The Epistemology of Entrepreneurial Responsible Orientation (ERO): Theory, Conceptualization, and Future Research

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Abstract
Organizations are constantly searching for new pathways to ensure survival and sustainability in a highly dynamic and competitive environment. Against this background, the present study aims to propose a strategic framework considering the crucial role of small businesses and entrepreneurship for sustainable economic, social, and environmental development. This paper employed a selective-intensive literature review technique to review and evaluate extant sustainability orientation (SO) literature from multiple strategic orientation paradigm. In addition, drawing from the theoretical underpinnings of resource complementarity and configuration perspective, this study proposes a configuration of sustainability orientation (SO), entrepreneurial orientation (EO), and market orientation (MO) in the era of sustainable development. The key finding of this paper is the development of a higher-order dynamic capability, that is, Entrepreneurial Responsible Orientation (ERO). ERO is proposed as an entrepreneurial strategic framework that integrates three distinct but complementary elements (i.e., sustainability, entrepreneurial, and marketing) under the umbrella of strategic orientation that drives superior sustainable firm performance. Moreover, we put forward the future research agenda by developing several potential research questions, thus, the findings of this study will serve as a springboard to extend the knowledge base in this field of research. This paper provides an integrated framework in the contexts of small businesses and entrepreneurship by utilizing the combination of the theoretical and conceptual development approaches. The proposed framework, if implemented successfully, has the potential to drive sustainable performance of the small firms particularly, and sustainable development of the country, generally.

Keywords
sustainable development, entrepreneurship, SMEs, resource complementarity, sustainability orientation

Introduction
We live in a constantly changing world, while the global challenges to the economies, societies, and environments are becoming ever more complex. However, everyone (e.g., individuals, businesses, governments, non-governmental organizations) needs to take responsibility for their actions and behaviors in contributing toward a more sustainable world (UN, 2020). In practice, sustainable development (SD) is the key to organizing our cognitive and behavioral responses for the long-term success, prosperity, and sustainability of the world (Holmberg & Sandbrook, 2019; Virakul, 2015). Since United Nations (UN) has launched the Sustainable Development Goals (SDG)—an agenda to be achieved by 2030—the concept of sustainable development has gained considerable attention from researchers, practitioners, and policymakers, globally (Williams et al., 2019). In this vein, the professional and academic literature has demonstrated the crucial role of businesses on a path toward sustainable development (Chien et al., 2021). At the same time, business organizations face immense pressure from various stakeholders to behave in socially and environmentally responsible ways (Shou et al., 2019; Zhang & Zhu, 2019). A Consistent observation has been made in prior literature that “without sustainable organizations, there is no sustainable development, thus, no future” (Business and Sustainable Development Commission, 2017; Weidinger et al., 2014).
The majority of business organizations in both developed and developing countries are small and medium enterprises (SMEs), representing a very large share of the global economic activity (Prashar, 2019). SMEs constitute more than 90% of the world’s businesses providing more than half of all employments (e.g., Kaminskaite, 2017; World Bank Group, 2019). Notably, 99% of all businesses in Europe (European Commission, 2019), and 98% of all businesses in Asia are SMEs providing every two out of three private jobs (Yoshino & Taghizadeh-Hesary, 2016). Although SMEs are smaller when taken individually, as a consequence of their dominance in the global economy, it is quite natural that collectively their impacts on society and the environment are much more significant than the larger businesses (Yadav et al., 2018). In this vein, the sustainable practices of SMEs have a huge implication for sustainable economic, social, and environmental development (Higgs & Hill, 2019; Jansson et al., 2017).

