Sustainable Competitive Advantage through Entrepreneurship, Market-Oriented Culture, and Trust

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Abstract: In a rapidly changing business environment, the entrepreneurship of top management is essential for the survival and sustainable development of the enterprise. Building on the view of the strategic choice theory, this study identifies the relationship between entrepreneurship, market-oriented culture, and work engagement. Data were collected from 493 employees regularly working in small and medium-sized firms in South Korea. The results of this study indicate: (1) entrepreneurship (consisting of innovation, proactiveness, and risk-taking) has a significant positive influence on market-oriented culture, (2) entrepreneurship positively affects work engagement, (3) market-oriented culture has a significant positive effect on work engagement, (4) the effects of innovation and proactiveness on work engagement are significant, controlling for market-oriented culture, showing the partial mediating effect of market-oriented culture on work engagement, and (5) CEO trust moderates the relationship between risk-taking and work engagement. Theoretical and practical implications are suggested.

Keywords: entrepreneurship; market-oriented culture; work engagement; trust; sustainable competitive advantage

1. Introduction

New technology that emerges from significant changes ushered in by phenomena, such as the Fourth Industrial Revolution, invariably translates into changes within the existing business environment. As companies strive to secure sustainable survival within a rapidly evolving business environment, strategic choices made by their top management may dictate the impact of such an environment on them. Entrepreneurship becomes more important in modern-day life from the perspective of the “strategic choice theory” [1], which discusses how an organization can overcome environmental constraints. A company could survive by securing a sustainable competitive advantage, provided it continues to explore business opportunities and implement flexible business management practices within a changing environment through its entrepreneurship, taking risks based on its faith in the business.

In addition, the organizational culture, which is the shared beliefs and values of the members of the organization, also has a profound impact on the survival and development of the enterprise. This is because organizational culture serves as a source of competitive advantage with intangible management resources that make up core competencies that are difficult for rival companies to easily imitate. This is because the performance of a company is significantly different in this era when the life cycle of products and technologies is fast approaching, depending on the organizational culture that affects the organization’s sense of unity, job security, behavior and thinking of its members. One of these organizational cultures, market-oriented culture, can ensure great performance by continuously responding to an evolving market and turning a fledgling business into a long-lasting success [2].
Meanwhile, it is now increasingly important for a company to explore ways to improve work engagement for change and survival. In other words, if individuals fail at their jobs, employees do not work hard, or a company frequently faces job withdrawals or transfers, the company will have to incur increasing costs (for training, recruitment, etc.) and the loss of an excellent workforce. This further highlights the need to explore ways to maintain work engagement and job performance. Adherence to usual business management practices by a company may hinder its ability to keep up with the changes in the business environment. Evidently, innovation alongside change is crucial for businesses.

While studies in this field have been often conducted by earlier scholars, research dealing with the effect of entrepreneurship on work engagement via market-oriented culture is still underexplored. Thus, this study aims at expanding the theoretical scope of market-oriented culture and work engagement, clarifying these concepts and testing their causality and effectiveness among the top management. The empirical analysis focuses on small and medium-sized enterprises (SMEs) in South Korea and highlights the effects of innovation, proactiveness, and risk-taking in entrepreneurship on work engagement. This study also investigates how effectively market-oriented culture works as a mediator, and trust towards CEO functions as a moderator in this relationship, thereby widening the scope of research on entrepreneurship. Moreover, this study provides practical implications for SMEs to cope with global and domestic economic challenges in rapidly changing business environments by improving organizational performance through work engagement.

2. Literature Review and Hypotheses

2.1. Entrepreneurship and Market-Oriented Culture

Entrepreneurship (EP) is “an entrepreneur’s attitude of commitment toward innovating his or her company by seizing new opportunities through the introduction of new products and innovations in the face of fierce business competition [3].” Constituting an entrepreneur’s practice in overcoming uncertainties in the business environment [4] and seeking to maximize business opportunities [5], it enables the discovery of opportunities regardless of the recourses available [6]. It involves redistributing or recombining resources in an innovative, trailblazing, and risk-taking manner to generate new value [7]. As an attribute that improves a company’s competency through continuous innovation in the pursuit of opportunities, EP is the spirit of commitment toward preserving business activities as well as nature, life, and community [8].

