepreneurs. Respectively, as detailed by Quatraro and Vivarelly (2004), this type of “survival-driven” entrepreneurs, which very often decide to stay small and informal, makes their contribution to the performance of developing countries relatively controversial and fragmented. On the other hand, what we aim to point at this study is that small businesses often emerge, as a result of entrepreneurs’ action upon available opportunities on the market. Hence, it can be posited that developing countries frequently present a greater abundance of available opportunities. In this context, it is important to emphasise that the presence of unexploited opportunities in the surrounding environment constitutes a substantial factor in fostering and compelling successful entrepreneurial processes.

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Besides the positive effects on economic and social development in developing countries and the increased number of SMEs in these countries, entrepreneurship and SMEs have never reached their full potential and accomplish the goal of evident social and economic advancement. As far as industry dynamics in developing countries are concern, they show not very favourable results regarding new business start-ups. In fact, Johnson (2005), shows substantial evidence that more than 50% of the new firms in developing countries exit the market within first five years of performance. This calls for the urgent intervention and supportive activities that would reduce start-up failure. Therefore, it is essential to develop an understanding of the intricate array of circumstances characterizing developing countries, within which entrepreneurs and businesses must operate. Additionally, comprehending the inherent capabilities of small and medium-sized enterprises (SMEs) to effectively address the challenges in their environment is paramount for optimal responsiveness.

At this study, we shed special light on SMEs’ entrepreneurial orientation, as it emphasizes the significance of firm-level entrepreneurship. In fact, we elaborate this strategic phenomenon through its five business dimensions, including: innovativeness, risk-taking ability, pro-activeness, autonomy, and competitive aggressiveness. Therefore, this study addresses the question how the position of unexploited business opportunities impacts the relationship between the five SMEs’ dimensions of the entrepreneurial orientation and their business performance.

This study is structured as following: first, short overview of the literature on entrepreneurial orientation and its dimensions is presented, as well as background on “opportunity-based theory”. Then methodology part is presented, together with the created propositions for the study and the created conceptual theoretical framework. Finally, study results are presented, and main discussion points are addressed. The study concludes with main concluding remarks and suggestions for theoretical and practical implementation.

**Literature Review**

**Entrepreneurial orientation concepts and dimensions**

Extensive research has explored the entrepreneurial orientation construct, with development of widely applicable measurement scales and analysing relations with other variables. Thus, entrepreneurial orientation construct presents a topic in entrepreneurial research for which a cumulative body of knowledge is still developing. Although the general studies on entrepreneurial orientation concept are numerous, still, the literature incorporating the concept of entrepreneurial orientation in the sphere of developing country is relatively scarce. Nevertheless, the importance of entrepreneurial orientation for the economic development processes is constantly gaining credits, (Lumpkin and Dess, 1996; Kusumawardhani et al., 2009; Covin and Lumpkin, 2011; Miller, 2011).

Attempts to closely define entrepreneurial orientation face multiple challenges. First, there is lack of consensus among scholars about the dimensions or components of entrepreneurial orientation construct. Therefore, authors have made different, but, in essence, very similar constructions of the entrepreneurial orientation concept. In the conceptualization of entrepreneurial orientation, three sub dimensions have been evident – innovativeness, risk-taking and pro-activeness. Adding to this construct, Lumpkin and Dess (1996), are drawing the definition to the roots of the entrepreneurship as a new entry activity and initiate a bright new and important momentum in the entrepreneurial orientation literature by introducing two additional dimensions to the entrepreneurial orientation canvas – autonomy and competitive aggressiveness. Plethora of authors has later contributed to the entrepreneurial orientation literature fuelled by these two basic entrepreneurial orientation conceptualizations.

Moreover, Miller (1983) argued that there needs to be positive correlation amongst the dimensions for entrepreneurial orientation to exist. On the other hand, Lumpkin and Dess (1996) argued that the five dimensions may independently and collectively define the concept of entrepreneurial orientation. In its current state, entrepreneurial orientation assumes significance within the context of developing countries, serving as a catalyst for economic development. Furthermore, the study analyses the five dimension and the contextual influence of unexploited opportunities on entrepreneurial orientation.

**Autonomy**

Existing literature has indicated that a key precondition for the success and creation of new businesses’ is autonomy (Kanter et al., 1990; Rauch et al., 2009). Nevertheless, the existing body of literature lacks comprehensive studies that thoroughly examine the intrinsic relationship between a firm’s performance and autonomy. This may be attributed to the fact that autonomy has not been mentioned as an entrepreneurial dimension in the work of Covin and Slevin (1989) and Miller (1983). Nonetheless, what additionally contributes to this issue is the lack of a unified measurement scale to trace the impact of autonomy. Namely, autonomy might be considered as two-directional act which relates the decision-making power and independency of the companies’ founders, as well as the importance of founders’ presence at all company levels.

Furthermore, as Miller (1983) stated in his findings, most successful entrepreneurial ventures had leaders that exercised autonomous behaviour. Of critical importance in Miller’s work is the challenge of the autonomous leader to be presented as business’ central authority and knowledge leader aware of emerging technologies and markets. To be able to act as leaders, entrepreneurs need to act autonomously. In this context, autonomy can be seen as the key motivator for individuals to start their own business, Buttner and Moore (1997). However, it is essential to further investigate how entrepreneurs perceive autonomy and whether it is accompanied by specific costs.
Innovativeness

Innovation may be defined as the tendency to employ and support new opportunities, novelty, experimentation, and processes that may lead to new products, services and technological processes, Lumpkin and Dess (1996). Numerous studies on the topic have provided evidence of the positive contribution of innovativeness to the survival and success of ventures (Damanpour and Evan, 1984; Damanpour, 1991; Verbano et al., 2020). While the positive relationship between business performance and innovation has been widely accepted, there are some studies that indicate a negative relationship, while other a mixture of both (Chandler and Hanks, 1994; Li and Atuagene-Gima, 2001).

