Entrepreneurial Strategic Philosophy: A Cross-decade Conceptual Model Between Entrepreneurial Orientation and Strategic Philosophy

Heru Santosa Hadiyanto*

1Management Department, BINUS Business School Undergraduate Program, Bina Nusantara University, Jakarta, Indonesia 11480

Abstract. The development of literature on entrepreneurship has continued for several decades. Starting from the mainstream of innovation, strategic changes, until intersecting with strategic management. Several studies have discussed the relationship between entrepreneurship and strategic management so that companies can improve their entrepreneurial orientation. But, there is still no research that specifically discusses how entrepreneurship combines with the philosophy of strategic management to create a better entrepreneurial strategic orientation. The research here aims to create a specific conceptual relationship between the philosophies of strategic management and the philosophies of strategic management. The formation of art, bottom-up, and flexibility approach will be the most compatible strategic philosophy if the organization aims to increase entrepreneurial orientation rather than bureaucracy orientation. Otherwise, the combination of science, top-down, and consistency approach will be the most compatible strategic philosophy if the organization aims to emphasize bureaucracy orientation rather than entrepreneurial orientation.

1 Introduction

At the emergence concept of entrepreneurial orientation, the external environment situations were stable relatively. When the conditions are relatively stable and less volatile, individuals who have highly entrepreneurial orientation may be considered as ‘nice to have’. In other languages, they rise maybe as “desirable” only, not become “required”. It is very different from the current situation, both on a global scale and on a local scale. Velocity, uncertainty, complexity and ambiguity are common themes in all industries. In this era, organization is expect the emergence of highly entrepreneurial persons in their companies. They are expected to be innovators for their company. The existence of individuals with high entrepreneurial orientation becomes very important, for the start-up company or for the established companies. People with high entrepreneurial orientation are required to be an antidote for organizations in this uncertain situation (Thornberry, 2001). This is fairly reasonable because entrepreneurial values do not start at the institutional level, but start from the individual level (Dhewanto, 2013). With the expectation to be an agent of change, which starts from an individual mindset, the research here seeks to revisit what the mindset of entrepreneurs possesses from a strategic management perspective. By reexamining the mindset of an entrepreneur, it is expected that the company can act as the “creator” of an entrepreneur’s figure.

The concept of entrepreneurship itself has an evolutionary process, which the state of the art can be seen in Table 1. It start from innovation mainstream, strategic change mainstream, until strategic management mainstream (McDougall & Oviatt, 2000 in Wang & Zhang, 2009). Some researchers use this concept of entrepreneurship under different labels but still have similarities in mainstream innovation, including creative destruction (Schumpeter, 1950), entrepreneurship (Miller, 1983), intrapreneurship (Kuratko, 1993), entrepreneurial posture (Covin & Slevin, 1991), strategic posture (Covin & Slevin, 1993), entrepreneurial posture (Covin & Slevin, 1991), strategic posture (Covin & Slevin, 1993), and entrepreneurial orientation (Miles & Arnold, 1991).

After the innovation period, the renewal process in organizations became known as the mainstream of strategic change, including the concepts of strategic change (Grundy, 1993), strategic flexibility (Parnell, 1994), dynamic capabilities (Teece et al, 1997), entrepreneurial strategy (Cooper et al., 2000) and strategic leadership (Rowe, 2001). At begin of millennium, Cooper & al (2000) stated that "entrepreneurial strategy has begun to be viewed as a potential source of firm’s competitive advantage, a way in which established firms can develop capabilities that are central to their continuing success.” So the right combination of entrepreneurial and strategy perspectives was proposed as crucial things to creating better strategic change and success in the future. But, it’s truly hard to provide specific entrepreneurial strategy for scholar
(Meyer & Heppard, 2000; Ireland, Covin, Kuratko, 2009).