In general, many researchers inquired into the benefits of EP as a way to improve business performance. Previous studies indicated EP to have a largely positive effect on organizational performance, organizational effectiveness, employees’ job satisfaction, and organizational culture as well as the ability to serve as a foundation of growth for small-sized businesses, especially SMEs [9].

Previous studies have dealt with EP, mostly focused on its sub-factors such as innovation, proactiveness, and risk-taking. They discussed EP as a concept involved in grasping business opportunities in the face of environmental uncertainty, growing through innovative activities, such as developing products and pioneering markets [3–7].

The first component of EP is innovation. Corporate innovation, which serves as a special means, provides resources and new competencies that can generate profits for a company [10]. Schumpeter [3] describes innovation as “an entrepreneur’s attitude of commitment toward corporate innovation and his or her effort to seize new opportunities in the face of fierce competition.” It is a key component of entrepreneurship that helps achieve development and great performance. The second component is proactiveness, which is a response to market opportunities. It is the tendency to act in anticipation of changes and consider the future while making new strategic decisions [11]. Highly proactive companies preempt the market and take on challenging opportunities by moving ahead of others to provide new goods or services, thereby performing exceedingly better than the competitors [11,12]. Risk-taking, as the third component, refers to decision-making associated with seizing opportunities in business projects with uncertainty and ambiguity.
despite various internal or external risks [9]. It is the tendency to venturously deploy a large amount of resources despite achievement-related uncertainties [13]. Those who undertake high level risks are likely to be more creative than others. Furthermore, since they can derive more opportunities with their commitment to overcoming risks in an uncertain environment, such people focus on performance, and they can achieve greater performance and earn more rewards [13,14].

EP creates new business that generates profits for a company [15], achieves a competitive advantage, improving financial performance [16] and improving business performance by promoting corporate innovation and boosting employee morale and productivity [6]. EP also achieves a competitive advantage for international corporations, which is necessary to overcome changes in the external environment and perform better in overseas markets by seeking opportunities and being innovative [17]. EP significantly influences organizational performance and all market-oriented activities within an organization [18]. Especially for SMEs that are highly susceptible to changes in the business environment, EP is a crucial factor that influences organizational survival [19].

On the other hand, to attain a competitive advantage a company must respond to marketplace needs more aggressively than its competitors and predict changes in the market. Such efforts fall under market orientation. Market orientation is a crucial factor of business survival through rapid changes in the business environment [20]. Market orientation ensures continuous response to marketplace needs [21], shares market data with company divisions, and shares best value with consumers through the company’s prompt response [22,23]. As presented in a study by Jaworski and Kohli [21], market-oriented culture can be understood to identify the needs of current and future customers and to anticipate and act accordingly and to understand corporate efforts including identifying current and future market requirements and changes and gathering information in order to secure competitive advantage.

It is very important for SMEs and startups, which are relatively limited in resources and heavily influenced by environmental changes, to respond sensitively to rapidly changing situations compared to large companies where corporate culture has been established [24]. Companies with a high level of market orientation acquire information on customer needs and design strategies based on them to satisfy those needs [25]. Such companies can achieve outstanding performance by sharing information through decision-making in the organization and disseminating information among divisions through open decision-making [26]. Meanwhile, it continuously ensures high business performance by most efficiently and effectively inspiring behaviors needed to provide higher value to customers. Additionally, it also positively influences organizational performance in the same way [22,23,27].

Market-oriented culture (MOC) improves organizational performance, linking internal resources together by obtaining and utilizing information on customers and competitors. Especially for SMEs, a higher level of market orientation positively affects organizational performance [28]. MOC is an organizational culture that continues to provide superior business performance by generating actions to create higher value to customers most effectively and efficiently [22,23]. Homburg and Pflesser [27] conceptualized MOC as shared basic values, norms, artifacts, and behaviors with the model of cultural dynamism as suggested by Hatch [29]. They demonstrated that the factors, as influenced by market dynamism, significantly influence market performance.