Nonetheless, evidence that there is a positive relationship between these two phenomenon dates to Shumpeter’s entrepreneurship foundation. Schumpeter (1934) argued that continuous innovative processes can lead to temporary market monopoly. Therefore, it might be considered as a key to everlasting entrepreneurial success. Likewise, Porter also argued that innovativeness enables firms to set high barriers to entry in the market. By doing so, they can strengthen their position on the market and enjoy higher returns. As pro-activeness seems necessary to fully realize innovative processes, autonomy in operation is predominant for innovation process to start and no innovation is performed without certain level of risk (funds’ investments, intellectual capital contribution or risk of failure). At the end, every innovative process has the end means of gaining competitive advantage. Therefore, to gain competence to act competitive aggressively on the market.

Risk Taking

Uncertainty or more widely known as risk-taking, has been present in literature since the early establishment of entrepreneurship and the entrepreneurial orientation definitions. In the earliest definition of entrepreneurship by Cantillon (1755) it has been pointed out that anyone willing to sell goods or services for a price can be considered an entrepreneur. While risk-taking can be considered an internal factor that is connected to the management of the company, it should be said that it is impossible to separate it from the business environment, Gaganis et al. (2019). Nonetheless, identifying potential risk and finding proper ways to deal with them is a process that should be undertaken by companies, (Wang, 2008). This process should be imbedded into the entrepreneurial capabilities of founders since they need to make calls in rapid fashion to respond to new opportunities on the market. Thus, they need to be aware of the risk levels of the activities they are conducting.

Companies need to be involved in research and planning before committing certain actions on the market, (Bhide, 2000). This process may be vital as certain initiatives can result in negative outcomes. In this context, presented literature gives clear evidence that risk is of essential meaning for every entrepreneurial undertaking, referring to both, individual and firm levels. Organizational culture plays an important role for pursuing entrepreneurial behaviour, often through taking risky initiatives. Still, managers and management teams in organizations should focus on careful management of risky behaviour of the firm, since it may bring concern as well as high returns.

Pro-activeness

As an integral part of Miller’s conceptualization of entrepreneurial orientation, pro-activeness has been used to build the construct alongside innovation and risk. Even though, numerous studies have attempted to build on top of this three-component configuration, pro-activeness has been far less frequently examined compared to the other two counterparts, (Lumpkin and Dess, 2001; Kreiser et al., 2002). For one to be able to evaluate the level of pro-activeness undertaken by a firm, they must look at the speed to innovation and demand satisfaction. Therefore, pro-activeness can be summarized as the initiatives that are undertaken in the pursuit of new opportunities, in emerging markets, (Lumpkin and Dess, 2001). Similarly, it is also important to monitor changes in the business environment, technologies, and consumer behaviour, as they also play an important part, (Lumpkin and Dess, 2001).

Moreover, pro-activeness can also be directly related to innovative activities undertaken by the firm. In fact, Anderson et al., (2015) have synthesized innovation and pro-activeness into a single construct called entrepreneurial behaviour. This can also be supported by the assumptions of Shumpeter’s classic work that elaborates that companies create to establish a leading position on the market, create blue oceans, and overcome competition, (Shumpeter, 1942). The importance of pro-activeness for successful entrepreneurial processes has been observed in the literature in different contexts, especially through the speed to market, (Ferreras-M’endez et al., 2022). While the advantages of the first mover at the market have been examined, the compromise it takes in terms of investment in innovation and the advantages of the second to market is a debate for further elaboration. Evidence shows that environment conditions and industry life cycle matter for pro-activeness’ contribution to firm’s performance.

Competitive Aggressiveness

Even though, competitive aggressiveness has been less examined than the other dimensions, it has still enjoyed the attention of prominent authors, (Lumpkin and Dess, 1996; Lumpkin and Dess, 2001; Lumpkin and Dess, 2009; Venkatraman, 1989). As noted in the literature, the importance of competitive aggressiveness can be attributed to the significance of activities that would beat competition on the market. However, it is important to mention that (Miller, 1983) excluded competitive aggressiveness from the entrepreneurial orientation structure. As pro-activeness is connected to how a company reacts to market opportunities, competitive aggressiveness refers to how a company responds to actions of competition, trends and demands on the existing market, (Lumpkin and Dess, 1996). Namely, competitive aggressiveness can be summarized as a firm’s responsiveness to demand that may cause
confrontation with competitors. In developing countries specifically, companies have been advised to act more competitive aggressively, so this position would increase its competitiveness in a labour-intensive industry and would create better market condition and further development, (Paulus and Hermanto, 2022).

A broader perspective of competitive aggressiveness implication may be presented through the activities included in its operations. Consequently, competitive aggressiveness can also be described as a company’s confrontation with competition to enter new markets, or as the response of aggressively lowering prices because of competitors’ actions, (Lee and Sukoco, 2007). Incorporation of unconventional tactics aimed to challenge industry players, and analysing the weaknesses of competitors can also be considered as a part of an aggressive competitive strategy, (Lumpkin and Dess, 2001).