Given the dominance and crucial role of small businesses and entrepreneurship for sustainable development (Chang & Cheng, 2019; Prashar, 2019), recent calls have suggested that an entrepreneurial strategic posture must capture a broader responsible stance, that is while focusing on being entrepreneurial, they must also strive to balance their economic goals with their responsibility toward customers, society, and environment (e.g., Jansson et al., 2017; Kuckertz & Wagner, 2010; Mitchell et al., 2010). Against this background, this paper suggests that integrating sustainability principles in SMEs’ strategic orientation is imperative to ensure sustainable business performance particularly, and sustainable development of the country generally (Chang & Cheng, 2019; Yacob et al., 2019). Drawing from the theoretical underpinning of the dynamic capability theory and the configurational perspective of multiple strategic orientations, this study conceptualizes an extended strategic posture that postulates the new approach of doing business in the sustainable development world, aligning social and environmental aspects of sustainability along with the economic gains (Baumgartner, 2009; Parente et al., 2018).

The main goal of this study is to configure entrepreneurial responsible orientation (ERO) balancing the economic, social, and environmental concerns into the strategy management of small businesses and entrepreneurship. This study defines ERO in three dimensions (i.e., sustainability, entrepreneurial, and market orientation), which are proposed to complement and mutually support each other in driving superior performance of SMEs as well as addressing the changing customer, societal, and environmental demands. Moreover, this study also discusses the proposed theory concerning its nature, dimensionality, measurements, and future implications.

The rest of the paper progresses as follows. It first discusses the relevant literature by highlighting the significant role and responsibility of SMEs for sustainable development. Second, this paper builds argumentations and theoretical justifications of the proposed framework through the lens of dynamic capabilities and the configurational perspective of contingency theory. Third, this study describes the nature, dimensionality, and measurement approach of the proposed concept. The last section of the paper discusses the avenues for future researchers and presents valuable insights for theory, policy, and practice.

### Sustainable Development and Corporate Responsibility

The concept of sustainable development is not so simple and straightforward because this implies various distinct and contrasting meanings depending on the contexts in which it is utilized (e.g., cultural contexts, small or large business context). This term was firstly introduced in 1972 at United Nations (UN) conference on the human environment. However, the most widely used and largely accepted definition of sustainable development (SD) was originated from the Brundtland report of the World Commission on Environment and Development (WCED) in 1987. It is defined as “the development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (WCED, 1987).

Despite various confusing and contrasting conceptualizations, the concept of sustainable development has constantly been gaining momentum in terms of its significance and popularity among governments and policymakers worldwide. Both developed and developing countries have escalated their higher level of commitments for sustainable development at the UN summit on September 25, 2015, in New York. More than 190 nation’s leaders all around the world adopted a set of 17 sustainable development goals (SDG’s) as part of an agenda to be achieved by 2030 (Dyllick & Muff, 2016; Williams et al., 2019). SDG’s framework is based on three pillars of sustainable development; economy, society, and environment. Although these development matters (i.e., economic, social, and environmental) were generally handled by the governments, public authorities, and institutions in the past, United Nations Organization (UNO) is constantly striving and demanding a collective effort from all the stakeholders (e.g., individuals, organizations, governments, civil society) for the successful achievement of SDGs (UN, 2015). To this end, the debate on sustainability issues has gained significant attention in business theory and practice (e.g., Calabrese et al., 2019; Yu et al., 2018).

In a business context, sustainability is often described according to the triple bottom line (TBL) model introduced by Elkington in 1997. The TBL framework suggests that business goals are inseparable from the societies and environments in which they operate. According to the TBL model, sustainability is a multidimensional concept composed of three dimensions: economic (profit), social (people), and environmental (planet) (Elkington, 1994). The underlying idea of the TBL framework is to measure business sustainability not only by its financial but also in...
environmental and social consequences. This model was specifically conceptualized in a language familiar to business theorists to allow its greater acceptance in business theory and practice (Elkington, 2004). To this end, integration of the triple bottom line (i.e., economic, social, and environment) in businesses have increasingly been recognized as an important field of research (Elkington, 2013; Shou et al., 2019).

The Role of SMEs

The previous literature has predominantly emphasized that sustainable development can only be achieved if all business firms embrace sustainability principles in their strategic management (Engert et al., 2016; Schaltegger et al., 2019). Therefore, every kind of business, regardless of its size, needs to address social and environmental responsibilities in its business activities to ensure sustainable performance (Stoian & Gilman, 2017). Although SMEs are smaller when taken individually, from a macro perspective at the same time, SMEs are the dominant form of business organization worldwide playing a backbone role in the global economy (World Bank Group, 2019).

