Entrepreneurial orientation and competitive aggressiveness: A need for conceptual refinement and contextualization
Salem Al-Harthi, Alexandre Anatolievich Bachkirov, Said Al-Riyami and Misida Al-Jahwari
Department of Management, College of Economics and Political Science, Sultan Qaboos University, Muscat, Oman

Abstract
Purpose – The purpose of this paper is to evaluate the relevant literature to gain deeper insights into understanding what directions of research are needed with reference to entrepreneurial orientation and competitive aggressiveness in the oil and gas sector of the Gulf Cooperation Council (GCC) region.
Design/methodology/approach – This paper is a conceptual evaluation of literature.
Findings – The extant body of research on both entrepreneurial orientation and competitive aggressiveness is based on quantitative studies without previous systematic, exhaustive and comprehensive grounded theory-based theorizing processes rooted in qualitative approaches. This accounts for inconsistencies and controversies of findings reported in the field.
Practical implications – The grounded theory-based approach advocated by this paper is likely to generate a more precise estimation of the relationship between entrepreneurial orientation, competitive aggressiveness and firm performance. Consequently, an accurate understanding of the interplay between these factors can empower managers to make finely-tuned strategic decisions, achieve sustainable competitive advantage and optimally adapt to dynamic and unforeseen environments.
Originality/value – The paper reports on important limitations of the existing literature indicating that current findings may be an artifact of studying a small number of industries.
Keywords Entrepreneurial orientation, Competitive aggressiveness, Firm performance, Oil and gas industry, Gulf Cooperation Council region
Paper type Viewpoint

1. Introduction
Entrepreneurship is the locomotive force of societal progress (Amer, 2023; Mashapure, Nyagadza, Chikazhe, Mazuruse, & Hove, 2023; Ramaano, 2022). At a firm level, enhanced performance and competitive advantage were shown to be driven by entrepreneurial efforts (Kuratko, Ireland, & Hornsby, 2001). For these reasons, Islamic countries have been continuously encouraging entrepreneurship (Al-Ammary & Ghanem, 2023). The endeavors to promote entrepreneurship to improve firm performance have resulted in accelerated growth and development of the Gulf Cooperation Council (GCC) economies, which constitute an economically thriving and progressive world region (Abdalkrim & Guizani, 2022; Alsabbagh & Alnaser, 2022). Considering the fact that the oil and gas industry is the pillar of modern civilization in general (Abor, Karimu, & Brännlund, 2023; Stevens, 2018) and is the key industry...
in the GCC area specifically, understanding the factors contributing to its improved performance and competitive sustainability requires ongoing attention.

The purpose of the present article is to conceptually evaluate the relevant literature to gain deeper insights into what directions of research are needed with reference to entrepreneurial orientation, competitive aggressiveness and firm performance in the oil and gas sector. Our motivation to closely examine these factors stems from the view that organizational leaders need to have a thorough comprehension of how they interact. By correctly grasping the relationship between firm performance, entrepreneurial orientation and competitive aggressiveness, managers can make better-informed strategic decisions and achieve an optimal alignment between the firm’s goals and market conditions. Additionally, this knowledge can empower corporations to foster a sustainable competitive advantage by identifying and exploiting new business opportunities while simultaneously adapting to dynamic environments.

The following criteria guided the literature screening and selection for this article: research in the English language; management journals; an explicit focus on examining the relationship between entrepreneurial orientation, competitive aggressiveness and firm performance; highly-cited studies published in top-tier outlets. The depth of the search was 10 years and older sources were selectively scrutinized for inclusion based on their relevance.

The findings suggest that theorizing attempts should be focused on a possible conceptual refinement of the notions of entrepreneurial orientation and competitive aggressiveness. This theory-building endeavor must be grounded in qualitative data rather than being drawn singularly on quantitative investigations, and go beyond the present focus on airline and steel industries to expand the examination of the theorized link between firm performance, entrepreneurial orientation and competitive aggressiveness in the oil and gas segment.