Entrepreneurial orientation strategic positioning in emerging markets

Given that the entrepreneurial perspective in developing countries is commonly perceived to be relatively unfavourable, it is important to develop a more comprehensive perspective. Therefore, this paper proposes a viewpoint that covers positive aspects of developing markets’ conditions. The selected moderating factor for this study is the pool of unexploited market opportunities which play a significant role in shaping the business environment. To provide greater support and credibility to the examined theoretical framework, the paper observes the unexploited opportunities moderating factor through the perspective of the Opportunity Based Theory.

The “unexploited opportunities” and the Opportunity Based Theory

Markets development connects closely to the new opportunities that arise in developing countries. However, opportunity definition has remained intangible in the literature, (Landstrom and Lohrke, 2010). A precise and widely accepted definition of opportunities has been presented in the work of (Shane and Venkataraman, 2000), by stating:

"Those situations in which new goods, services, raw materials and organizing methods can be introduced and sold greater than their cost of production", p.220.

Accordingly, the authors tend to emphasise that exploitation of opportunities involves not only technical skills like finances and market research, but also creativity, team building, problem solving and leadership. Referring to the basic theories of entrepreneurship, opportunities hold a special place in entrepreneurship concept development, (Drucker, 1985; Stevenson, 1983). According to authors’ standpoint entrepreneurs do not cause but exploit the opportunities that change (in technology, consumer preferences etc.) creates. In the work of Drucker (1985), this is what defines and distinguishes entrepreneurs, and further explains that entrepreneurs always recognize opportunities rather than problems when changes occur. Stevenson (1990) would further comment Drucker’s opportunity-based theory by including the matter of resources and clearly distinguishing entrepreneurial from administrative management. In the main, entrepreneurship itself has most broadly been defined as act of grasping and responding of opportunities in the imperfect world. Drawing on this insight, it is of utmost importance to emphasise the term “unexploited opportunities” as essential part of our theoretical framework conceptualizing the influences on entrepreneurial orientation in developing country environment.

What is also important at this point of market elaboration is the perception of Macedonians on business opportunities in their environment. A study conducted by Microfinance centre, summarized several interesting conclusions regarding this issue. First, entrepreneurs ranked the general perception for opportunities in Macedonia relatively high, namely, highest among the countries in the region. In fact, even 38% of the adult Macedonians have the opinion that there are present business opportunities in the environment where they live. Moreover, even 56% of Macedonians feel capable of starting a business, whereas 25% of the participants reported intent to start business within a period of three years, presenting relatively high standing compared to countries in the region. On the other side, besides these promising reported entrepreneurial data, there is vast number of studies showing that the percentage of people who prefer safe public administration job is very high and the number of start-ups do not cooperate to the extremely high reported percentages of nascent entrepreneurs.

The undefined pool of opportunities gives a special potential to the entrepreneurial orientation of the SMEs in developing countries. It is specifically enlightening the conditions for innovation and pro-activity, as well as lowering the potential negative outcomes of risk-taking activities. Being aware that these immature markets in developing countries are relatively small, the role played by the dimension of competitive aggressiveness in SMEs entrepreneurial behaviour is of utmost importance. The conceptual framework designed for the purpose of this study, as well as the five delivered propositions are presented below.
Based on this theoretical framework, we derived five theoretical propositions. The five propositions that we selected as a base for our research to show the positive effects of the position of unexploited opportunities follow:

**Propositions:**

4a: At conditions of unexploited market opportunities, businesses take more risk, which has positive influence on SMEs success.

4b: At conditions of unexploited market opportunities, businesses initiate more innovation, which has positive influence on SMEs success.

4c: At conditions of unexploited market opportunities, businesses act more proactively, which has positive influence on SMEs success.

4d: At conditions of unexploited market opportunities, businesses act more autonomously, which has positive influence on SMEs success.

4e: At conditions of unexploited market opportunities, businesses act more competitively aggressively, which has positive influence on SMEs success.

**Research and Methodology**

The entrepreneurial environment has been long perceived as a factor with negative influence on SMEs’ strategic position and performance. Namely, the study addresses the question of how the position of unexploited business opportunities impacts the relationship between the five dimensions of the entrepreneurial orientation of the SMEs and their business performances.

Since literature lacks qualitative studies in the field of entrepreneurial orientation strategy (Wales, 2016; Miller, 1983; Miller 2011), this study employs a qualitative research technique. Direct face-to-face interview with the managers of the selected companies for elaboration presents the main research technique during the process of data gathering. Six interviews have been conducted with the founders of the companies, lasting no longer than one hour, respectively. A specifically structured interview protocol has been followed. All the participants agreed to audiorecord the conversation in order to facilitate the note taking during the interview. Moreover, all the interviewees signed a release form, to fulfill the ethical and legal standards and requirements. Through these interviews, we focused to learn more about founder’s experience in the private healthcare sector in North Macedonia and attempt to learn about entrepreneurial practices they have applied in their operations and how they contributed to performance. Indeed, the interviews have been supported by carefully semi-structured questionnaires that leave space for expressing founders’ attitudinal and behavioural principles, regarding the five established entrepreneurial orientation dimensions—innoattiveness, risk-taking, proactiveness, autonomy, and competitive aggressiveness. More precisely, questionnaires try to access firm’s abilities to act proactively on the market, to introduce innovations, to take risks, act autonomously, and defend their market position using competitive aggressive actions.