Several studies report that more than 90% of the businesses globally are SMEs, accounting for more than 70% of all products and services, and employing more than 50% of the total workforce (e.g., Kaminskaite, 2017; World Bank Group, 2019). SMEs represent 99% of all businesses in Europe (European Commission, 2019), 98% of all businesses in Asia providing two out of three private jobs in the region (Yoshino & Taghizadeh-Hesary, 2016), and more than 90% of all business firms in Africa and representing 50% contribution to GDP (Muriithi, 2017). SMEs serve as an engine to the economies of both developed and developing countries. Particularly, several reports underlined the economic development of China with their SME sector. According to Chinese National Bureau of Statistics, (a) SMEs represent 99% of all businesses, (b) employs 80% workforce, and (c) contributes nearly 60% to GDP. Similarly, this case holds true in developing countries contexts, such as Pakistan, where SMEs represent about 90% of all businesses, employing 80% of the nonagricultural labor force and contributing 40% to GDP per year (Small and Medium Enterprises Development Authority, 2019). Moreover, several developmental contributions of SME sector have been noted in most of the African countries. For instance, with regard to its employment contributions, it represents 90% in Ethiopia, 80% in Kenya, and 70% in Nigeria (Muriithi, 2017). Therefore, as a consequence of SMEs' dominance in the business arena worldwide, it is quite natural that they have a considerable impact on the environmental and social well-being (Westman et al., 2019) as well as hold a significant role to play for sustainable development (Ayuso & Navarrete Báez, 2018; Higgs & Hill, 2019; Prashar, 2019). In this context, the governments, policymakers, and scholars are predominantly drawing their attention to the crucial role and significant contributions of SMEs in world’s business activity.

In contrast to large businesses, (i) SMEs have very different preconditions to act their social and environmental responsibility, and (ii) prefer to talk about their efforts in less academic and more informal ways (Jenkins, 2006). Given that sustainable development reflects both uncertainties and opportunities (McMullen & Shepherd, 2006; York & Venkataraman, 2010), recent studies have suggested that small businesses may address sustainable development issues more faster and more effectively than the larger firms (Jenkins, 2006; Matinaro et al., 2019; Prashar, 2019). A globalization council study (2009) reported that SMEs are more flexible and adaptive than MNCs to achieve more economic, social, and environmentally sustainable outcomes (Yadav et al., 2018), though, SMEs’ involvement in sustainable development can be considered as an entrepreneurial act (Spence et al., 2011). Furthermore, the relationship between SMEs and sustainable development is often considered interdependent; the achievement of sustainable development goals (SDGs) is conditioned with the success of SMEs, while the growth and performance of SMEs cannot be achieved without incorporating sustainability principles and practices in their strategic framework. To this end, recent studies have predominantly focused their attention to investigating sustainability issues in SMEs (e.g., Chien et al., 2021; Raza et al., 2021).

Framework Development—Entrepreneurial Responsible Orientation

Strategic Orientations and SMEs Performance

Considering SMEs’ crucial role and significant contributions on the road toward a more sustainable world, their growth and performance are often linked with their strategic orientation in strategy management and entrepreneurship literature (Beliaeva et al., 2020; Irwin et al., 2018; Nasir et al., 2017). Strategic orientations are the principles, guidelines, directions, decisions, and activities that businesses make to achieve superior performance. According to Hakala (2011), strategic orientation is a bundle of principles and behaviors that guides firm activities to ensure its viability and performance. Cadogan (2012), considered strategic orientation as simply the reflection of how a firm operates. Overall, strategic orientations provide directions to attain superior firm performance (Beliaeva et al., 2020; Hakala, 2011). Previous studies have predominantly reported the significant influences of the company’s strategic orientation on attaining its goals from a macro and micro perspective (e.g., Khizar et al., 2022; Kurtulmuş et al., 2020). Accordingly, a sufficient proportion of research studies is available related to strategic orientations with firm performance (e.g., McMenemy et al., 2018; Shou et al., 2019), innovation performance (e.g., Song et al., 2019; Tutar et al., 2015), and sustainable competitive
advantage (e.g., Criado-Gomis et al., 2017; Papadas et al., 2018). This study includes entrepreneurial orientation (EO), market orientation (MO), and sustainability orientation (SO) under the umbrella of strategic orientation by utilizing an integrated approach to postulate an extended entrepreneurial strategic posture (EO) that also incorporates the responsibilities toward customers (MO), society, and environment (SO).

