

Socio-Cultural Determinants of Entrepreneurial Orientation: Evidence from Small and Medium Enterprises in Gujarat

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Abstract

Entrepreneurship plays a vital role in economic development, job creation, and societal progress. This study examines how socio-cultural characteristics influence entrepreneurial orientation (EO) among small and medium enterprise (SME) entrepreneurs in Gujarat, India. Specifically, it investigates the impact of education, prior experience, and family background on the EO dimensions of innovativeness, proactiveness, and risk-taking propensity. A structured questionnaire was administered to 100 SME entrepreneurs in Gujarat, selected through convenience sampling. The items were adapted from established scales and validated through expert review and pilot testing. Reliability was confirmed using Cronbach's alpha, and factor analysis (Varimax rotation) supported the three-dimensional EO structure. Parametric tests (t-tests, ANOVA) were conducted to compare EO across socio-cultural groups. Results show that education significantly enhances innovativeness and risk-taking, while prior business experience contributes positively to innovativeness but has limited effect on risk-taking and proactiveness. Family business background strongly influences proactiveness, with entrepreneurs from business families being more proactive than those from agricultural backgrounds. Drawing on the Theory of Planned Behaviour (TPB), the study demonstrates that education shapes entrepreneurial attitudes, family background influences subjective norms, and prior experience enhances perceived behavioural control, collectively shaping entrepreneurial orientation. The findings suggest that investors and policymakers can use socio-cultural profiles to evaluate entrepreneurial potential. Education and training initiatives should particularly target entrepreneurs from non-business backgrounds to foster innovation and proactive decision-making. This study contributes empirical evidence on the socio-cultural determinants of entrepreneurial orientation in the Indian SME context, offering insights into how education, experience, and family background interact to shape innovation, proactiveness, and risk-taking in entrepreneurship..

Keywords: *Entrepreneurial orientation, Innovativeness, Proactiveness, Risk-taking propensity, Socio-cultural characteristics, SMEs*

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Introduction

Entrepreneurship education has gained prominence in India in recent years, particularly in business management schools. Students and parents increasingly demand entrepreneurship courses to hedge against uncertain career prospects in the corporate world. In response, the Government of India has launched initiatives such as the Start-up India campaigns to simplify entrepreneurial activities, provide financial support, and strengthen industry-academia networks. These efforts aim to promote innovation and venture creation, highlighting the growing need for entrepreneurship education and research in this field. Entrepreneurship is broadly defined as the process of exploiting opportunities and converting them into goods and services (Venkataraman, 1997). Entrepreneurial orientation (EO) has been studied through three dimensions: innovativeness, proactiveness, and risk-taking (Lumpkin & Dess, 2001). It is concerned with understanding how, when, and why opportunities are created, discovered, and exploited (Shane & Venkataraman, 2007). Theories of market equilibrium and disequilibrium also provide useful insights into entrepreneurship's role in shaping or responding to market conditions (Dean, 2015). In this regard, entrepreneurs are often viewed as individuals who thrive under uncertainty and are willing to assume risk (MacKo & Tyszka, 2009; Hvide & Panos, 2014; Hsieh, Parker & van Praag, 2017).

At the individual level, entrepreneurial decisions are shaped by risk propensity, cognitive biases, and personal values. Research suggests that optimism, planning fallacy, overconfidence, and illusion of control influence the decision to start a venture, either directly or through risk perception (Baporikar, 2014; Kannadhasan, Aramvalathan & Pavan Kumar, 2014). Other studies have emphasized the importance of personal motivation, leadership, creativity, and perseverance in