The article unfolds as follows. First, we examine the main current findings on entrepreneurial orientation. Next, we turn to the concept of competitive aggressiveness and its link with the notion of entrepreneurial orientation. This is followed by an examination of the issue of contextualization and its criticality to grounded theory-based conceptualizing of entrepreneurial orientation and competitive aggressiveness. The paper concludes with reflections on future research directions in the field.

2. Entrepreneurial orientation and competitive aggressiveness
2.1 Entrepreneurial orientation
The first focus area of this article is entrepreneurial orientation (Wales, Gupta, & Mousa, 2013), which has been demonstrated to be critical to firm performance (Abbas, Banu, & Ugheoke, 2023; Abdulrab et al., 2020, 2021; Alam et al., 2022; Al-Mamary et al., 2020), including market share, sales growth, profitability, stakeholder satisfaction and overall performance (Lumpkin & Dess, 1996). Entrepreneurial orientation can be viewed as a strategic management approach that emphasizes a firm’s willingness, readiness and ability to innovate, take risks and be proactive in identifying and exploiting new opportunities (Davis, Greg Bell, Tyge Payne, & Kreiser, 2010; Rauch, Wiklund, Lumpkin, & Frese, 2009; Swierczek & Ha, 2003). As an organizational phenomenon, entrepreneurial orientation refers to a firm’s strategic organizational posture that captures specific entrepreneurial aspects of decision-making styles, methods and behaviors (Al-Mamary, Abdulrab, Alwaheeb, & Alshammari, 2020; Wiklund & Shepherd, 2003). It is one of the focal areas of entrepreneurship studies (Wales et al., 2013), which has attracted a great deal of empirical attention due to its promise to explain some of the firm performance (Covin & Lumpkin, 2011). However, despite intensifying research in the field, there appears to be a lack of consensus on whether the relationship between entrepreneurial orientation and firm performance is positive (Covin & Slevin, 1986; Hult, Snow, & Kandemir, 2003; Wiklund & Shepherd, 2003), negative (Renko,
Carsrud, A., & Brännback, 2009; Lumpkin & Dess, 2001; Zahra, 1991) or non-significant (Slater & Narver, 2000; George, Robley Wood, & Khan, 2001). Furthermore, others (e.g., Bhuian, Menguc, & Bell, 2005; Tang, Tang, Marino, Zhang, & Li, 2008) argue that the relationship between entrepreneurial orientation and firm performance is not linear but has an inverted U-shape relationship. The latter may indicate that high levels of entrepreneurial orientation are not always desirable under certain market conditions. Recently, some progress was achieved in a meta-analysis that revealed a strong positive association between entrepreneurial orientation and organizational performance (Soares & Perin, 2019), which is in agreement with earlier findings (Rauch et al., 2009). However, an accurate evaluation of the relationship between entrepreneurial orientation and firm performance remains elusive, partly because of how the former is presently theorized.

The current conceptualization of the phenomenon as such also remains controversial. Covin and Slevin (1989) argued that entrepreneurial orientation is best viewed as a one-dimensional concept. In contrast, Lumpkin and Dess (1996) proposed that entrepreneurial orientation comprises multiple different dimensions that can occur in various combinations. The widely employed conceptualization suggests that entrepreneurial orientation consists of five dimensions: innovativeness, risk-taking, pro-activeness, autonomy and competitive aggressiveness, which are posited to be essential in explaining business performance (Lumpkin & Dess, 1996). Some of the entrepreneurial orientation dimensions, e.g., autonomy and competitive aggressiveness, appear to produce different relationships with performance (Rauch et al., 2009). An overall emerging understanding of the interplay between entrepreneurial orientation and firm performance further indicates that the dimensions of the former have a complex relationship with the latter. One particular aspect of this complexity is related to the question of whether the five dimensions of entrepreneurial orientation are of equal importance in explaining business performance. The findings to date are inconclusive.