After the mainstream era of strategic change, the concept of entrepreneurship is more integrated with strategic management theory. For example, strategic entrepreneurship (Ireland, Hitt, & Sirmon, 2003), strategic contradiction (Smith & Tushman, 2005), and organizational ambidexterity (O’Reilly & Tushman, 2007). Recently, research about the combination of strategic entrepreneurship still continues with the exploration of strategic entrepreneurship element (Gelard & Ghazi, 2014), strategic entrepreneurship and intrapreneurial intensity (Stokvik, Adriaenssen, Johannessen, 2016), entrepreneurial competency & strategic behavior (Behling & Lenzi, 2019), entrepreneurship and strategic paradigm (Titus & Adiza, 2019).

Based on the mainstream concept of entrepreneurship in Table 1, it can be seen that the concept of entrepreneurship is increasingly intersecting with strategic management. Likewise, several recent studies have discussed the relationship between strategic management and entrepreneurship. For example, research by Ireland, Hitt, and Sirmon (2003) suggests a model of strategic entrepreneurship. This model emphasizes how wealth creation is created through competitive advantage in a company that arises from creativity and innovation, but it starts from the entrepreneurial mindset. While Kraus & Kauranen (2009) examined the relationship between entrepreneurship and strategic management: are these two concepts contradictory or supportive of each other? Then Thornberry (2001) states that many companies are turning to entrepreneurial strategy orientation to become an “oxymoron” (a new approach to business change and development in companies that have been comfortable with planning, structure and organization that were built carefully over the years) and at the same time can be an antidote (a powerful antidote for large companies that lack innovation and experience stagnant growth). Stokvik, Adriaenssen, and Johannessen (2016) explore the three aspects of strategic entrepreneurship: risk, knowledge processes and value creation. Behling & Lenzi (2019) state that entrepreneurial competencies can affect to the adoption process in business strategies, especially to increase the strategic adaptation process in an unstable environment. Then Titus & Adiza (2019) examined the ground theories of entrepreneurship and strategic management to search and get the similarity between these two paradigms. They liken the relationship between the two paradigms here as the marriage between a couple that comes from different family backgrounds until they born a children: namely “wealth creation”.

Table 1. State of the Art

<table>
<thead>
<tr>
<th>Mainstream</th>
<th>Concept</th>
<th>Year</th>
<th>Researcher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrapreneurship</td>
<td>1985</td>
<td>Pinchot</td>
<td></td>
</tr>
<tr>
<td>Corporate Research &amp; Development</td>
<td>1986</td>
<td>Burgelman &amp; Sayres</td>
<td></td>
</tr>
<tr>
<td>Corporate Entrepreneurship</td>
<td>1987</td>
<td>Morris &amp; Paul</td>
<td></td>
</tr>
<tr>
<td>Strategic Posture</td>
<td>1988</td>
<td>Covin &amp; Slevin</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Posture</td>
<td>1991</td>
<td>Covin &amp; Slevin</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>1991</td>
<td>Miles &amp; Arnold</td>
<td></td>
</tr>
<tr>
<td>Strategic Change</td>
<td>1993</td>
<td>Grundy</td>
<td></td>
</tr>
<tr>
<td>Strategic Flexibility</td>
<td>1994</td>
<td>Parnell</td>
<td></td>
</tr>
<tr>
<td>Dynamic Capability</td>
<td>1997</td>
<td>Teece et al</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Strategy</td>
<td>2000</td>
<td>Cooper et al</td>
<td></td>
</tr>
<tr>
<td>Strategic Leadership</td>
<td>2001</td>
<td>Rowe</td>
<td></td>
</tr>
<tr>
<td>Strategic Entrepreneurship</td>
<td>2003</td>
<td>Ireland, Hitt, &amp; Sirmon</td>
<td></td>
</tr>
<tr>
<td>Strategic Contradiction</td>
<td>2005</td>
<td>Smith and Tushman</td>
<td></td>
</tr>
<tr>
<td>Organization Ambidexterity</td>
<td>2008</td>
<td>O’Reilly &amp; Tushman</td>
<td></td>
</tr>
<tr>
<td>Strategic Entrepreneurship Element</td>
<td>2014</td>
<td>Gelard &amp; Ghazi</td>
<td></td>
</tr>
<tr>
<td>Strategic Entrepreneurship &amp; Intrapreneurial Intensity</td>
<td>2016</td>
<td>Stokvik, Adriaenssen, Johannessen</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Competency &amp; Strategic Behavior</td>
<td>2019</td>
<td>Behling &amp; Lenzi</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship &amp; Strategic Paradigm</td>
<td>2019</td>
<td>Titus &amp; Adiza</td>
<td></td>
</tr>
</tbody>
</table>