entrepreneurial success (Bujor & Avasilcai, 2016; Baum & Locke, 2004). Thus, psychological and attitudinal factors interact with entrepreneurial orientation and influence innovation, risk-taking, and proactiveness. Beyond individual traits, socio-cultural factors significantly influence entrepreneurial behaviour. For this study, "socio-cultural characteristics" refer to family expectations, community norms, regional cultural values, and social capital. Family background plays a particularly critical role in shaping entrepreneurial attitudes toward innovation, risk, and proactiveness (Basu & Altinay, 2002; Arunachalam, Ramaswami & Chai, 2016). Mentorship and role models further strengthen entrepreneurial intentions (Oosterbeek, van Praag & Ijsselstein, 2010). Social capital factors such as trust, cooperation, and networking also determine opportunity recognition and business growth (David Jawahar & Nigama, 2011; Panda & Dash, 2016). Collectively, these socio-cultural influences form the ecosystem in which entrepreneurs perceive opportunities and take decisions.

Despite extensive research on entrepreneurial traits and orientations, limited empirical evidence exists on how socio-cultural factors shape entrepreneurial behaviour in the Indian MSME context. Particularly in Gujarat, which has a historically strong entrepreneurial culture, SMEs provide a unique setting to examine how education, prior experience, and family background influence entrepreneurial orientation. This study therefore investigates the role of socio-cultural characteristics in shaping entrepreneurial behaviour among small and medium enterprises in Gujarat, thereby bridging a crucial gap in the literature. Therefore, the objective of this study is to investigate the association between socio-cultural characteristics (education, prior experience, and family background) and the dimensions of entrepreneurial orientation (innovativeness, proactiveness, and risk-



taking propensity) among small and medium enterprises in Gujarat.

Literature Review

Entrepreneurial Orientation

Entrepreneurial orientation (EO) reflects the strategic direction of a firm and the entrepreneurial decision-making style of its owner (Covin & Wales, 2012). EO has been conceptualized as a multidimensional construct, typically encompassing three dimensions: innovativeness, proactiveness, and risk-taking (Lumpkin & Dess, 2001). Innovativeness refers to a firm's commitment to creativity, experimentation, and the adoption of novel ideas, processes, or products, thereby reflecting its ability to generate and implement new opportunities. Proactiveness emphasizes forward-looking behaviour, where entrepreneurs actively anticipate changes in market demand, act ahead of competitors, and seize first-mover advantages in emerging opportunities. In contrast, risk-taking highlights the willingness of entrepreneurs to commit substantial resources to ventures under uncertainty, embracing ambiguity and potential failure in pursuit of growth (Stevenson & Jarillo, 1990). Collectively, these dimensions capture a firm's strategic posture and its approach to competition, providing a lens to assess how entrepreneurial behaviour is embedded in organizational practices. Prior studies suggest that EO is not formed in isolation but is influenced by contextual and socio-cultural factors such as family involvement, financial resources, and demographic characteristics (Basu & Altinay, 2002). These factors can strengthen or constrain entrepreneurial decision-making, shaping both the degree of innovativeness and the capacity to proactively and boldly pursue opportunities.

Theoretical Framework: Socio-Cultural Determinants of EO

This study draws on the Theory of Planned Behaviour (TPB) to explain how socio-cultural characteristics shape entrepreneurial orientation. According to TPB, an individual's behaviour is determined by three interrelated components: attitudes, subjective norms, and perceived behavioural control (Ajzen, 1991). Attitudes reflect the individual's evaluation of entrepreneurship as desirable and beneficial, while subjective norms capture the social expectations and pressures that either encourage or discourage entrepreneurial action. Perceived behavioural control represents the confidence and perceived capability to engage successfully in entrepreneurial activities. Within this framework, socio-cultural factors play a crucial role in shaping these determinants. Education enhances attitudes toward innovation and risk-taking by equipping individuals with knowledge, analytical skills, and problem-solving abilities that foster entrepreneurial confidence. Family background strongly influences subjective norms by transmitting values, role models, and social legitimacy, which can encourage proactive and opportunity-driven behaviour. Similarly, prior business experience contributes to perceived behavioural control by providing practical insights, improving judgment under uncertainty, and enhancing the ability to identify and exploit new opportunities. Collectively, these socio-cultural characteristics create a coherent framework for understanding why some entrepreneurs display higher levels of innovativeness, proactiveness, and risk-taking, thereby offering explanatory depth for variations in entrepreneurial orientation.