An additional challenge for understanding the relationship between the entrepreneurial orientation dimensions and firm performance stems from a lack of consensus as to whether entrepreneurial orientation is a dispositional or behavioral phenomenon (Covin & Lumpkin, 2011). One definition of entrepreneurial orientation describes it as “a firm-level disposition to engage in behaviors, [reflecting risk-taking, innovativeness, pro-activeness, autonomy, and competitive aggressiveness] that lead to a change in the organization or marketplace” (Giraud Voss, Voss, & Moorman, 2005, p. 1134). In contrast, Pearce, Fritz, and Davis (2010) conceptualize entrepreneurial orientation as “a set of distinct but related behaviors that have the qualities of innovativeness, pro-activeness, competitive aggressiveness risk-taking and autonomy.” (p. 219).

In sum, an accurate understanding of the relationship between entrepreneurial orientation and firm performance is obstructed by conceptual discrepancies about whether the former is a dispositional or behavioral phenomenon and about what role the dimensions of entrepreneurial orientation play in explaining firm performance. A possible reason for this tangle is the scarcity of qualitative studies attempting to access managerial experience and the tacit knowledge of the executives. Indeed, Miller (2011) argues that there are simply not enough qualitative studies to understand clearly the phenomenon of entrepreneurial orientation. Researchers are often tempted “to do quantitative vs. qualitative research, that is to mail a questionnaire rather than sit down with managers, to grab a convenience sample instead of drawing a carefully designed one that an author has insight into, and to use broad, established instruments rather than design fine-grained new ones.” (Miller, 2011, pp. 877-878). This limitation of the field was further confirmed by Hughes-Morgan, Kolev, and Mcnamara (2018), who lamented about an insufficient number of qualitative studies examining the phenomenon of entrepreneurial orientations and its theorized dimensions.
2.2 Competitive aggressiveness

In the hope to elucidate a clearer relationship between entrepreneurial orientation and firm performance, the researchers turned their attention to competitive aggressiveness, a manifestation of competitiveness (Aldabbas & Oberholzer, 2023; Al-Mamary & Alshallaqi, 2022; Blok, 2018; Shajrawi & Aburub, 2022; Thomran, Alshallaqi, Al-Mamary, & Abdulrab, 2022). Argued to be the key dimension of entrepreneurial orientation affecting firm performance, competitive aggressiveness is defined as “the type of intensity and head-to-head posturing that new entrants often need to compete with existing rivals.” (Lumpkin and Dess, 1996, pp. 139). Subsequently, the notion was conceptualized as the propensity for firms to directly challenge rivals by completing a sustained, diverse and unique series of competitive actions (Ferrier, 2001).

Presently, competitive aggressiveness is conceived as consisting of the following dimensions: competitive volume (the total number of competitive actions), competitive complexity (the range of different competitive actions) and competitive heterogeneity (distinctiveness from competitors in terms of competitive actions) (Chen & Miller, 1994). In an attempt to provide further insights into this notion, Ferrier (2001) classified competitive actions into six categories: pricing actions, marketing actions, new product actions, capacity actions, service actions and signaling actions.

Unfortunately, and similarly to the notion of entrepreneurial orientation, the concept of competitive aggressiveness is not grounded in empirical data, as it is evident from the seminal work in the field (Chen, Su, & Tsai, 2007; Chen & Miller, 1994; Hughes-Morgan et al., 2018). Assuming that an increase in competitive aggressiveness is a conventional response of survival-oriented firms to environmental threats (Giachetti, 2016), the perceptions of what constitutes a threat and what the best ways of responding to threats are, acquire prominent importance. Furthermore, in corporate settings, the perceptions of and the responses to competitive threats are likely to be moderated by an array of factors, e.g., leadership agility, group cohesiveness, previous exposures to similar threats and the firm’s experience in handling those threats (Chen & Miller, 1994). These perceptions are socially constructed, and, therefore, a deeper and more accurate understanding of competitive aggressiveness as a phenomenon demands a grounded theory approach (Charmaz, 2006; Glaser & Strauss, 2010; Strauss & Corbin, 1990) and qualitative research methods (Denzin & Lincoln, 2018). The latter involve collecting and analyzing data in an iterative and systematic manner to generate a theory that is grounded in the data itself. This implies that rather than starting with pre-existing theories or hypotheses, the investigation begins with a general research question and data is collected through interviews, observations, audio and video recordings, focus group meetings and examination of documents and artifacts. These multiple methods of data collection enable the researchers to obtain a rich and comprehensive understanding of the phenomena under study.