Although many previous studies have discussed the relationship between strategic management and entrepreneurship, the combination concept between strategic management and entrepreneurship it’s hard to explain in more detailed and is still underdeveloped (Meyer & Heppard, 2000; Ireland, Covin, Kuratko, 2009; Stokvik, Adriaenssen, Johannessen, 2016). In other language, there is a lack of research that specifically discusses how entrepreneurship combines with the strategic management process to create a better entrepreneurial strategic orientation. Based on this condition, the research here starts with the main question: is there a specific conceptual relationship between entrepreneurial orientation and strategic management orientation? This “orientation” here is
link with Henry (2011) and Parnell (2005). In his paper, Henry (2011) states that there are three processes in strategic management: strategic analysis, strategy formulation, and strategy implementation. Then, Parnell (2005) states that there are two philosophies and orientations in each stage of strategic management. So, this research will focus on a literature study to find a detailed conceptual relationship between entrepreneurial orientation with several philosophies that underlie each stage of strategic management.

1.1 Objective

According to the gap and explanations from some previous research above, research here aims to find and build a model of entrepreneurial strategic philosophy with some underlying propositions. Some propositions here will be develop based on the conceptual relation between entrepreneurial orientation and strategic philosophy from some previous research across decades. Then some propositions as the results of this study are expected to be used as a guideline in further research on many industries, especially to make better improvements: which ones are more compatible with entrepreneurial orientation and which ones more support the bureaucratic orientation as the opposite point.

2 Literature Review

2.1 Entrepreneurial Orientation

Some literature defines entrepreneur orientation as a mindset that is owned by someone and manifested in process, practice, or organizational culture (Aarakit, 2010). With this mindset, these individuals will have the independence and determination to innovate, take calculated risks, and act proactively to grow a company (Pinchot, 1985; Jain & Ali, 2012). Another study states that a person is stated to have an entrepreneurial orientation when the individual can work innovatively, can produce fresh ideas, and follow up on the idea (Miles and Arnold, 1991). Referring to the explanation of several researchers above, a definition of entrepreneurial orientation can be drawn as an entrepreneurial mindset in someone who can encourage his behavior to continue to innovate, be proactive, and take risks that lead to the renewal process and organizational growth.

Theoretically, entrepreneurial orientation can be reflected in three elements, namely innovativeness, proactiveness, and risk-taking propensity (Miller, 1983 in Mahmood & Hanafi, 2013; Pinchot, 1985 in Aarakit, 2010; Covic & Slevin, 1989 in Yu, 2012). Innovativeness can be define as the mindset and ability possessed by someone to create a new combination of existing resources to improve operational activities (Pearce, Kramer, & Robbins, 1997). Proactiveness can be defined as the mindset that is owned by someone to be the first to act in exploiting the opportunities that exist (Lieberman & Montgomery, 1988). Whereas risk-taking propensity is the mindset and willingness of someone to take risks and act outside the prevailing practices and habits (Mokaya, 2012).