To enrich the case studies and clarify the validity of this data, additional company reports have been delivered on request and used exclusively for the purpose of the research process. Secondary data of publicly available sources have been used to complete the information needed, as well, mapping out all the entrepreneurial aspect valid for this study. A detailed presentation of the data collected for creation of the six case studies is presented in Table 1.
Table 1: Data collection sources

<table>
<thead>
<tr>
<th>Case</th>
<th>Sources of Data</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Interview</td>
</tr>
<tr>
<td>Case C1</td>
<td>Yes</td>
</tr>
<tr>
<td>Case C2</td>
<td>Yes</td>
</tr>
<tr>
<td>Case C3</td>
<td>Yes</td>
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<tr>
<td>Case C4</td>
<td>Yes</td>
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<tr>
<td>Case C5</td>
<td>Yes</td>
</tr>
<tr>
<td>Case C6</td>
<td>Yes</td>
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</tbody>
</table>

Source: Author

Six case studies are created based on the material acquired to provide an explanation for the specified research topic. To explore modern business entrepreneurial behavior, the multiple-case research technique was applied. The five created propositions were used in the creation of the six case studies, and analysis revealed whether the stated propositions were shown in each of the situations, or entrepreneurs performed in contrasting manner.

We applied Yin (1983) case study design logic during the case study design process. Following the framework conceptualization, we moved on to case selection and data collection. Following that, we chose six SMEs from the private healthcare sector in North Macedonia. Because each unique case is a study, we perform individual case study reports for each case study and then publish multiple case findings and summary report. The report outlines how and why a certain proposition was shown or not demonstrated in each individual case. The report tends to illustrate the depth of the replication logic and why certain companies were projected to have specific outcomes when other companies may have demonstrated different results. Additionally, study's participants from the private healthcare sector follow:

Table 2: Research participants from the private healthcare sector in North Macedonia

<table>
<thead>
<tr>
<th>Case</th>
<th>Name of the company</th>
<th>Interviewee partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>SRCE</td>
<td>Founder</td>
</tr>
<tr>
<td>C2</td>
<td>DR. LOZANKOVSKI</td>
<td>Founder</td>
</tr>
<tr>
<td>C3</td>
<td>DENTAL COSMETIC STUDIO</td>
<td>Founder</td>
</tr>
<tr>
<td>C4</td>
<td>VIVI DERM</td>
<td>Founder</td>
</tr>
<tr>
<td>C5</td>
<td>PU TERZIEVA</td>
<td>Founder</td>
</tr>
<tr>
<td>C6</td>
<td>KINEZIKA</td>
<td>Founder</td>
</tr>
</tbody>
</table>

Source: Author

It is critical to recognize that the six cases fully match the four study's selection criteria. As a result, all six firms are domestic enterprises in the private healthcare sector that have been in business for more than three years and employ less than 250 people. Furthermore, the survey eliminated any firms that were foreign direct investments, public healthcare providers, or refused to release sensitive information.

Specifically, since we will approach a cross-case study analysis, first we begin with within-case analysis of the propositions for elaboration and then proceed with cross-case data analysis reporting all the differences and similarities across cases. In order to examine the different experiences of the private healthcare providers incorporated in this study and to analyse weather the set propositions will prove to be true, or their experience moderately differ, we approached N-vivo software analysis. Using N-vivo software for qualitative and mixed methods analysis, assisted in discovering richer insights from our cases, as well as to articulate clear and defensible findings to support our research.

Results

This section covers the study's within-case analysis, which presents the results for the sub-propositions for each of the six companies separately. First, all five sub-propositions have been analyzed within each case, presenting the supporting data for each of the entrepreneurial orientation dimensions (risk-taking, innovation, pro-activeness, autonomy, and competitive aggressiveness). Second, performance indicators data for enterprises' profitability, market share, and number of employees have been included in the elaborations of entrepreneurial orientation activities. This analysis of success indicators completes the elaboration of the sub-proposition and shows if the elaborated phenomena have a positive or negative impact on the company performance position.
Case C1

To understand whether the examined relationships are confirmed, or they differ drastically from the performed business activities by Case 1, a coding assisted qualitative analysis was performed. It is important to mention that the analysis was conducted using the N-vivo software. Furthermore, the results for the five sub-propositions under the circumstance of unexploited opportunities are depicted in Figure 2 below:

![Figure 2: Case C1 within case sub-proposition analysis, Source: Author](image)

Regarding the influence of the unexploited opportunities existing on the market and their impact on entrepreneurial orientation dimensions, four out of five sub-propositions have been confirmed (propositions 4a, 4b, 4c and 4d), while for one sub-proposition concerning the competitive aggressiveness on the market no evidence has been provided (proposition 4e). Nevertheless, as indicated in the graphical presentation of the results above, the innovation activities have shown to be predominant under the conditions of unexploited business opportunity as favourable surrounding factor.

Study results from case C1, clearly show that the innovation practices come with no value if isolated from the components of risk taking, pro-activity and autonomous acting. All these three dimensions contained in the sub-propositions 4a, 4c and 4d, have received credible supporting evidence while analyzing the data of case C1. In fact, regarding pro-activity inclusion in the processes and operations of SRCE, Dr. Nikolov clarified:

“Our proactive activities are closely connected to the introduction of innovative services, corresponding new technologies and sophistication in everyday operations. Therefore, we have been the first to introduce the chrono diet program, the technology used in this program as well as the smart office.”