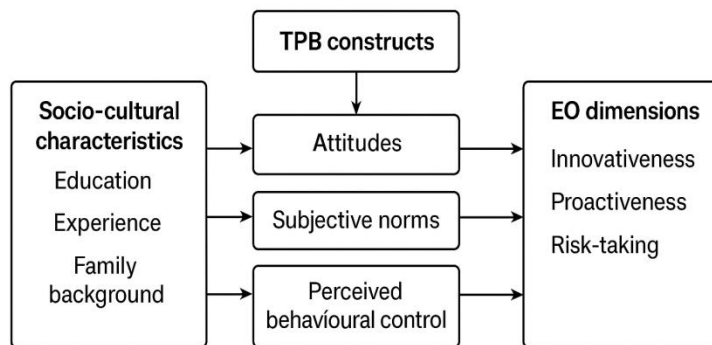


Figure 01: Conceptual Framework

Source: Authors creation

Role of Education in Entrepreneurial Orientation

The acquisition of knowledge significantly affects an entrepreneur's ability to take risks, behave proactively, and innovate (Ramírez, Morales & Rojas, 2011). Education equips individuals with the intellectual capacity to analyze opportunities, evaluate risks, and implement strategies that support entrepreneurial success. A higher level of education enhances communication, analytical, and problem-solving skills, which are essential for designing proactive strategies and adapting to dynamic business environments (Casson, 2003; Sivarajah & Achchuthan, 2013). Educated entrepreneurs are generally more innovative, as they are exposed to diverse ideas and approaches that enable them to create new products or services and respond flexibly to uncertainty (Canedo et al., 2014). Education also strengthens critical thinking and decision-making abilities, reducing hesitation in risk-related choices and promoting confidence in opportunity exploitation. Empirical studies further show a positive association between education and creativity, innovation, and risk-taking propensity, underscoring its importance in shaping entrepreneurial orientation (Bachkaniwala, Wright & Ram, 2001).

H₁: There is a significant association between the level of education and the entrepreneurial orientation.

Role of Experience in Entrepreneurial Orientation

Prior experience provides entrepreneurs with valuable insights into market dynamics, customer preferences, and competitive challenges, thereby improving their ability to recognize and act upon opportunities (Crick, Chaudhry & Batstone, 2001). Experience develops managerial competencies, strengthens resource mobilization skills, and enhances decision-making, which collectively contribute to effective entrepreneurial behaviour (Haber & Reichel, 2007). Moreover, entrepreneurs with prior experience often possess established business and social networks that facilitate access to resources, innovation, and smoother market entry (Haynes, 2003). Such networks reduce uncertainty and allow entrepreneurs to proactively respond to emerging trends. However, the relationship between experience and innovation is not always straightforward. Some studies suggest that experienced entrepreneurs may become more cautious and rely heavily on proven strategies, focusing on the exploitation of existing opportunities rather than exploring

new ones (Farmer, Yao & Kung-McIntyre, 2011; Badra & Sharma, 2016). This dual effect highlights the complex role of prior experience in shaping entrepreneurial orientation.

H₂: There is a significant association between prior business experience and the entrepreneurial orientation..