2.1 Bureaucracy Orientation

Some studies often compare the entrepreneurial orientation with the bureaucracy orientation on the reverse side. For example, whether the bureaucracy reflected in terms of formalization and centralization will affect individual creativity (Hirts et al., 2011). Bureaucratic orientation can be defined as the commitment an individual has to carry out a set of attitudes, values, and behaviors that are typically shaped and valued in organizations (Gordon & Kikuchi, 2008). Bureaucracy orientation can be described as a machine within the organization. The working mechanism used is guided by the standard operating procedures that must be carried out by all levels of implementers (Minzberg, 1993). Organization works like a machine so that productivity and work efficiency can be maximized. With such a coordination mechanism, technostructures in that organization hold the most important function (Lunenburg & Gallen, 2012). They play an important role in developing standard operating procedures in a detailed and structured manner so that they can be understood by all implementers in the organization.

2.2 Strategic Philosophy

Strategy is closely related to "how to make choices" (Porter, 1985). In its application, the process for choosing one from several available options often must be taken under the uncertain situation or with limited information. So that individuals must use their intuitions, philosophies, and beliefs so that they are known as strategic philosophies (Beaver, 2003; Brockmann & Anthony, 2002 in Parnell, 2005). Thus, the strategic philosophy here can be interpreted as a person’s mindset or personal’s philosophy about how the strategy must be chosen or determined through a process of analysis, formulation, and execution that is often based on intuition, reason, experience, or various individual personal factors (Hambrick & Fredrickson, 2001; Parnell, 2005; Gallen, 2010). Based on strategic management process, the application of strategy philosophy here can be distinguished into three stages, namely strategic analysis, strategy formulation, and strategy execution (Henry, 2011). In each stage of the strategy management process, there are two strategic philosophies here (Parnell & Lester, 2006).

2.2.1 Strategic Analysis: Art vs Science

Theoretically, a thought about strategy must contain elements of art and science (Parnell & Lester, 2006). It is not possible in all of its compositions to have only an aspect of art, or vice versa, it is also impossible for the whole to only consist of scientific elements. According to the art perspective, individuals assume that they will never be able to predict changes that occur in the environment accurately. Thus, the thought process and
strategy selection are based more on creativity and intuition (Ford & Gioia, 2000 in Parnell, 2005). With this pattern of thinking, they will feel the situation, interpret, visualize and develop several alternative strategies based on holistic, intuitive and imaginative thinking (Parnell & Lester, 2006).

Conversely, people with a scientific perspective see that the elements of the business environment can be largely analyzed and predicted. They assume there is a pattern or trend that will repeat itself in the environment so that what happened in the past will be able to happen again in the future. With this perspective, they tend to minimize imagination, creativity and be more fanatical in terms of systematic thinking objectively through accurate analysis of data and information (Parnell, 2005; Parnell & Lester, 2006).

2.2.2 Strategy Formulation: Top down vs Bottom up

At the strategy formulation stage, there are two approaches, namely top-down and bottom-up approach (Parnell, 2005). In other studies, it is known as the “choiceless-doer” approach and “choice-cascade” approach (Martin, 2010). Despite different terms, Parnell (2005) and Martin (2010) in their research both divided the two types of approaches in strategy formulation here based on fundamental questions about the involvement of the execution party. People who tend to top-down perspective or choiceless-doer think that the task of formulating strategies is the top management’s responsibility (Parnell, 2005). Thus, they think that the task of making choices is made by top management, while the bottom-line has the role of doing what is outlined in the manual only (Martin, 2010). If they do not comply with what is written in the manual, generally they will be exposed to audit findings and sanctions for compliance violations.

Conversely, people who tend to a bottom-up or choice-cascade mindset assume that they also have a role to provide input or feedback to high-level management (Martin, 2010). They have a mindset and sense of belonging to the organization. They assume that if something is outlined but cannot run optimally, then the loss is also on their side. Even though the decision is at the top level, they have a responsibility to give a better alternative for high-level management, because they will be directly involved in implementing these strategies too (Wooldridge & Floyd, 1990; Hart, 1992; Markocz, 2001; Nichol, 1992; Westphal & Fredrickson, 2001). If their feedback from the execution party was heard and considered in the strategy formulation process, it will increase their sense of belonging.