Case C2

Next, the study examines the data obtained from Case C2. A coding assisted qualitative analysis has been performed on the data gathered. The analysis is conducted for the sole purpose of confirming the relationships or seeing whether they drastically differ from performed activities. Nevertheless, Figure 3 depicts the output results for the five sub-propositions moderated by the impact of unexploited opportunities:

![Figure 3: Case C2 within case sub-proposition analysis, Source: Author](image)

In fact, while analyzing the moderating factor and its impact on entrepreneurial orientation of the business, case C2 has attributed a relatively high importance to the role of unexploited market opportunities. Essentially, case C2 has confirmed the reliability of sub-propositions 4a, 4b and 4c, indicating that under the conditions of unexploited market opportunities, case C2 is taking more risk, initiating more innovation, and acting more proactively. Innovation has shown to be another valuable product of the influence of unexploited business opportunities on the entrepreneurial orientation of case C2. Dr. Lozankovski has declared to have experienced innovation in various forms and strongly confirm the thesis of sub-proposition 4b.
Case C2 shows a brilliant example of the significance of the association between risk taking, innovation and proactive market approach. More precisely, the case clearly indicated the way in which innovations should be timely channeled to the market to yield positive performance results. At the end, case C2 failed to provide supportive evidence to confirm the reliability of sub-propositions 4d and 4e. Therefore, the result of the study indicates that the condition of unexploited business opportunities on the market does not impact business autonomy delegation throughout the organization. Moreover, as the results show, the condition of unexploited market opportunities has insignificant correlation to business activities regarding competitors and taking aggressive actions toward the same.

Case C3

The results for the five sub-propositions moderated by the influence of unexploited market opportunities are illustrated in Figure 4 below:

![Within case sub-proposition analysis](image)

Figure 4: Case C3 within case sub-proposition analysis. Source: Author

Generally, results from the graphical presentation for case C3 seem to bear the notion that the business is highly sensitive to the positive influences of the environment and the position unexploited opportunities. Finally, the significance of the unexploited market opportunities influence on entrepreneurial dimensions of case C3 has been tested and results have been presented correspondingly. Namely, this influence showed to be relatively high, because four out the five sub-propositions have been confirmed throughout the interview process with Dr. Manevski. Sub-propositions 4a, 4b, 4c and 4d have been confirmed for Case C3. The propensity for risky activities has been discussed earlier in this section regarding case C3 business undertakings. The best clues for their positive attitudes toward risk may come from their enthusiastic life choices and directions, which are closely related to their business decisions.

Following the provided body of evidence, we may certainly confirm sub-proposition 4a. A sound amount of evidence has also confirmed sub-proposition 4b, which states that under the position of unexploited market opportunities, businesses initiate more innovative activities. The importance of innovation for case C3 has been elaborated through several dimensions. Besides the provided argument that they tend to introduce innovations in every possible organizational posture of their business, the founder further explained that the second way they introduce innovation is through imitation of international best dentistry practices. In this manner, they tend to apply as much as possible more sophisticated methods and services, which may not be a revolution for the advanced countries but are new and interesting on a local level.

A natural response toward surrounding unexploited market opportunities is a proactive stance toward the same. Therefore, the outstanding position of the pro-activeness dimension in case C3 is supported by number of business activities experienced by the founder. As Dr. Manevski elaborated earlier, operations performed three years ago, today are replaced by new and sophisticated activities that bring benefits to both, doctors’, and patients. Following this argument, the founder had added that the team of Dental Cosmetic Studio has been continually looking for new opportunities regarding current operations. Case C3 has clearly demonstrated that autonomy is present throughout the organization, and although it is a small business, decisions have been made jointly with the team. This clearly confirms sub-proposition 4d.

Since enough evidence has been provided to confirm the reliability of sub-propositions 4a, 4b, 4c and 4d, no supporting evidence has been found to confirm the validity of sub-proposition 4e, leading to conclusion that for case C3, the conditions of unexploited market opportunities have not contributed to increased level of competitive aggressiveness.

Case C4

Next, we focus our efforts on analyzing the five sub-propositions for case C4, that are moderated by the impact of unexploited market opportunities. A considerable body of evidence has been gathered through an interview process with the founder, Dr. Batuljani. Moreover, the results of case C4’s response to the test of the five sub-propositions under the impact of unexploited opportunities, are presented in Figure 5 below:
Regarding the influence of the availability of unexploited business opportunities on the entrepreneurial orientation dimensions of case C4, three out of five sub-propositions have been confirmed. In fact, the supported sub-propositions for case C4 are proposition 4a, 4b and 4d.

As evident from the study results, case C4 has strongly supported the notion that in conditions of unexploited market opportunities, businesses take more risk, therefore supporting the confirmation of sub-proposition 4a. Besides the initial risk of starting a private family dermatological office and bearing the risk of self-employment, case C4 showed that the business has been prepared to take addition risks in terms of new equipment acquisition and investment in training abroad. Even though the end results coming from these undertakings are uncertain, nevertheless, the business continues to take risky actions and is enthusiastically devoted to development.

Case C4 has also indicated sufficient support for sub-propositions 4b and 4d, supporting the statements that the position of unexploited opportunities has positive impact on the level of innovation and autonomy in the organization. However, case C4 showed no support for sub-proposition 4c and 4d, thus, showing that under the conditions of unexploited opportunities case C4 failed to act more proactively and did not act competitively aggressively.