Role of Family Background in Entrepreneurial Orientation

Family background plays a critical role in shaping entrepreneurial values, risk preferences, and attitudes toward innovation (Basu & Altinay, 2002). From an early stage, family members transmit norms and expectations that influence whether entrepreneurship is seen as a legitimate and desirable career choice. Families that emphasize originality, creativity, and technical ability tend to nurture adaptability and openness to innovation, encouraging entrepreneurs to pursue novel opportunities and take calculated risks. In contrast, conservative family environments often reinforce stability and caution, which may foster risk aversion and discourage experimentation (Arunachalam, Ramaswami & Chai, 2016). Beyond values, family business experience provides access to tangible and intangible resources, such as financial capital, business know-how, and established networks, all of which enhance entrepreneurial decision-making. Social capital embedded within families also facilitates trust-based relationships and mentoring, reducing uncertainty in business ventures (Dahl & Sorenson, 2009). Thus, family background becomes a decisive socio-cultural factor shaping entrepreneurial orientation.

H₃: There is a significant association between the family background of entrepreneurs and the entrepreneurial.

Interaction Effects and Research Gap

Despite the expanding body of research on entrepreneurial orientation, relatively little attention has been paid to the interaction of socio-cultural factors and how they jointly influence entrepreneurial behaviour. For instance, highly educated individuals from risk-averse families may demonstrate cautious approaches to innovation and risk-taking, in contrast to similarly educated individuals from supportive and entrepreneurial families, who may be more proactive and innovative. This highlights the need to move beyond examining factors in isolation and to study their combined effects. Likewise, longitudinal studies could provide valuable insights into how the influence of prior business experience changes over time, capturing shifts in attitudes, proactiveness, and risk-taking as entrepreneurs mature in their careers. In addition, gender differences remain underexplored, as male and female entrepreneurs may perceive and negotiate socio-cultural constraints differently (Koneru, 2018). These gaps justify further empirical research in regional contexts such as Gujarat, where entrepreneurship is embedded in distinctive socio-cultural tradition.

Research Design

Sample and Data Collection

The study examines the influence of socio-cultural characteristics on the entrepreneurial orientation of small and medium enterprise (SME) entrepreneurs in Gujarat, India. Respondents were selected using convenience sampling, which was deemed appropriate due to accessibility constraints. However, this method introduces potential sampling bias and limits generalizability. Future research could employ probability or stratified sampling techniques to enhance representativeness. A structured questionnaire was administered to 100 entrepreneurs representing first-generation, second-generation, and third-generation SME owners. The sample size aligns with prior studies in the Indian SME context (e.g., Mehta, 2011; Ramachandran & Ramnarayan,



1993) and is adequate for exploratory factor analysis, which typically requires at least 5–10 respondents per item. A brief power analysis indicates that a sample of 100 provides sufficient statistical power (>0.80) to detect medium effect sizes in t-tests and correlations at the 5% significance level..

Questionnaire and Validation

The survey instrument included 12 items measuring the dimensions of entrepreneurial orientation (innovativeness, proactiveness, and risk-taking propensity) and items capturing socio-cultural factors (education level, prior experience, and family background). All EO items were measured on a five-point Likert scale. The items were adapted from prior validated scales in the literature (Lumpkin & Dess, 2001; Ramachandran & Ramnarayan, 1993; Kannadhasan, Aramvalathan & Pavan Kumar, 2014). The questionnaire was subjected to expert review for face and content validity and pilot-tested with 15 respondents to ensure clarity and comprehensibility. Reliability was assessed using Cronbach's alpha, which demonstrated acceptable internal consistency for innovativeness ($\alpha = 0.797$) and risk-taking ($\alpha = 0.786$). The proactiveness subscale, however, showed relatively lower reliability ($\alpha = 0.628$), which is marginally below the preferred threshold of 0.70. This limitation suggests the need for refinement of proactiveness items in future research.

Variables and Measures

The study focused on socio-cultural characteristics as the independent variables, namely education level, prior business experience, and family background. Education level was measured categorically, distinguishing between entrepreneurs with education below the 12th standard and those with graduate-level or higher qualifications. Prior business experience was treated as a binary variable, differentiating between respondents with significant related

experience and those without such experience. Family background was also categorized, with participants classified as coming from either a business family or an agricultural family. The dependent variable of the study was entrepreneurial orientation, which was operationalized as a three-dimensional construct. Specifically, entrepreneurial orientation was assessed through three key dimensions: innovativeness, reflecting the tendency to support new ideas and creative processes; proactiveness, denoting the willingness to anticipate and act on emerging opportunities; and risk-taking propensity, capturing the entrepreneur's inclination to commit resources under uncertain conditions. Together, these variables form the basis for analyzing how socio-cultural factors shape entrepreneurial orientation among SME entrepreneurs.