**Entrepreneurial orientation.** Entrepreneurial orientation (EO) reflects the degree to which a firm engages in identifying new business opportunities and renewing existing business operations. EO generally represents the decisions, processes, and practices toward new opportunities (Lumpkin & Dess, 1996). Fellnhofer et al. (2017), describes EO as a firm-level entrepreneurial strategic posture to facilitate entrepreneurial decisions and actions. EO is generally comprised of three components: (i) innovativeness, (ii) risk-taking, and (iii) pro-activeness (Covin & Slevin, 1989; Miller, 1983). Innovativeness refers to the extent of a firms’ capability of innovating new products, services, and technologies (Baker & Sinkula, 2009; Kreiser, 2011). Risk-taking reflects the willingness of a firm for making resource commitments without the fear of failure (Miller, 1983). Pro-activeness reflects a firm’s forward-looking and anticipatory behavior to capture new opportunities either related or unrelated to current business operations (Venkatraman, 1989).

**Market orientation.** Market orientation (MO) is the degree of a firm’s responsiveness to the changing market demands strategically and operationally (Sivageahnam et al., 2015). The scholars have approached the nature of market orientation (MO) in many different ways, however, the two conceptualizations; MO to be an organizational culture (Narver & Slater, 1990) and MO as implementing marketing concept (Kohli & Jaworski, 1990), got prominence and considerable scholarly attention in the literature. Narver and Slater (1990) conceptualized MO as “an organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior market and organizational performance.” This school of thought conceptualized MO in three dimensions: (i) customer orientation, (ii) competitor orientation, and (iii) inter-functional coordination (Narver & Slater, 1990). On the other hand, Kohli and Jaworski (1990) conceptualized MO as (i) intelligence generation, (ii) intelligence dissemination, and (iii) responsiveness.

**Sustainability orientation.** Sustainability orientation (SO) can be defined as the extent of a firms’ internal commitment toward the integration of societal and environmental concerns in decision making (Shou et al., 2019). SO demonstrates the readiness of a firm for implementing the sustainability-related initiative in the organization (Tata & Prasad, 2015). Contrary to other scholars who considered SO as business philosophy (e.g., Roxas & Chadee, 2012; Shou et al., 2019), some scholars (e.g., Kuckertz & Wagner, 2010) conceptualized the nature of sustainability orientation assigning it to the individual rather than a business philosophy. This line of research defined SO as an individual’s values and belief system for considering the social and environmental concerns in business operations (Kuckertz & Wagner, 2010).

**Resource Complementarity: Multiple Strategic Orientations Perspective**

Resources are the available stock of tangible or intangible assets possessed by a firm (Teece et al., 1997), whereas capabilities represent the firms’ ability to deploy organizational resources for certain desired goals (Helfat & Peteraf, 2003). In this vein, the resource-based view (RBV) addresses the importance of internal resources (tangible or intangible) to attain a sustainable competitive advantage and superior firm performance (Black & Boal, 1994; Newbert, 2008). Extending from RBV, the dynamic capability approach (DC) argues that superior performance can be attained by adapting, integrating, and reconfiguring existing organizational resources (Teece et al., 1997). In line with this, strategic orientations are often considered as the resources and capabilities that drive a firm’s innovativeness (Tutar et al., 2015), acquire a competitive advantage (Fainshmidt et al., 2019), and lead toward achieving superior firm performance (Beliaeva et al., 2020; Kantur, 2016).