Homburg and Pflesser [27] were concerned about the measurement of market-oriented culture not to take into account the more fundamental elements of culture. They constructed the measures of MOC from the perspective of organizational culture from a behavioral perspective. They incorporated into measurement such concepts as shared values, norms, artificial devices and actions as components of market-oriented culture. These factors were found to have positive effects on organizational performance through market dynamics. As viewed from a cultural behavioral perspective, market-oriented culture provides opportunities for members of the organization to learn about the relevant market and creates
an environment where information can be shared among departments. These functional
departments can be adjusted, thereby enabling the enterprise to achieve high performance.

EP and MOC together can develop unique products and improve the quality of their
products, corporate profits in global markets [30], and exploration and exploitation out-
comes [31]. Imran et al. [32] reported that managers with high entrepreneurial orientation
prove better corporate performance by enhancing EP and MOC. In global companies, EP
and MOC highly correlate with strategies and international performance [33]. Additionally,
Seet et al. [34] found that entrepreneurial self-efficacy, innovation, and MOC improve
firm performance. However, earlier studies have revealed inconsistent results on the
relationship between EP, MOC, and organizational performance [35–38]. Therefore, it is
worth pursuing examination of the effect of EP on MOC, and we propose the following
hypotheses:

Hypothesis 1 (H1). Entrepreneurship positively influences market-oriented culture.

Hypothesis 1a (H1a). Innovation in entrepreneurship positively influences market-oriented culture.

Hypothesis 1b (H1b). Proactiveness through entrepreneurship positively influences market-
oriented culture.

Hypothesis 1c (H1c). Risk-taking in entrepreneurship positively influences market-oriented culture.

2.2. Entrepreneurship and Work Engagement

The concept of work engagement (WE) introduced by Khan [39] refers to how or-
ganizational members exhibiting engagement deploy emotional, physical, and cognitive
energy in performing their duties [40]. WE represents synchronization of the emotional
state with respect to work, in which organizational members remain upbeat and brimming
with energy while being voluntarily tied to their operational roles [41]. Employees with
WE aim at the accomplishment of challenging goals and try to succeed [41,42].

Maslach et al. [43] posited WE as counter concept to burnout. Schaufeli et al. [44]
described engagement as a positive and achieving mental state related to jobs, composed
of vigor, dedication, and absorption. They suggested WE not as a concept linked to job
burnout, but a separate concept defined as the work-related upbeat and achieving state of
mind. Engagement was developed as an independent measuring instrument (Utrecht Work
Engagement Scale: UWES) in the follow-up study by Schaufeli and Bakker [44,45]. These
studies regarded WE as a factor that improves organizational performance [43–45]. This is
because employees with a high level of engagement exhibit positive attitude and behavior
toward the organization by building a high trust and continuously maintaining a positive
relationship with it [46]. In a similar vein, Rich et al. [40] showed that employees with a high
level of WE devote to their duties and accomplish their goals, and thus, they could achieve
great job performance by exercising their work-related skills to the maximum. Steffens
et al. [47] discovered that EP improves WE and reduces burnout and turnover. More
specifically, Hoque et al. [48] argued that EP positively influences WE and innovational
performance. Thus, we advance the following hypotheses:

Hypothesis 2 (H2). Entrepreneurship positively influences work engagement.

Hypothesis 2a (H2a). Innovation in entrepreneurship positively influences work engagement.

Hypothesis 2b (H2b). Proactiveness through entrepreneurship positively influences work engage-
ment.

Hypothesis 2c (H2c). Risk-taking in entrepreneurship positively influences work engagement.
2.3. Mediation Effect of Market-Oriented Culture

Market-oriented culture (MOC) has been extensively discussed as a key variable for improving organizational performance. For example, Buli [49] discovered the positive influence of EP, as mediated by MOC, that leads to high organizational performance in a turbulent business environment. Vega [50] proved that MOC secures excellent performance through differentiation by providing greater value than competitors provide. Al-Henzab and Obiedat [51], who examined the relationships among EP, MOC, and organizational performance, found that all the three variables were strongly related to organizational performance.