Demographics

In addition to the above, demographic data were collected on age, gender, industry type, and firm size to understand the sample profile better and allow for potential subgroup analysis.

Statistical Analysis

Cronbach's alpha for the 12 entrepreneurial orientation items was 0.784, indicating good internal consistency overall. Sub-dimension reliabilities were as follows: innovativeness ($\alpha = 0.797$), proactiveness ($\alpha = 0.628$), and risk-taking ($\alpha = 0.786$). While innovativeness and risk-taking show acceptable reliability (≥ 0.70), the proactiveness subscale is slightly below the threshold, suggesting potential refinement of items in future research.

Exploratory factor analysis (EFA) with Varimax rotation was conducted to identify factor structure. The Kaiser-Meyer-Olkin (KMO) value of 0.750 and Bartlett's Test of Sphericity ($\chi^2 = 364.333$, $p < 0.001$) confirmed sampling adequacy. Three factors emerged, explaining 58.8% of variance.

Table 01: Reliability statistics

Particular	Cronbach's Alpha	N of Items
Overall	0.784	12
Innovation	0.797	4
Proactiveness	0.628	4
Risk Taking	0.786	4

Source: Analysed Data

Table 02: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.750
Bartlett's Test of Approx. Chi-Square	364.333
Sphericity df	66
Sig	0.000

Source: Analysed Data

Table 03: Factor Analysis

Component	Initial Eigenvalues				
	Total	% of Variance	Cumulative %	% of Variance	Cumulative %
Innovation	3.802	31.687	31.687	21.944	21.944
Proactiveness	1.889	15.740	47.427	20.550	42.494
Risk Taking	1.365	11.378	58.806	16.312	58.806

Source: Analysed Data

Parametric tests (independent sample t-tests and ANOVA) were employed to examine the impact of socio-cultural characteristics on EO dimensions. Assumptions of normality and homogeneity of variance were checked; Levene's Test results were used to determine whether equal variances (EV) or not assumed (NEV).

Mean values suggest variation across groups:

Entrepreneurs with graduate education reported higher EO (M = 3.18) than those

with education below 12th standard (M = 2.89).

Entrepreneurs with a business family background (M = 3.14) showed higher EO than those from agricultural families (M = 2.92).

Entrepreneurs with prior experience did not significantly differ overall in EO but scored higher on innovativeness.).

Table 04: Rotated Component Matrix

Items	Factor 1 (Innovativeness)	Factor 2 (Proactiveness)	Factor 3 (Risk-taking)
Innovativeness 1	0.78		



Innovativeness 2	0.74
Innovativeness 3	0.72
Innovativeness 4	0.70
Proactiveness 1	0.72
Proactiveness 2	0.74
Proactiveness 3	0.70
Proactiveness 4	0.68
Risk-taking 1	0.75
Risk-taking 2	0.72
Risk-taking 3	0.70
Risk-taking 4	0.74

Source: Analysed Data

Table 05: Descriptive Statistics

Particulars	Inexperienced (41%)	Experience d (59%)	< 12 th (38%)	Graduate (62%)	Busine ss (70%)	Agri. (30%)
Entrepreneurial orientation	3.11(0.47)	3.05(0.53)	2.89 (0.54)	3.18(0.45)	3.14(0.47)	2.92(0.54)
Innovativeness	3.66(0.75)	3.23(0.92)	3.05 (0.9)	3.63(0.79)	3.41(0.86)	3.39(0.95)
Proactiveness	3.23(0.8)	3.25(0.78)	3.11 (0.75)	3.33(0.79)	3.44(0.64)	2.79(0.89)
Risk-Taking	3.06(0.85)	3.21(0.97)	2.78 (0.88)	3.38(0.88)	3.09(0.91)	3.28(0.96)

Source: Analysed Data

Inferential Statistics

Independent sample t-tests were used to test group differences. Levene's Test for Equality of Variances determined whether equal variances (EV) or not assumed (NEV) were applied.