3. Contextualization

Contextualizing management and organization research necessitate identifying contextual characteristics and considering the effects that these features have on management processes and organizational phenomena (Bachkirov, 2019). An influential work by Johns (2006) identified a set of important dimensions of context. The omnibus context includes the dimensions of rationale, time, location and occupation; the discrete context comprises the social dimension, physical dimension and task. The process of contextualization is a three-tiered approach that consists of rich description (tier 1), direct observation and analysis of contextual effects (tier 2) and comparative studies (tier 3) (Rousseau & Fried, 2001).

The pressing need for contextualization of management research is due to the fact the field is increasingly becoming more international (Bachkirov, 2017; Meyer, 2015). This dynamic,
while offering unique opportunities, creates substantial challenges. One of the major concerns in terms of theory building and conceptual expansion is that novel management concept tend to emerge in the developed markets research context. Although occasionally used by scholars in emerging markets (e.g., Mrabure, Ruwhiu, & Gray, 2021; Swierczek & Ha, 2003), the utility and the usefulness of these constructs should not be unquestionably assumed (Bachkirov, 2021). This concern is potentially relevant to the concepts of entrepreneurial orientation and competitive aggressiveness, which originally also appeared in western management literature. The question, thus, is this: can the notions of entrepreneurial orientation and competitive aggressiveness, as currently conceptualized in the literature, adequately capture the competitive phenomena in the business environments beyond the traditional developed markets? In our estimation, caution should be exercised when attempting to apply both of these concepts outside the business environment in which they were first theorized. One reason is that, currently, no consistent evidence exists to prove whether the mechanism promoting entrepreneurial orientation is an outcome of organization-level characteristics or a result of national cultural values (Engelen, 2010). For example, using Hofstede’s framework (Hofstede, 2023), Kreiser, Marino, Dickson, & Weaver (2010) investigated the influence of national culture on two central dimensions of entrepreneurial orientation, i.e., pro-activeness and risk-taking. Kreiser et al. (2010) found that three cultural dimensions, i.e., individualism, power distance and uncertainty avoidance, negatively affect firms’ proactive stance. These findings imply that corporations culturally influenced by individualism, unequal distribution of power and the drive to avoid uncertainty and ambiguity are likely to show low levels of entrepreneurial orientation.

Another reason for caution in employing the concepts of entrepreneurial orientation and competitive aggressiveness beyond the context in which they originally appeared is that cross-cultural generalizations (Lomas et al., 2023) permeate entrepreneurship research. This is demonstrated by the findings of Engelen (2010), who acknowledged that had the author conducted the study only in a developed market country (Germany), an important result would have remained obscured: that, in the eastern business environment, consideration play a powerful role in fostering entrepreneurial orientation. Further evidence for the need to be cautious in employing the concept of entrepreneurial orientation cross-culturally comes from the work of Bogatyreva, Beliaeva, Shirokova, and Puffer (2017), who revealed that entrepreneurial orientation has different dimensional structures in Finnish and in Russian samples. Likewise, Knight (1997) and Thomas and Mueller (2000) presented evidence that entrepreneurial orientation may have different content cross-culturally.

Similarly to entrepreneurial orientation, competitive aggressiveness requires a judicious and discriminatory manner of application in entrepreneurship research. At a national culture level, it was noted that “The competitive aggressiveness dimension of EO [entrepreneurial orientation] refers to a culture’s propensity to promote entrepreneurs to be achievement-oriented by challenging competitors or improving their position relative to other firms” (Lee & Peterson, 2000, pp. 406-407). Competitive aggressiveness by definition requires forceful and vigorous responses to the competitors’ actions and moves and, as evidence suggests, is likely to vary across national cultures. To illustrate, O’Reilly, Chatman, and Caldwell (1991) showed that aggressiveness is among the top seven organizational cultural values of US corporations. These findings were later confirmed by Chatman and Jehn (1994). It is reasonable to assume, therefore that, while competitive aggressiveness is likely to be an essential characteristic of North American firms, other societies may place little value on aggressiveness as far as entrepreneurial initiatives are concerned. Indeed, in non-western cultural environments, entrepreneurship is likely to be stimulated not by competition but grow out of collaboration and free dissemination of ideas (Wales et al., 2013).