2.2.3 Strategy Implementation: Consistency vs Flexibility

There are two mindsets at the strategy implementation stage, namely consistency and flexibility (Parnell, 2005). In the context of the individual level, people who tend to strategic consistency view that it is important to reduce the issue of uncertainty while still implementing the same strategy (Parnell, 2005). This perspective comes up based on the importance of a conducive working atmosphere by reducing the risk of change, requires a long-time to achieve an optimal understanding of what has been outlined before. With this mindset, the commitment to continue to implement a strategy that has been chosen many times in a certain period becomes very crucial and will achieve success in the future (Wernerfelt & Karnani, 1987; Parnell & Lester, 2003).

Conversely, people who tend to strategic flexibility emphasize the importance of quick response to environmental dynamics, and the importance to be pioneers (Eppink, 1978; Grewel & Tasuhaj, 2001; Parnell, 2005; Combe et al., 2012). With this orientation, they seem to emphasize that it is impossible to achieve different and better results by doing the same method many times. People who have a flexible mindset here can be reflected in the ability to identify problems that need to be resolved through change, more quickly allocate resources for new project development, and be able to act appropriately in changing and forming new initiatives (Shimizu & Hitt, 2004; Brauer & Schmidt, 2006).

3 Method

The research here is qualitative research conducted by literature study from several references such as journals and/or textbooks that are relevant to the topic of strategic management, entrepreneurship and strategic entrepreneurship. Qualitative research is a research method based on post-positivism philosophy, used to examine the condition of natural objects (as opposed to experiments), which the researcher is the key instrument (Rukin, 2016). Qualitative research does not use random sampling, does not use a large population and sample, but the sample is selected from its relationship with research purposes (Nasution & Usman, 2008; Sugiyono, 2018).

While sampling technique use in this research is non-probability sampling. Non-probability sampling is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample (Sugiyono, 2018). Specifically, purposive and snowball sampling techniques are used to get the relevant reference is in line with this research. By definition, purpose sampling technique is a sampling method by using certain considerations by the desired criteria to be able to determine the number of samples to be studied (Sugiyono, 2018). While snowball sampling technique is a sampling technique that is initially small in number, then enlarges (Sugiyono, 2018).

4 Data Collection

As qualitative research to build some proposition, this study uses some literature as a basic reference. Purposive and snowball sampling technique is combined to get the relevant reference. At first stage, total 175 references are used as a initial source of information. Then at second
stage, 70 references can be used to support and build several propositions. The distribution of references from the past four decades can be summarized in Table 2 below.

Table 2. The Distribution of Literature Study

<table>
<thead>
<tr>
<th>Research Period</th>
<th>First Stage</th>
<th>Second Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SM</td>
<td>EN</td>
</tr>
<tr>
<td>&lt;1990</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>1990-1999</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>2000-2009</td>
<td>39</td>
<td>22</td>
</tr>
<tr>
<td>2010-2020</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td>57</td>
</tr>
</tbody>
</table>

Legend: SM: strategic management, EN: entrepreneurship, SE: strategic entrepreneurship

5 Results and Discussion

In their research, Kuratko & Audretsch (2009) stated that entrepreneurship is not just a process or activity, but rather a mindset or philosophy. The philosophy here is a mindset that deals with strategic agility, flexibility, creativity, and continuous innovation to create a sustainable competitive advantage (Kuratko & Audretsch, 2009). This statement is in line with other research which states that one of the factors that influence entrepreneurial orientation is how their strategic mindset (Barringer & Bluedorn, 1999; Ferreira, 2002).