There is ample empirical evidence on the positive effects of EO (e.g., Karami & Tang, 2019; Semrau et al., 2016), MO (e.g., Presutti & Odorici, 2019), and SO (e.g., Danso et al., 2019) on firm performance. Existing literature on strategic orientation has mainly focused their investigations on a single orientation-performance relationship (e.g., Brouthers et al., 2015). On the other hand, there is scholarly evidence available that firms depending on a single orientation have failed in the long run (Kumar et al., 2011). Therefore, recent studies have suggested that firms should adopt a mix of orientations in a dynamic and competitive environment (Hakala, 2011). Likewise, recent studies have demonstrated the significance to study the synergistic and interaction effects of multiple strategic orientations instead of focusing on investigating a single orientation in isolation (Ho et al., 2016; Khizar et al., 2021). In line with this, Hakala (2011) conducted a systematic meta-analytic review of multiple strategic orientations in management literature. He identified three different approaches (i.e., sequences, alternatives, and complementary) that clarify the interrelationships and/or interactions among multiple orientations. According to Hakala (2011), (i) the sequence approach considers a single best strategic orientation regardless of the situation, and orientations follow one another in a developmental sequences, (ii) the alternative approach considers contingency factors to examine the appropriateness of the strategic orientation(s) that fits in a particular context. Unlike sequential and alternatives approaches, (iii) the complementary approach views
organizational strategic management as incorporating multiple orientations simultaneously (Hakala, 2011).

The complementary perspective considers orientations to be complementary rather than mutually exclusive. Consequently, an entrepreneurial strategic posture of the firm developed under multiple strategic orientations would create a stronger competitive position, and that in turn, will lead to superior firm performance (Hakala, 2011). Putting it another way, a firm that relies on a single orientation in isolation performs poorly and may fail in the long run. For instance, an entrepreneurial-oriented firm is potentially innovative that constantly strives to capture new ideas and opportunities to promote the introduction of new products and services (Lumpkin & Dess, 1996). On the other hand, this entrepreneurial-oriented (EO) firm may lack in its ability to generate intelligence regarding the actual and potential needs of its customers as well as other stakeholders. In the same vein, a firm depending solely on market orientation (MO) may perform well in identifying and satisfying customer needs and wants (Kohli & Jaworski, 1990) while lacking in entrepreneurial capability and ignoring its societal and environmental impacts.

From a strategic point of view, recent advances have confirmed that entrepreneurial orientation (EO), and market orientation (MO) are the prevalent forms of strategic orientations that positively coexist in an entrepreneurial strategic posture (e.g., Baker & Sinkula, 2009; Bosso et al., 2013; Hakala, 2011). While on the other hand, various scholars have argued that the lack of sustainability focuses in strategic management is one major reason for limited progress toward sustainable development (e.g., Baumgartner, 2009; Engert et al., 2016). In this vein, this study posits that small businesses are succeeding in advancements in being entrepreneurially oriented and market-oriented, however, the integration of sustainability principles into their strategic posture is lacking despite constant stakeholders pressures and the urgent calls for sustainable development. Thus, the current needs for sustainable developments justify and demand the integration of sustainability in small businesses and entrepreneurship strategic posture.

In consonance with the proponents of the complementary approach (e.g., Khizar et al., 2021), we argue that superior performance outcomes can be achieved through the combinations and complementarities of different orientations. This study suggests that small firms should capture a broader perspective taking an innovative and proactive strategic stance (EO), to satisfy the needs of customers (MO) while behaving in a socially and environmentally responsible way (SO), this, in turn, will lead to achieving superior economic (profit), social (people), and environmental (planet) performance. This view highlights the notion of a “beneficial interplay of the elements of a system where the presence of one element increases the value of others” (Ennen & Richter, 2010, p. 207), and “the gain from increasing every component of a system is more than the sum of gains from the separate individual increases” (Milgrom & Roberts, 1994, p. 5).

Hence, a complementary set of resources (i.e., entrepreneurial orientation, market orientation, and sustainability orientation) would create synergistic effects on SMEs’ sustainable performance.