One particular cultural dimension, uncertainty avoidance (Hofstede, 1984), appears to be especially relevant to the present analysis. Uncertainty avoidance denotes the extent to which
people feel threatened by uncertainty and ambiguity and try to avoid these situations (Hofstede, 2001) and was shown to correlate negatively with competitive aggressiveness (Mueller & Thomas, 2001). Thus, firms that originated in high uncertainty avoidance societies demonstrate low competitive aggressiveness. This link direction implies that corporate decision-makers in high uncertainty avoidance cultures probably view aggressiveness as a negative and destructive force, and consider a competition mode rooted in conflict and aggression as undesirable. The available data indicate that the GCC countries score relatively high on uncertainty avoidance (Kingdom of Saudi Arabia: 64, Qatar: 80, United Arab Emirates: 66) (https://www.hofstede-insights.com/country-comparison/). Accordingly, competitive aggressiveness, as it is currently conceptualized, may not be an entirely sufficient contributor to the concept of entrepreneurial orientation cross-culturally and may require refinement on the basis of a grounded theory approach.

The second concern related to the contextualization of research on competitive aggressiveness stems from the fact that the studies to date have been conducted in a limited number of specific industries, e.g., the steel industry (Gnyawali, He, & Madhavan, 2006), the banking industry (Roberts & Amit, 2003) and the airline industry (Hughes-Morgan et al., 2018). The idiosyncrasies of these specific industries could be the reason for the inconsistent findings discussed earlier because the unique dynamics within these different businesses are likely to play dissimilar roles in what is termed as competitive aggressiveness, which limits an overarching grasp of the phenomenon.

In sum, to respond to the challenges of research contextualization, it is essential to revisit the conceptualizations of entrepreneurial orientation and competitive aggressiveness using a grounded theory approach. In addition, the research scope must expand beyond the current narrow focus on a small number of industries to include the investigation of the dynamics of interest in oil and gas corporations.

4. Conclusions
Firm performance is the top priority of the organization’s strategic efforts (Das & Canel, 2023). As a corporate dynamic, it has been argued to be sensitive to a firm’s entrepreneurial orientation, whose key dimension is competitive aggressiveness (Lumpkin & Dess, 1996). Understanding the interplay between these two factors and their consequences for firm performance in the oil and gas industry constitutes a major priority for top management teams in the GCC region.

The present article aimed to evaluate the current state of knowledge in the field to suggest avenues for future research that would advance our understanding of the link between competitive aggressiveness, entrepreneurial orientation and firm performance. The findings reported in published research to date are inconsistent. The main reasons are that, first, the extant body of research on both entrepreneurial orientation and competitive aggressiveness draws on quantitative studies without previous systematic, exhaustive and comprehensive grounded theory-based theorizing processes rooted in qualitative approaches (Magnani & Gioia, 2023). Second, the current findings reported in the literature may be artifacts of studying specific industries. Put differently, the extant findings may not be truly reflective of the phenomena of interest – entrepreneurial orientation and competitive aggressiveness – because of the sample characteristics, i.e., the results are a methodological artifact. To resolve these challenges, and to acquire an informed understanding of the link between competitive aggressiveness, entrepreneurial orientation and firm performance in the oil and gas industry in the GCC region (Zaidan, Al-Saidi, & Hammad, 2019), it is recommended that a dedicated, grounded theory-informed qualitative research effort is undertaken with rich and thick qualitative data collected from members of top management teams.
References


AGJSR


Further reading


Corresponding author
Alexandre Anatolievich Bachkirov can be contacted at: alexbach@squ.edu.om

Need for conceptual refinement