Case C5

This section aims to analyze five sub-propositions that incorporate the position of unexploited opportunities on the market into Case 5 entrepreneurial activities. More specifically, the moderating force has been tested on business activities involving risk-taking, innovation, pro-activeness, competitive aggressiveness, and autonomy. The data was collected through an interview process with Ms. Terzieva, who is the owner of the business. Later, the data was used in a coding assisted qualitative analysis, conducted using the N-vivo software. The results of the response of Terzieva are presented in Figure 6 below:

Namely, case C5 has provided evidence for four out of five sub-propositions treating unexploited market opportunities as moderating factor – propositions 4a, 4b, 4c and 4d. As evident from the study results displayed in Graph 6, risk taking has been found to be highly supported by evidence provided by case C5, while analyzing sub-propositions of proposition 4 referring to the influence of the unexploited opportunities. Similarly, the findings of the study provide compelling evidence that supports sub-proposition 4b, confirming that at condition of unexploited market opportunities, the business is keen on initiation more innovative activities. Besides the vast examples of technological innovation implementations in the facilities, case C5 has provided evidence for introduction of innovation in everyday activities and organization. One of the ways it makes things different from competition is dedication for its team development.
Therefore, the company is unique in the sector by having employed a full-time doctor, have licenses for all the caregivers in the team, and has biggest and most professional team of physiotherapists. Findings from case C5 show support for sub-propositions 4c and 4d as well. Correspondingly, this indicates that under the conditions of unexploited market opportunities, the business takes a more proactive approach on the market, and at the same time, acts more autonomously within the organization.

Corresponded to the view of positive autonomy trends in the company, the founder had explained that the politics of the company is to invest in staff members and make them strong enough to be able to work autonomously. The only sub-proposition that failed to receive support from the data from case C5 is sub-proposition 4e, meaning that no evidence has been found to confirm that under the conditions of unexploited market opportunities, business has been acting competitive aggressively on the market.

**Case C6**

Lastly, for Case C6, that analyzes the company KINEZIKA, a coding assisted qualitative analysis was performed. The analysis tested five sub-propositions moderated by the influence of unexploited market opportunities. The goal is to confirm the relationships in question or clarify whether the conducted business activities were performed differently. The results from this analysis are illustrated in Figure 7 below:

![Within case sub-proposition analysis](image)

**Figure 7:** Case C6 within case sub-proposition analysis. *Source:* Author

The position of unexploited market opportunities has provided positive influence on entrepreneurial dimensions regarding risk taking, innovation, pro-activeness, autonomy and competitive aggressiveness, while confirming four out of five sub-propositions (propositions 4a, 4b, 4c and 4d).

Results show that the unexploited market opportunities had greatest impact on the risk-taking propensity of the business and the innovation dimension of the entrepreneurial orientation. Regarding sub-proposition 4a concerning the risk elements of the business, evidence from case C6 support the notion that the business is continually taking risky activities, ranging from risk in everyday operations to financial risks concerning business formation as well as business development, as investment in new equipment with uncertain performance outcome. Moreover, sub-proposition 4b regarding business innovation actions has been fully supported. As it reveals within the case, the business has always been among the first private practices in physiotherapy to introduce novelties to the market. An excellent example would be the home-oriented service, medical acupuncture and varied types of special massage and treatments. Following the arguments concerning high innovations on the market and the outlined courage for risky undertakings, leads to confirmation of the expected proactive market approach.

Furthermore, the founder has recognized that long term success must be built on professionalism and superior teamwork. Open dialog and openness for new ideas and activities is what makes KINEZIKA’s performance moving straightly forward. Following this argument and outlining the importance of self-improvement and responsibility for the performance in everyday operations give full support to company autonomy position. Findings confirm that in the position of unexploited market opportunities, the business acts more autonomously, therefore confirming sub-proposition 4d.

**Performance Indicators testing**

After presenting all the relevant and supporting evidence for the five sub-propositions moderated by the impact of unexploited business opportunities, the study focuses on the last part of the propositions that concern business performance through the results of the companies’ profitability, number of employees and market share. In Table 3, the N-Vivo software results are presented, where the success indicators for the six case studies have been examined:
The results indicate that during the examined three-year period all the elaborated companies have enjoyed an increase in profitability and increase in market share. However, three of the examined cases have not been able to increase the number of employees. With these statements, we can conclude the previous section that assumes a positive impact on the sub-propositions by unexploited opportunities on the market. As the company has been able to have an increase in profitability and increase in the market share, we may assume that the unexploited market opportunities have had a positive impact through the business activities performed in sub-propositions 4a, 4b, 4c and 4d.

Furthermore, the results for the above-mentioned sub-propositions also confirm that the companies have been able to undertake activities that are risky in nature, has been prone to innovation, has been pro-active and autonomy has been present at all levels in the business hierarchy. Therefore, we may certainly correlate these activities to the companies’ increase in market share and profitability. However, it is important to mention that these activities have contributed towards an increase in the number of the teams’ members only in part of the elaborated business entities.

**Cross case analysis**

The previous section, focused on the examination of the five sub-propositions on a single-case basis, through which the within-case analysis was conceptualized. In this context, patterns were identified between the entrepreneurial dimensions and the business performance and success of selected healthcare providers. The sub-propositions that were confirmed have been outlined as true. Next, the study will focus its attention on the cross-case analysis. Through this process, we can detect and contrast the similarities and differences of the patterns in all six cases. Therefore, an analysis of each of the cases separately is needed, to determine if literal replication has been assured. Correspondingly, sub-propositions presenting the influence of the unexploited market opportunities over the businesses’ risk propensity, innovative actions, pro-activeness on the market, autonomy within organization and aggressiveness toward competitors has been analyzed across cases.