By making sure that all company divisions and employees work and behave so that they may perform well MOC ensures decisions based on market demand and data for achievements such as customer satisfaction and increased work engagement [52,53].

Weerawardena [54], who analyzed the survey on managers of manufacturing companies, found that EP positively influenced MOC. Boso [55], who studied the relationships among EP, MOC, and social networks, found that the performance of EP and MOC were inter-complementary, and both variables significantly influenced network building and organizational performance. Li [56] also discovered that EP positively influences MOC and business performance of SMEs.

On the other hand, Kirca et al. [57] pointed out that while MOC and organizational performance are positively correlated, they may yield different results depending on related variables. This means that MOC can vary depending on which variable is associated with it. Considering the prior studies discussed, the hypothesis was set that there were direct and mediated effects of MOC in the relationship between EP and WE.

**Hypothesis 3 (H3).** Market-oriented culture (MOC) positively influences work engagement.

**Hypothesis 4 (H4).** MOC mediates the relationship between entrepreneurship and work engagement.

**Hypothesis 4a (H4a).** MOC mediates the relationship between innovation in entrepreneurship and work engagement.

**Hypothesis 4b (H4b).** MOC mediates the relationship between proactiveness through entrepreneurship and work engagement.

**Hypothesis 4c (H4c).** MOC mediates the relationship between risk-taking in entrepreneurship and work engagement.

2.4. Moderation Effect of CEO Trust

The importance of trust (TR) was examined in organizational studies. However, it has a wide-ranging definition and involves diverse concepts. Trust, which targets other people’s behavior, may be described as a mental state that demonstrates commitment to accepting the risk involved in organizational behavior [58]. In a study on the impact of TR on performance, McAllister [59] showed that TR serves as a major factor that improves organizational performance with a well-organized management system. As a key concept of social capital that can be applied to common goals, TR ensures that the organization performs well through interaction between its members. By building job satisfaction and motivating employees, TR promotes cooperation and efficient transactions among them [60] and raises the level of cooperation by ensuring efficient communication in the organization that is contingent on trust between each. Thereby, employees can feel a sense of comfort. TR also boosts organizational performance by improving organizational relationships based on respect among its members [61].

TR indicates how confidently a person harbors and shows good will to another person; the concept of trust is applied comprehensively throughout society [62]. A lack of trust between an employee and his or her superior may lead the junior employee to doubt
the information and instructions coming from the superior, and the former may not like to communicate with the latter. Maintenance of high trust translates into powers being mutually shared and related responsibilities being readily accepted [63]. Accordingly, TR is vital for companies. TR for top managers can be a crucial strategic factor that ensures effective business management activities because it motivates employees, who in turn trust the top management, even though employees’ behaviors as such cannot be controlled. Several previous studies showed TR as a positive influence on organizational performance. Podsakoff and others [64] discovered that, as a key factor that brings stability into the organization and motivates its members, TR positively influences organizational performance. McAllister [59] elucidated that TR is an important factor that improves organizational performance by building a well-organized management system.

Prior research has indicated that TR affects various organizational processes and outcomes. For example, Rousseau et al. [58] reported that trust influences organizational coherence and immersion that individuals experience. Davis et al. [65] found that TR in company management significantly influenced employee turnover and organizational performance. Costigan et al. [66] showed that trust in company management affects turnover intention more than trust in senior colleagues. Vigoda-Gadot and Talmud [67] found that TR was significantly effective in adjusting social support and organizational outcomes (job satisfaction, organizational commitment, stress, and burnout). Podsakoff et al. [64] discovered that employees’ trust in the top manager is a major factor that stabilizes the organization and motivates its members, positively affecting organizational performance. Therefore, considering TR as a major factor that improves organization performance with a well-organized management system and boosts organizational performance, we proposed the following hypotheses:

Hypothesis 5 (H5). CEO-Trust (TR) moderates the relationship between market-oriented culture and work engagement.