The above discussed theoretical justifications have highlighted that certain elements may exert more value in the presence of other factors (e.g., Beliaeva, 2019; Ennen & Richter, 2010; Hakala, 2011). Drawing from these theoretical foundations, this study proposes an integrated model that develops a broader responsibility orientation in the context of small business and entrepreneurship. The integrated Entrepreneurial Responsible Orientation (ERO) framework is proposed to effectively respond to the stakeholder’s demands and the calls for sustainable development. ERO serves as a strategic framework that addresses entrepreneurial, customer, business, societal, and environmental responsibilities, which in turn, will also pay firms in achieving successful sustainable economic, social, and environmental performance outcomes, therefore, enhancing the survival of an organization (Elkington, 2013). The diagram below (Figure 1) highlights the logic behind the development of the proposed entrepreneurial responsible orientation (ERO) framework. The integrated model of entrepreneurial responsible orientation (ERO) occurs through the convergence of two logical streams, (i) organizational micro perspectives, (a) entrepreneurial orientation (i.e., market-driving), and (b) market orientation (i.e., market-driven), and (ii) the global/ macro level perspective of sustainable development.

Discussions

Corporate sustainability issues have gained significant considerations in academic research due to the urgent calls for sustainable development as well as the constant pressure from the multiple stakeholders (Schmitz et al., 2019). Extending this line of debate, the main goal of this paper is to propose a responsibility framework in the context of small businesses and entrepreneurship. Building on the resource complementarity perspective, this study expanded the entrepreneurial strategic posture to include EO, MO, and SO simultaneously. We believe that to stay competitive in a highly dynamic environment, small firms and entrepreneurs should adopt ERO, which in turn, will lead to superior sustainable performance.

The Nature and Conception of ERO

The present study conceives ERO as a firm-level dynamic capability that is formed by the combination of multiple strategic resources and capabilities. We postulate that the elements of ERO (i.e., EO, MO, SO) are the capabilities that have implications to complement each other toward becoming mutually supportive performance practices, thus, enabling a firm to succeed in innovativeness, attaining sustainable
competitive advantage, and achieve superior economic, social, and environmental performance.

ERO is considered as an entrepreneurial strategic posture (i.e., general higher-order capability) that includes distinct complementary components (i.e., EO, MO, SO) simultaneously. Cadogan (2012) explicate the nature of multiple strategic orientations as the formative constructs. In line with this perspective (e.g., Cadogan, 2012; Criado-Gomis et al., 2017), we postulate that ERO is an aggregate third-order construct, typified as reflective first-order, reflective second-order and formative third-order (Figure 2). Each dimension of ERO (i.e., EO, MO, and SO) has the potential to generate different results when they are independently evaluated. However, it is not necessary that all three components must be present in all
entrepreneurial firms, and/or a firm may not implement all components at the same time, yet, we argue that responsibility oriented entrepreneurial and small business firms should develop a comprehensive ERO stance in their strategy management to drive superior performance outcomes.

**Categorization and Measurement of ERO**

According to Sartori (1970), a concept can be described either by its extension or intension. Accordingly, George and Marino (2011) suggested that the nature of EO should not be considered as a single conception rather it captures a broader perspective. In agreement with Criado-Gomis et al. (2017), this study proposed an extended version of entrepreneurial responsible orientation (ERO) in the classical categorization schema (Table 1). ERO is categorized as a secondary category by including all the elements of the primary categories (i.e., EO, MO, and SO). Thus, ERO extends the initial meanings of the primary categories to form a higher-order dynamic capability. The development of an effective measurement model is a critical concern in small business and entrepreneurship research (Low & Macmillan, 1988; Parente et al., 2021). Given no prior conception and a comprehensive valid measure of ERO, the existing measurements can provide a baseline in this regard. The existing literature on the three components (i.e., EO, MO, SO) of ERO has highlighted that scholars have conceptualized and measured these dimensions in various ways. However, there exists scholarly agreements on the most common and mostly utilized measurements of EO (e.g., Covin & Slevin, 1989; Lumpkin & Dess, 1996), MO (e.g., Kohli & Jaworski, 1990; Narver & Slater, 1990), and SO (e.g., Kuckertz & Wagner, 2010; Roxas & Chadee, 2012).