The position of unexploited business opportunities has apparently had great impact on the selected private healthcare companies’ entrepreneurial performance. The surrounding business opportunities have certainly encouraged businesses to exploit new prospects, to initiated greater innovation and in that way to commence proactive approach on the market and to support autonomy within each of the organizations. This is fully consistent with the fact that majority of the cases highly supported the confirmation of sub-propositions 4a, 4b, 4c and 4d. More precisely, all the six selected cases confirmed that at conditions of unexploited market opportunities businesses take more risk which has positive influence on SME’s’ success. The position of open market opportunities has certainly made individuals more curious and confident at the begging of business formation, as well as more ambitious and risk-friendly in the advanced stages of business development. Full replication of the results has been also reached for sub-proposition 4b, referring to the positive unexploited market opportunities influence over the innovative elements of the business, therefore confirming the positive contribution to business success respectfully. Moreover, being aware of the possible business initiative in the environment, businesses have been motivated to improve innovation first in the internal operations by adding on efficiency and introduction of new technology; and then to introduce innovation on the market to reach wider client base and offer more sophisticated and unique products and services.

The pro-activeness of the businesses and its positive impact on business success has been recognized by five out of six cases. In fact, case C4 exclusively has failed to provide support for its proactive domination of the private healthcare market. However, the rest of the five cases studied clearly demonstrated their proactive market performance, therefore confirming sub-proposition 4c. Their proactive actions have been presented through constant search for new opportunities, being first to introduce new products and services on the market as well as replacing methods in the last phases of their life cycles and offer contemporary and sophisticated services to end clients. Findings also suggest great importance of the role of technology and sophistication of everyday operations as part of businesses’ proactive approaches.

Furthermore, the results confirmed the role of unexploited market opportunities in delegating a sound autonomy system within the businesses. Moreover, the favorable environment seemed to provide positive impact over organizations’ autonomy, since five out of the six elaborated cases supported sub-proposition 4d, therefore confirming that at conditions of unexploited market opportunities business act more autonomously which has positive influence on business success. The positive contribution of the unexploited market opportunities has been primarily noticed through the organizations’ need to create healthy and responsible individuals and teams that are able to work hard and act upon the open opportunities on the market. Although throughout the interview processes with the founders they shared their experience that the autonomy in their company barely matches this level, they have all explained that they work on his issue and that the environment with open market opportunities significantly assists in the improvement process. The six elaborated cases clearly demonstrated that the unexploited opportunities on the market showed no influence over the

**Table 3: Success indicators N-vivo testing results.**

<table>
<thead>
<tr>
<th></th>
<th>C1</th>
<th>C2</th>
<th>C3</th>
<th>C4</th>
<th>C5</th>
<th>C6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability Increase</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of employees increase</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Market share Increase</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Source:** Author
competitive aggressive position of the businesses and its corresponding success results. Namely, all the six elaborated cases have failed to demonstrate that under conditions of unexploited market opportunities, businesses act more competitive aggressively. Findings strongly support the fact that these private healthcare companies lack competitively aggressive actions and have eliminated this entrepreneurial orientation dimension from their strategic plans and actions.

Findings have shown that the unexploited market opportunities influence over the dimensions of risk taking, innovation, pro-activeness and autonomy within the companies, presented through sub-propositions 4a, 4b, 4c and 4d, have been fully confirmed and result could be replicated. Nevertheless, the market opportunities influence over the companies’ competitive aggressiveness, presented through sub-proposition 4e, failed to reach support in any of the selected cases.

Discussion

The diverse array of opportunities within the business environment may come from the developmental stage of the initial market. As such, our theoretical framework intricately links the relationship between entrepreneurial orientation and SMEs’ success to the perceived unexploited business opportunities. The significance of this moderating factor in influencing the entrepreneurial behaviour of businesses has garnered considerable acknowledgment from all the founders interviewed in this study. Furthermore, the theoretical framework, serving as the fundamental basis for conducting the study, positions market opportunities as a positive influencing factor for businesses in developing countries. Therefore, as the framework suggests, at position of unexploited market opportunities business take more risk, initiate more innovation, act more proactively, more autonomously and more competitive aggressively, and all these business actions contribute positively to business success. The position of unexploited business opportunities has apparently had great impact on the selected private healthcare companies’ entrepreneurial performance. The surrounding business opportunities have certainly encouraged businesses to exploit new prospects and initiate greater innovation, and at the same time feel more confident and less risk averse. Moreover, results have shown that the proactive actions have been presented through constant search for new opportunities, being first to introduce new products and services on the market as well as replacing methods in the last phases of their life cycles and offer contemporary and sophisticated services to end clients. Furthermore, the favourable environment seemed to provide positive impact over organizations’ autonomy. In that direction, the positive contribution of the unexploited market opportunities has been primarily noticed through the organizations’ need to create healthy and responsible individuals and teams that are able to work hard and act upon the open opportunities on the market. The single entrepreneurial orientation dimension that has left untouched from the influence of the market opportunities is the competitive aggressiveness of the businesses. In fact, findings have revealed that these private healthcare companies lack competitively aggressive actions and have eliminated this entrepreneurial orientation dimension in their strategic actions. This might be result of the relatively immature position of the private healthcare market and the moderate level of competition within it.