Hypothesis 6 (H6). CEO-Trust (TR) moderates the relationship between entrepreneurship and work engagement.

Hypothesis 6a (H6a). TR moderates the relationship between innovation and work engagement.

Hypothesis 6b (H6b). TR moderates the relationship between proactiveness and work engagement.

Hypothesis 6c (H6c). TR moderates the relationship between risk-taking and work engagement.

The research model in Figure 1 presents the hypothesized relationships between the key variables under investigation. Entrepreneurship (composed of innovation, proactiveness, and risk-taking) affects market-oriented culture and work engagement. Market-oriented culture influences work engagement and mediates the relationship between entrepreneurship and work engagement. CEO-trust moderates the effect of market-oriented culture on work engagement, and the effect of entrepreneurship on work engagement.
3. Method

3.1. Sample and Procedures

Data were collected from employees regularly working in SMEs during a two-week period in October 2019. Originally, the questionnaires were distributed to 600 employees by hard copy or email. However, we limited our sample to those who were 25 years old or over, had high school education or over, and worked at least one year at their job. We further deleted 25 cases due to a high rate of no responses to key variables and, thus, the final sample was reduced to 493 employees (82.2%). The age of the sample ranged from 26 to 59 with a mean of 37.8 (SD = 7.8), and 37.9% were women. Educational achievement was high school (11.6%), junior college (15.0%), 4-year college (65.7%), and graduate degree (7.7%).

Regarding task type, the majority of respondents were administrative and clerical (70.4%), sales (6.7%), R&D (12.2%), and production workers (6.1%). The others belonged to miscellaneous categories (4.7%). The sample also consisted of rank-and-file employees (27.0%), assistant managers (30.4%), deputy managers and managers (39.1%), and executives (3.4%). In terms of company size (the number of employees), 64.9% of the sample worked for companies with less than 100 regular workers (including unlimited contract workers), 27.4% for those with 100 to 499 regular workers, and 7.7% in companies of 500 or over. As regards duration of employment, 52.5% were employed for less than 5 years, 26.6% for 5 to less than 10 years, 18.9% for 10 to less than 20 years, and 2.0% for 20 years or over.

3.2. Measures

All variables were assessed by using scales validated in previous research. The response format for all measurement items was a five-point Likert-type scale with 1 (strongly disagree) to 5 (strongly agree).

3.2.1. Entrepreneurship

To measure entrepreneurship, we adapted Covin and Slevin’s scales [9]. Entrepreneurship consists of three sub-constructs: innovation, proactiveness, and risk-taking. Innovation was measured by two items (α = 0.82). Sample items for innovation include the following: “Our company’s top manager readily accepts original and innovative ideas from employees.” Proactiveness is a four-item scale (α = 0.82). The sample item includes “Our company’s top manager works hard to get ahead of our competitors in product development.” Risk-taking is a two-item scale (α = 0.74), and the sample item shows the following: “Our company’s top manager takes risk by aggressively acting in response to changes in business environment.” Altogether, entrepreneurship was assessed by eight items.
3.2.2. Market-Oriented Culture

Market-oriented culture was assessed by a five-item scale (α = 0.83), adapted from Homburg and Pflesser’s [27]. They developed a survey of Market-oriented culture by reflecting market orientation as a component of cultural and behavioral perspectives. Sample items include: “As it lays great store on handling business operations, the company puts a high value on a high level of work performance.”

3.2.3. Trust

Trust is a five-item scale (α = 0.91), adapted from McAllister and modified [59]. The sample item is: “Most people who are not personally acquainted with our company’s top manager respect and trust the person for work performance.”

3.2.4. Work Engagement

Work engagement was measured by using five items (α = 0.89) adapted from the Utrecht Work Engagement Scale (UWES) by Schaufeli and Bakker [45]. The sample question was: “When I work in the company, I am full of energy.”

3.2.5. Control Variables

We controlled for demographic variables such as age and gender. Age was measured in years. Gender was measured as a dichotomous variable coded 1 for male and 0 for female.