Similarly, several other studies have revealed that entrepreneurship can not be separated from a strategic management perspective (Barringer & Bluedorn, 1999; Luke, Kearins, Verreyne, 2010; de Villiers-Scheepers, 2012; Rezaian & Naeiji, 2012; Chang & Wang, 2013). Based on these reviews, it can be concluded that there is a relationship between strategic management perspective and entrepreneurial orientation. In this case, the willingness and capability in "entrepreneurial orientation" are influenced by how their mindset and philosophy about the "right strategy", either as a business owner (entrepreneur) or as an internal employee of a company (corporate entrepreneur). The specific conceptual relationship between a strategic management perspective and an entrepreneurial orientation will be further elaborated by the stage of strategic management and will lead to conclusions in the form of several propositions below.

5.1.1 Entrepreneurial Strategic Analysis

According to Joseph Schumpeter's research in the period 1883-1950, it is explained that entrepreneurship is a creative process for continuous renewal (Maritz, 2005). Other studies have suggested that entrepreneurial orientation begins with the creative behavior of individuals to begin the development of new products or processes (Hitt et al., 1999). Similarly, it was stated in another study that creativity and imagination are the nature of entrepreneurs (Erkkila, 2000; Dhewanto, 2013).

The description of the aspects of creativity here is in line with the strategic art approach, which expresses the importance of creativity and imaginative, holistic and imaginative thinking (Ford & Gioia 2000; Parnell, 2005; Parnell & Lester, 2006). This approach contrast with "strategic scientist", they tend to minimize the role of imagination and creativity, as well as put forward a systematic data analysis process (Parnell, 2005). Thus, if the element of creativity and imagination is associated with one of strategic analysis, it can be said that entrepreneur orientation also can not be separated from the element of strategic arts. With some of this conceptual linkage, a synthesis can be drawn in the form of the following proposition:

Proposition 1: At the stage of entrepreneurial strategic analysis, people who more oriented to strategic art (artist) have higher entrepreneurial orientation than people who tend to strategic science (scientist)

5.1.2 Strategic Analysis: Art vs Science

The strategy formulation stage is known top-down approach (choiceless doer) and bottom-up approach (choice cascade). People who embrace top down mindset assume that the task of formulating strategy is the top level’s responsibility. Thus, the task of making decisions is done by the top management, while the bottom line has responsible for execution (Martin, 2010). In addition to thinking only as a "doer", the consequence is that bottom line here will not give their best effort and passes their days to be a bureaucrat. They tend to be passive so it inhibits the emergence of proactivity.

Conversely, those who follow the bottom-up or choice-cascade mindset assume that they have a role to provide feedback to top management. With this mindset, proactivity can also be realized to contribute to the organization’s performance. In addition to proactivity factors, in the context of entrepreneurial orientation is also known about the creative behavior of individuals. The creative behavior of individuals here can grow when the direction of ideas comes to be dominated by the bottom-up path rather than the top-down path (Morris & Kuratko, 2010; Dhewanto, 2013). Based on these studies, it can be drawn a synthesis in the form of the following proposition:

Proposition 2: People who more oriented to strategic science (scientist) have higher bureaucracy orientation than strategic art (artist)

5.1.3 Strategic Analysis: Art vs Science

People who tend to strategic consistency view that the changes can lead to debate, conflict, and create inertia in the organization (Parnell, 1994; Parnell et al., 2014).
Other research states that there is a high risk in every change (Wernerfelt & Karnani, 1987). The consequence of this mindset is that people will assume that the best choice is to continue the past strategy that has been done before to minimize risk. Thus, a harmonic atmosphere can be created, the understanding level from the execution party about what must be done can be increased, and the learning process from previous experience can be obtained.

Conversely, people who are more oriented to strategic flexibility view that optimal results will be achieved if we can adjust to environment change (Parnell, 1997). With high flexibility, performance will not be vulnerable to change because it can respond and adapt to environmental dynamics (Eppink, 1978; Grewel & Tasuhaj, 2001). This mindset is in line with the context of entrepreneurial orientation, where speed and flexibility are things that enable the emergence of entrepreneurs within organizations (Thornberry, 2001). Thus, an increasingly flexible mindset will greatly influence the emergence of entrepreneurial orientation (Bhardwaj & Sushil, 2012). This view is supported by other research that reveals that entrepreneurship is a mindset that is related to strategic agility, flexibility, creativity, and continuous innovation (Kuratko & Audretsch, 2009; Mokaya, 2012). Based on the above ideas, a synthesis can be drawn in the form of propositions as follows:

**Proposition 5:** At the stage of entrepreneurial strategy implementation, people who tend to strategic flexibility have a higher entrepreneurial orientation than people who more tend to strategic consistency.