The decision for selection of unexploited market opportunities as moderator to the entrepreneurial orientation and performance relationship has been backed up by massive and wide set of literature. The significance of the opportunities has been outlined in almost all the entrepreneurial theories. Referring to the basic theories of entrepreneurship, opportunities hold a special place in entrepreneurship concept development, (Drucker, 1985; Stevenson, 1983). According to authors’ standpoint entrepreneurs do not cause but exploit the opportunities that change creates (in technology, consumer preferences etc.), which is consistent with our positioning of opportunities as moderators in developing counties with a varying stages of transition processes.

Furthermore, selected entrepreneurial literature provides full support to the results of this study indicating the exclusively positive attitudes of Macedonian entrepreneurs in the healthcare sector toward the opportunities that surrounds their businesses. In fact, our findings are completely consistent with the studies conducted by the Microfinance centre and GEM, which ranked the general perception for opportunities in Macedonia relatively high, namely, highest among the countries in the region. According to the results of GEM, even 38% of the adult Macedonians have the opinion that there are present business opportunities in the environment where they live; 56% of Macedonians feel capable of starting a business; and 25% of the participants reported intent to start business within a period of three years. Whereas these arguments certainly confirm the general positive view on opportunities in developing country as Macedonia, it is consistent with the positive unexploited opportunities’ influence over entrepreneurial orientation dimensions and business success as well. Literature heavily acknowledges that opportunities in developing countries and opportunities in developed countries significantly differ. Findings from this study indicate that ideas and innovations are often transferred from more advanced countries; nevertheless, these “copied” products and services have significantly contributed to the positive impact on the business performance of private healthcare units. This corroborates previous research that has demonstrated how developing countries can progress in terms of innovation not solely through substantial investments in research and development, but also through the processes of imitation and the transfer of technology and know-how from more developed nations. (Barreira, 2004; Olafsen and Cook, 2016).

Conclusions

As validated by the outcomes of this study, businesses in the private healthcare sector in North Macedonia face various surrounding opportunities. Findings have shown that the unexploited market opportunities influence over the dimensions of risk taking, innovation, pro-activeness and autonomy within the companies, presented through sub-propositions 4a, 4b, 4c and 4d, have been fully confirmed and result could be replicated. Nevertheless, the market opportunities influence over the companies’ competitive aggressiveness, presented through sub-proposition 4e, failed to reach support in any of the selected cases.
Nevertheless, the findings confirmed increased opportunity position to be result of global trends’ influences. This pool of open opportunities regarding transferring the global health trends on the Macedonian market is wide and numerous. Namely, results from the six elaborated cases pointed to two central channels of transferring these trends to Macedonian clients. In fact, this transfer has been generally achieved through acquisition of advanced technology and education and trainings abroad. Absorption of foreign knowledge has been outlined as extremely important factor for exploiting additional domestic opportunities. Namely, majority of the cases supported the notion that the transfer of knowledge and know-how is crucial in improving their position on the market as healthcare service providers. As a result, founders, and managers of the private healthcare units in Macedonia should create their budgets with special attention to international study visits, seminars, and fairs, as well as provide funding for acquisition of new technology that follow healthcare trends. Results from our analysis have revealed that the private healthcare market in Macedonia is open for exploitation of new opportunities in the sphere of nutrition and cardiology; advanced assisted pregnancy procedures; more sophisticated oral health and beauty services; a more customized approach for elderly care in terms of centres for Alzheimer and dementia and hospices and daily centres; as well as advanced physiotherapy procedures. A main implication from the study results refers to the structure and number of members in the private healthcare units’ teams. In fact, whereas all the elaborated companies possess highly educated and specialized leaders in the healthcare field, still, a lack of team diversity appears. Therefore, considering enlargement of company’s team, and considering the benefits that different professionals may bring to the company performance (marketing experts, business consultants) would level these businesses up and channel them to advancement.

This study contributes to the understanding of entrepreneurial orientation in developing countries in several directions. First, general literature on entrepreneurial orientation concept is numerous, still, the studies incorporating the concept of entrepreneurial orientation in the sphere of developing country is relatively limited. This study fulfills the gap of empirical studies on entrepreneurial orientation in developing markets since the concept of our theoretical framework carefully connected entrepreneurial orientation – SMEs’ success relationship to the developing countries business circumstances. Furthermore, the elaboration of entrepreneurial orientation and performance relationship has been studied in different contexts, incorporating different moderating influences, however, no study was found analysing entrepreneurial orientation-success relationship under the condition of unexploited market opportunities. The research in this study fulfilled this gap in the entrepreneurial literature. The decision for selection of unexploited market opportunities as moderator to the entrepreneurial orientation and performance relationship has been backed up by massive and wide set of literature. The significance of the opportunities has been outlined in almost all the entrepreneurial theories. And finally, this research fulfills the lack of empirical qualitative studies in the research field of entrepreneurial orientation strategy. Since past research has been often criticized for prioritizing fast survey research techniques, this study has been devoted to extensive field work and delivered six comprehensive case studies in the field of entrepreneurial orientation in emerging markets.

Consideration for future research should include additional strategic approaches that may support SMEs from emerging markets to successfully exploit the unmet surrounding business opportunities.

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Conflicts of Interest: The authors declare no conflict of interest

References


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