4. Results

4.1. Confirmatory Factor Analysis

We first performed confirmatory factor analyses (CFAs) to examine the distinctiveness of the scales for innovation, proactiveness, risk-taking, market-oriented culture, trust, and work engagement using SPSS Amos Version 22. As reported in Table 1, the hypothesized six-factor model shows a better fit to the data than all alternatives (χ²(df = 215) = 454.195, p < 0.001; comparative fit index (CFI) = 0.965, Tucker–Lewis Index (TLI) = 0.959, root mean square error of approximation (RMSEA) = 0.048). These results support the empirical distinctiveness of the six constructs analyzed in this study.

| Model | Description | χ² | df | χ²/df | CFI | TLI | RMSEA | RMR | Change from Model 4 |
|-------|-------------|----|----|--------|-----|-----|-------|-----|---------------------|
| 1     | One-factor model a | 494.479 | 224 | 2.207 | 0.961 | 0.955 | 0.050 | 0.024 | 40.284 | 9 |
| 2     | Three-factor model b | 477.945 | 222 | 2.153 | 0.963 | 0.957 | 0.048 | 0.023 | 23.750 | 7 |
| 3     | Four-factor model c | 477.872 | 221 | 2.162 | 0.963 | 0.957 | 0.049 | 0.023 | 23.677 | 6 |
| 4     | Six-factor model d | 454.195 | 215 | 2.113 | 0.965 | 0.959 | 0.048 | 0.022 | - | - |

N = 493. CFI = Comparative fit index; TLI = Tucker–Lewis index; RMSEA = Root mean square error of approximation. RMR = Root mean square residual. a All three entrepreneurship items (innovation, proactiveness, and risk-taking) combined together as one construct. b Mediator and moderator combined as one construct with entrepreneurship and work engagement as separate constructs. c Three entrepreneurship items combined as one construct with market-oriented culture, trust, and work engagement as separate constructs. d Hypothesized model in which all items are separate constructs.

4.2. Test of Hypotheses

Table 2 presents the means, standard deviations, and correlations between study variables. To test hypotheses, we performed a hierarchical regression analysis. Hypothesis 1 predicted that entrepreneurship (consisting of innovation, proactiveness, and risk-taking) of the firm’s CEOs will positively influence market-oriented culture. In Table 3, Model 2 shows that beta coefficients of all three sub-constructs of entrepreneurship are statistically significant, controlling for age and gender, i.e., innovation (β = 0.28, p < 0.001), proactiveness (β = 0.44, p < 0.001), and risk-taking (β = 0.12, p < 0.01). Thus, Hypotheses 1a, 1b, and 1c were supported. Since all sub-constructs of entrepreneurship gave support to the
sub-hypotheses, we can suggest that entrepreneurship as a super-ordinate construct will positively affect market-oriented culture (Hypothesis 1).

Table 2. Means, standard deviations, correlations, scale reliabilities among variables a.

| Variables                   | Mean  | SD    | 1   | 2   | 3  | 4   | 5     | 6     | 7     | 8     |
|-----------------------------|-------|-------|-----|-----|----|-----|-------|-------|-------|-------|
| Age                         | 37.80 | 7.81  |     |     |    |     |       |       |       |       |
| 2. Gender                   | 0.62  | 0.49  | 0.03|     |    |     | 0.00  | (0.82)|       |       |
| 3. Innovation               | 3.12  | 0.83  | 0.09| 0.00|    |     | 0.00  | (0.82)|       |       |
| 4. Proactiveness            | 3.22  | 0.67  | 0.07| −0.04| 0.65**|     | 0.60**|       |       |       |
| 5. Risk-taking              | 2.94  | 0.75  | 0.06| 0.03| 0.60**| 0.60**| (0.74)|       |       |       |
| 6. Market-oriented culture  | 3.17  | 0.65  | 0.07| −0.08| 0.64**| 0.70**| 0.55**| (0.83)|       |       |
| 7. Trust                    | 3.12  | 0.73  | 0.07| 0.02| 0.70**| 0.65**| 0.55**| 0.74**| (0.91)|       |
| 8. Work engagement          | 3.15  | 0.71  | 0.14**| 0.02| 0.55**| 0.57**| 0.48**| 0.61**| 0.61**| (0.89)|

* Cronbach’s alpha coefficients appear in parentheses along the main diagonal. *p < 0.05, **p < 0.01.