According to Covin and Wales (2019), regardless of the measurement decisions, a latent construct exists for itself, hence, the measurement decisions such as—unidimensional or multidimensional, reflective, or formative—must be consistent with how ERO has been conceptualized in a given study. Moreover, Wilcox et al. (2008) suggested that “a given research situation or research tradition may favor either formative or reflective measurement, but constructs themselves, posited under a realist philosophy of science as existing apart from their measurement, are neither formative nor reflective.” However, the present study proposes entrepreneurial responsible orientation (ERO) as an extended and enlarged entrepreneurial (EO) strategic posture that can be measured with different measurement scales as well as at different measurement levels depending on the particular research questions and theoretical groundings.

**Implications for Theory and Practice**

The proposed integrative responsibility framework of ERO expands the existing body of literature in various ways. First, this study highlighted the notion of strategic orientation as an umbrella term that can combine the ideas derived from multiple disciplines. Our proposed framework captures a broader entrepreneurial strategic stance in the era of sustainable development and combines multiple dimensions (i.e., SO, EO, and MO) that were previously studied in isolation. Second, the development of entrepreneurial responsibility framework at the strategic level pointed to the need for entrepreneurial and small business firms to adopt SDGs as a way to enhance their sustainable performance (i.e., economic, social, and environmental). Third, the present study assists entrepreneurs and owners/managers to gain a better understanding of how strategic orientation(s) directs and facilitates their ways of doing business. In this vein, the ERO framework guides entrepreneurs and SMEs’ owners/managers to appropriately select and mix strategies to attain superior organizational performance.

In terms of the societal implications of this study, the ERO framework can be used in managerial practice when making strategic decisions to create value for the business as well as for stakeholders. It addresses the broader responsibility framework and will serve as a SMEs’ responsibility orientation toward multiple stakeholders (i.e., economy, society, and environment). Moreover, it is postulated that ERO is an effective strategic orientation, if implemented successfully, will not only yield superior economic benefits for business firms but also support in solving various societal problems. On the one hand, the implementation of ERO will minimize stakeholders’ pressure on firms to incorporate societal and environmental responsibilities in their strategy. On the other hand, the stakeholders might benefit from new job creation, economic growth, and the solution to many social and environmental issues. Besides, the study provides insights to government, policymakers, and intermediary organizations to develop and improve appropriate policies to promote sustainable practices in SMEs which will foster the way toward sustainable development.

**Implications for Future Research**

Although this paper is introductory regarding the integration of sustainability orientation in SMEs’ strategic posture in a complementary fashion under the umbrella term of strategic orientation(s). This study offers multiple avenues for future researchers in the areas of business strategy and sustainable entrepreneurship. Taking a stock of the discussed literature, theories, and argumentations of the novel ERO framework, future studies are needed for the measurements, rigorous methodologies, and empirical testing of the proposed framework.

Future research should empirically identify different antecedent variables (i.e., drivers and barriers) that may support or hinder the formation and implementation of ERO. In addition, the identification of other antecedent factors such as leadership characteristics, organizational characteristics as well as contextual characteristics of ERO would also enhance our understanding regarding this framework. We also expect that the potential studies should also identify the potential
| Primary categories | Secondary category |
|--------------------|--------------------|
| Entrepreneurial orientation (EO) | Entrepreneurial responsible orientation (ERO) |
| Market orientation (MO) | |
| Sustainability orientation (SO) | |

Dimensions
- Innovativeness
- Risk-taking
- Proactivity
- Intelligence
generation
- Dissemination
- Responsive-ness
- Economic responsibility
- Social responsibility
- Environment responsibility
consequences of ERO in various ways, (i) micro (i.e., individual level), (ii) meso (i.e., organizational level), and (iii) macro (i.e., national, regional, and/or global level). More specifically, it would be interesting to empirically examine the effects of ERO on multiple organizational outcomes, such as sustainable innovation, sustainable competitive advantage, and sustainable firm performance (i.e., profit, people, and planet).