**Proposition 6:** People who tend to strategic consistency have a higher bureaucracy orientation than people who more tend to strategic flexibility.

---

### Fig. 1. Conceptual Model of Entrepreneurial Strategic Philosophy

#### 6 Conclusion

Based on the conceptual review here, it can be concluded that there is a conceptual relationship between entrepreneurial orientation and the philosophy of strategic management. If the two constructs here are synthesized, it can be formed a conceptual model about strategic entrepreneurial orientation as follows on Figure 1 below:

Managerial implication based on this conceptual model about entrepreneurial strategic philosophy above, it is known that there are two different ways of strategic philosophy which more compatible with entrepreneurial and/or bureaucracy orientation. So if big companies and/or well-established companies that have good bureaucracy wants to boost innovation through entrepreneurial orientation should more emphasize strategic art, bottom-up and flexibility orientation. Otherwise, start-up companies and/or small medium enterprise companies who’s require better bureaucracy orientation to be bigger should emphasize strategic science, top-down and consistency orientation in their strategic philosophy.

As theoretical implication, this research is in line with previous research from Ketchen, Ireland, Snow (2007) which state big companies often have good advantage-seeking but lack opportunity-seeking because of their bureaucracy. In line with Kyrgidou & Hughes (2009), compatibility and balancing issues between the two different ways of strategic philosophy and orientation here maybe become one of the most critical factors if we ask why the big company fail to boost entrepreneurial orientation in their good bureaucracy, or why the small-medium company fail to create good bureaucracy orientation to be bigger organization.

Theoretically, the two orientations in each stage of strategic management are neutral and there is nothing better with each other. Likewise entrepreneurial orientation and bureaucracy orientation are neutral, depend on the purpose and nature of the organization. But to create a high entrepreneurial orientation, people who tend to strategic art mindset will tend to have a higher entrepreneurial orientation. Then the people who view the strategy as a bottom-up process and who have more flexibility will have a higher entrepreneur orientation. Conversely, people who emphasize science,
top-down, and consistency in strategy orientation will be more supportive to create high bureaucratic machines.

Finally, this research still has limitation. So, based on the conceptual/proposition here, further quantitative research required to test whether this relationship is true and significant. Conversely, it can also be seen whether such a model is not suitable in a particular situation, and in what aspects, such a model is not appropriate. The operationalization of variables in the form of indicators from each construct can be translated into questions in the questionnaire. Each question will be accompanied by a Likert scale which will be answered by the respondent. For each question in the questionnaire, the higher Likert scale reflects one particular orientation, and the lower Likert scale reflects another orientation. The crucial thing to be considered for further quantitative research is about alignment between variables, which must be aligned with the hypotheses and conceptual relations in this research here. In this case, one orientation that is compatible with one other orientation must be represented by an aligned Likert scale too, so that the interpretation of the results of hypothesis testing with this quantitative method will not biased. As a detailed illustration, if an entrepreneurial orientation is represented with a higher Likert scale, then a strategic orientation that is conceptually aligned with this entrepreneurial orientation must also be represented on a lower Likert scale too. Likewise, if an entrepreneurial orientation is represented on a lower Likert scale, then a strategic orientation that is conceptually aligned with this entrepreneurial orientation must also be represented on a lower Likert scale too. However, an orientation reflected on a higher Likert scale cannot be interpreted better than an orientation on a lower Likert scale. Translation of the Likert scale in this way to support statistical testing in further quantitative research only.

References