Table 3. Results of regression analyses for market-oriented culture and work engagement a.

| Variables                  | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|----------------------------|---------|---------|---------|---------|---------|
| DV: Market-Oriented Culture|         |         |         |         |         |
| Age                       | 0.07    | 0.01    | 0.14**  | 0.09**  | 0.09**  |
| Gender                    | −0.08   | −0.07*  | 0.01    | 0.02    | 0.04    |
| Innovation                | 0.28*** | 0.25*** | 0.15**  |         |         |
| Proactiveness             | 0.44*** | 0.32*** | 0.17**  |         |         |
| Risk-taking               | 0.12**  | 0.13**  |         |         |         |
| Market-oriented culture    |         |         |         |         | 0.34*** |
| Overall F                 | 2.85    | 123.21***| 5.29** | 63.86***| 65.36***|
| R²                        | 0.01    | 0.56    | 0.02    | 0.40    | 0.45    |
| ΔR²                       | 0.35*** | 0.38*** | 0.05*** |         |         |

Notes: * Standardized regression coefficients are reported. *p < 0.05, **p < 0.01, ***p < 0.001. DV: Dependent variable.

Hypothesis 2 predicted that entrepreneurship positively influences work engagement. In Model 4 of Table 3, all three entrepreneurship variables affected work engagement at statistically significant levels (β = 0.25, p < 0.001; β = 0.32, p < 0.001; and β = 0.13, p < 0.01, respectively). Thus, Hypothesis 2 and its sub-hypotheses 2a, 2b, and 2c were supported. Hypothesis 3 proposed that market-oriented culture has a positive impact on work engagement. Model 5 exhibits that market-oriented culture positively affects work engagement, controlling for age, gender, and entrepreneurship variables (β = 0.34, p < 0.001). Thus, Hypothesis 3 was also supported.

Hypothesis 4 and its sub-hypotheses (4a~4c) proposed that market-oriented culture mediates the relationship between entrepreneurship (and its sub-constructs) and work engagement. When a mediator is controlled, a previously significant relation between the independent and dependent variables is no longer significant and we may say that mediation exist [68]. In Model 2 of Table 4, when market-oriented culture is controlled for, the beta coefficient of innovation (β = 0.09, p = n.s.) is no longer significant. Therefore, Hypotheses 4c was supported, but Hypotheses 4a and 4b were not. According to Baron and Kenny’s suggestions, we may also compare the coefficients of independent variables with and without controlling for a mediator. If the effect of independent variable on the dependent variable is less in the equation with a mediator controlled than in the equation without, mediation holds [68]. Comparing the coefficients of innovation, proactiveness, and risk-taking between Model 4 and Model 5 of Table 3, we notice that the coefficients of all three variables are reduced. Overall, Hypothesis 4 was partially supported.
Table 4. Results of regression analyses for work engagement with market-oriented culture as a mediator and trust as a moderator.