Education and EO: Entrepreneurs with graduate-level education had significantly higher EO ($t(98) = -2.85$, $p < .01$), particularly in innovativeness ($t(98) = -3.39$, $p < .001$) and risk-taking ($t(98) = -3.31$, $p < .001$).

Experience and EO: No significant difference in overall EO was found ($t(98) = 0.56$, $p = .576$). However, innovativeness was significantly higher among experienced entrepreneurs ($t(98) = 2.60$, $p < .05$).

Family Background and EO: Entrepreneurs from business families reported higher EO ($t(98) = 2.05$, $p < .05$), with proactiveness being significantly greater ($t(98) = 3.59$, $p < .01$).



Table 06: Parametric Tests

	Particulars		F	Sig.	t	Sig.	Mean Diff.	Std. Error Diff.
Experience	Entrepreneurial orientation	EV*	1.80	0.18	0.56	0.576	0.06	0.10
	Innovation	NEV**	6.41	0.01	2.60	0.011	0.44	0.17
	Proactiveness	EV	0.00	0.95	-0.14	0.888	-0.02	0.16
	Risk-Taking	EV	0.54	0.47	-0.78	0.437	-0.15	0.19
Education	Entrepreneurial orientation	EV	1.32	0.25	-2.85	0.005	-0.29	0.10
	Innovation	EV	1.70	0.20	-3.39	0.001	-0.58	0.17
	Proactiveness	EV	0.01	0.94	-1.41	0.163	-0.23	0.16
	Risk-Taking	EV	0.08	0.78	-3.31	0.001	-0.60	0.18
Back-Ground	Entrepreneurial orientation	EV	0.43	0.51	2.05	0.043	0.22	0.11
	Innovation	EV	1.23	0.27	0.12	0.907	0.02	0.19
	Proactiveness	NEV	6.90	0.01	3.59	0.001	0.65	0.18
	Risk-Taking	EV	0.15	0.70	-0.96	0.337	-0.19	0.20

Source: Analysed Data

Discussion

This study provides evidence that socio-cultural factors significantly influence entrepreneurial orientation among SME entrepreneurs in Gujarat. Education emerges as a strong determinant of innovativeness and risk-taking. Educated entrepreneurs demonstrate greater ability to innovate and take calculated risks, supporting prior studies (De Clercq & Arenius, 2006; Kannadhasan, Aramvalathan & Pavan Kumar, 2014). This confirms the role of education in enhancing skills, creativity, and opportunity recognition. Experience showed mixed effects. While overall EO did not differ significantly, entrepreneurs with prior experience scored higher in innovativeness. This suggests that experience provides useful knowledge for innovation but may also lead to reliance on established practices rather than risk-taking or proactiveness (Farmer, Yao & Kung-Mcintyre, 2011). Family Background had a significant impact on

proactiveness. Entrepreneurs from business families demonstrated higher initiative in introducing new products and processes compared to those from agricultural families. This aligns with findings that cultural and family traditions influence proactiveness and opportunity exploitation (Basu & Altinay, 2002; Arunachalam, Ramaswami & Chai, 2016).

Overall, the findings support the theoretical framing of the Theory of Planned Behaviour: education shapes entrepreneurial attitudes, family background influences subjective norms, and experience enhances perceived behavioural control. Together, these socio-cultural factors explain variation in entrepreneurial orientation across Gujarat's SME entrepreneurs..