For any firm, the degree of focus on these strategic orientations, individually or in interaction, can vary substantially. Therefore, besides considering the aggregate nature of ERO construct, future studies should also empirically test the proposed framework investigating the individual as well as the synergistic effects of ERO components on several consequent/dependent variables. Furthermore, it is more interesting to conduct these investigations in the presence of internal/external factors (e.g., organizational, environmental, contextual, cultural) as mediators and moderators in orientation-performance relationships. We also suggest that future researchers can also examine the direct as well as the interaction effects of multiple strategic orientations on SMEs’ performance. Potentially, the entrepreneurial responsible orientation (ERO) framework holds two-way (i.e., EO*MO, EO*SO, and SO*MO) and three-way (i.e., EO*MO*SO) interactions that require further investigations for a more nuanced understanding.

Drawing from the complementary and configurational perspectives, future research can be done identifying and/or investigating different combinations and configurations of multiple strategic orientations based on multiple factors, such as leader characteristics, organizational characteristics, and industry factors. According to Doty et al. (1993), firms perform better when they are closer to the ideal configurations. Future configuration studies can be conducted to empirically test and identify the ideal configurations to be used as a benchmark. Moreover, another interesting area of ERO exploration is the theoretical underpinnings of resource complementarity development based on the assumptions that complementary resources (i.e., EO, MO, and SO) may interact and produce synergistic effects.

In agreement with the calls for sustainable development (Ayuso & Navarrete Báez, 2018; Higgs & Hill, 2019; Prashar, 2019). Nonetheless, the lack of sustainability focus in strategic management is the major cause of limited and slow progress towards the economic, social, and environmental aspects of sustainable development (Engert et al., 2016). Therefore, this study configures a strategic framework in the contexts of entrepreneurship and small businesses, responding to the stakeholder’s pressure and the urgent calls of the United Nation’s sustainable development goals (SDGs) agenda 2030.

This study theoretically developed and proposed an extension to entrepreneurial strategic posture (EO) by incorporating the care for customers (MO), society, and environment (SO). This paper proposes an integrative concept of entrepreneurial responsible orientation (ERO) that addresses how multiple strategic orientations are complementary and mutually supportive for the sustainable performance of businesses. In agreement with the calls for sustainable development, the theoretical underpinnings of resource complementarity became the most appropriate choice for the framework development based on the assumptions that complementary resources (i.e., EO, MO, and SO) may interact and produce synergistic effects.

Conclusion

SMEs dominate the business arena worldwide causing a considerable impact on the environmental and societal wellbeing (Westman et al., 2019), play a significant role in sustainable development (Ayuso & Navarrete Báez, 2018; Higgs & Hill, 2019; Prashar, 2019). Nonetheless, the lack of sustainability focus in strategic management is the major cause of limited and slow progress towards the economic, social, and environmental aspects of sustainable development (Engert et al., 2016). Therefore, this study configures a strategic framework in the contexts of entrepreneurship and small businesses, responding to the stakeholder’s pressure and the urgent calls of the United Nation’s sustainable development goals (SDGs) agenda 2030.

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RQ 1: How can ERO be conceptualized?
RQ 1a: What theoretical framework can be utilized?
RQ 1b: Should ERO be conceptualized at the individual level or the organizational level?
RQ 2: How can ERO be operationalized/ measured?
RQ 2a: What are the dimensionality of ERO (unidimensional or multidimensional)?
RQ 2b: Should ERO be operationalized/measured at individual-level or organizational-level?
RQ 2c: Should ERO be operationalized/measured formatively or reflectively?
RQ 2d: Can ERO be measured through existing scales or it is preferable to develop a new scale?
RQ 3: What are the key similarities/differences of ERO in different contexts? (a—organizational, b—sectoral, c—cultural, d—geographical)
RQ 4: What are the key antecedents of ERO? (a—individual-level/ organizational-level, b—internal/external factors, c—drivers/barriers)
RQ 5: What are the key outcomes of ERO? (a—individual-level/organizational-level, b—internal/external, c—micro/meso/macro)
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