Theoretical and Practical Implications

This study contributes to the literature by demonstrating how socio-cultural



characteristics influence entrepreneurial orientation within the context of Indian SMEs. Theoretically, the findings reinforce the applicability of the Theory of Planned Behaviour (Ajzen, 1991) in entrepreneurship research. Education (attitudes), family background (subjective norms), and prior experience (perceived behavioural control) together explain how socio-cultural factors shape entrepreneurial innovativeness, proactiveness, and risk-taking. This integration offers a clearer conceptual framework for understanding the antecedents of entrepreneurial orientation in emerging economies. Practically, the findings provide useful insights for entrepreneurs, investors, and policymakers. Investors and financiers can evaluate the socio-cultural profile of entrepreneurs to assess likely orientations toward innovation, proactiveness, and risk-taking. Policymakers may design entrepreneurship training programs tailored to individuals from non-business backgrounds or lower educational levels, thereby equipping them with skills for innovation and proactive decision-making. Family mentorship programs and community-based entrepreneurial networks could also encourage risk-taking and proactive behaviour among entrepreneurs from conservative socio-cultural environments.

Limitations

While this study provides important insights, it has several limitations. First, the use of convenience sampling restricts generalizability of the results across the broader population of entrepreneurs in Gujarat or India. Second, the relatively small sample size ($N = 100$) limits statistical power for subgroup analysis and reduces the ability to detect small effect sizes. Third, the reliability of the proactiveness subscale was slightly below the recommended threshold, suggesting a need for refinement in measurement. Fourth, the study only examined three socio-cultural factors, education, prior experience, and family background, whereas other influences such

as age, gender, religion, training, and networking were not included. Finally, the cross-sectional design prevents assessment of longitudinal changes in entrepreneurial orientation over time.

Directions for Future Research

Future studies should address these limitations by employing probability sampling techniques and larger sample sizes to improve representativeness and generalizability. Longitudinal research could examine how socio-cultural factors and entrepreneurial orientation evolve over time. Further exploration of interaction effects, such as the interplay between education and family background, or gender differences in entrepreneurial orientation, would provide deeper insights. Qualitative approaches, such as case studies or interviews, could complement survey-based methods by exploring the lived experiences of entrepreneurs in greater detail. Finally, comparative studies across regions of India or between India and other emerging economies could enrich our understanding of how diverse socio-cultural contexts shape entrepreneurial behaviour.

Conclusion

This study examined how socio-cultural characteristics, education, prior experience, and family background, influence entrepreneurial orientation among SME entrepreneurs in Gujarat. The analysis revealed three key patterns. First, education plays a decisive role in shaping both innovativeness and risk-taking propensity. Entrepreneurs with higher educational attainment are more likely to exploit their knowledge to introduce creative products and processes and to take calculated risks in uncertain environments.

This highlights education's role in equipping entrepreneurs with the analytical skills and confidence necessary for innovative and risk-oriented decision-making. Second, prior experience contributes positively to innovativeness but shows limited influence



on proactiveness and risk-taking. Experienced entrepreneurs draw on accumulated knowledge to generate innovative solutions, yet they may also rely on established routines rather than pursuing bold, proactive initiatives. This suggests a nuanced relationship where experience fosters creativity but does not necessarily translate into risk tolerance or proactive behaviour. Third, family background significantly influences proactiveness. Entrepreneurs from business families are more inclined to introduce new products and processes ahead of competitors, benefiting from family traditions, resources, and networks. In contrast, entrepreneurs from agricultural or non-business backgrounds tend to adopt a more conservative stance in decision-making.

Overall, the findings demonstrate that socio-cultural characteristics are critical in determining the direction of entrepreneurial orientation. Education drives innovation and risk-taking, experience enhances creativity, and family background strengthens proactiveness. These results extend our understanding of how socio-cultural ecosystems shape entrepreneurial behaviour in the Indian SME context..



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