| Variables                  | Model 1       | Model 2       | Model 3       | Model 4       | Model 5       |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| DV: Work Engagement        |               |               |               |               |               |
| Controls                  | 0.09 **       | 0.09 **       | 0.09 **       | 0.09 **       | 0.10 **       |
| Age                       | 0.02          | 0.04          | 0.03          | 0.03          | 0.01          |
| Gender                    | 0.25 ***      | 0.15 **       | 0.08          | 0.08          | 0.13 *        |
| Independent variables     |               |               |               |               |               |
| Innovation (IN)           | 0.32 ***      | 0.17 **       | 0.15 **       | 0.14 **       | 0.21 ***      |
| Proactiveness (PR)        | 0.13 **       | 0.09          | 0.07          | 0.07          | 0.06          |
| Risk-taking (RT)          | 0.34 ***      | 0.23 ***      | 0.24 ***      |               |               |
| Mediator                  |               |               |               |               |               |
| Market-oriented culture (MOC) | 0.34 ***    | 0.23 ***      | 0.24 ***      |               |               |
| CEO-trust (TR)            | 0.24 ***      | 0.24 ***      | 0.34 ***      |               |               |
| Interaction               |               |               |               |               |               |
| MOC × TR                  | 0.03          |               |               |               |               |
| IN × TR                   | −0.09         |               |               |               |               |
| PR × TR                   | −0.08         |               |               |               |               |
| RT × TR                   | 0.23 **       |               |               |               |               |
| Overall F                 | 63.86 ***     | 65.36 ***     | 60.73 ***     | 53.19 ***     | 47.51 ***     |
| R²                        | 0.40          | 0.45          | 0.47          | 0.47          | 0.47          |

Hypothesis 5 predicted that CEO-trust will moderate the relationship between market-oriented culture and work engagement. Model 4 of Table 4 shows that the interaction effect of market-oriented culture and CEO-trust on work engagement was not significant ($\beta = 0.03$, $p = n.s.$) and, thus, Hypothesis 5 was not supported. Then, we proposed Hypothesis 6 and its sub-hypotheses 6a, 6b, and 6c, which state that CEO-trust moderates the relationship between entrepreneurship (consisting of innovation, proactiveness, and risk-taking) and work engagement. Model 5 of Table 4 reveals that the interaction effect of risk-taking and trust on work engagement was significant ($\beta = 0.23$, $p < 0.01$), but the other two interactions were not ($\beta = -0.09$, $-0.08$, $p = n.s.$) Therefore, CEO-trust only moderated the relationship between risk-taking and work engagement, supporting only Hypothesis 6c. Overall, Hypothesis 6 was partially supported.

5. Discussion

In this article, we explored the linkage of entrepreneurship characterized by innovation, proactiveness, and risk-taking to work engagement. To this end, we brought in market-oriented culture as a mediator and trust in top management as a moderator to the research model. The findings of our study provided evidence for the proposed hypotheses, but some hypotheses were not supported. Overall, entrepreneurship was found to be an essential factor for enhancing work engagement. Additionally, it influenced market-oriented culture positively. Entrepreneurship affected work engagement via market-oriented culture. We found that trust in CEO moderated the relationship between entrepreneurship and work engagement, but only in a limited way. The moderating role of trust was found to be statistically significant in the relationship between risk-taking and work engagement, but not for other sub-components of entrepreneurship such as innovation and proactiveness. Finally, the moderation of trust was not found to be significant for the relationship between market-oriented culture and work engagement.

5.1. Theoretical and Practical Implications

The determinants of work engagement have been extensively sought in earlier studies. The main argument of this article pertaining to the key role of entrepreneurship and market-oriented culture in boosting engagement in the workplace is consonant with prior research [18,19,27,38,50,52,53]. This study empirically tested and confirmed the rea-
soning that top management’s entrepreneurship and the organization’s market-oriented culture contribute to organizational competitive advantage by improving organizational performance [22,23,51,54,56]. This suggests that when top management demonstrates entrepreneurship, developing a market-oriented culture can raise the non-financial and financial performance of the organization. Our proposition on the mediating role of market-oriented culture in the association between entrepreneurship (i.e., innovation and proactiveness) and work engagement is in agreement with earlier studies [27,29,35,54,55]. These studies demonstrated the effectiveness of market-oriented culture’s mediation for work engagement, and furthermore, organizational performance.

In the results of our analysis, we noticed that trust moderates only the relationship of work engagement with risk-taking, not with innovation or proactiveness. Risk taking can lead to high work engagement when employees trust CEO. Building trust relations is highly associated with the role of risk-taking. Risk-taking behaviors are crucial for forming a trust relationship [69]. Risk taking and trust reinforce each other to induce work engagement further. This implies that when a top manager pursues entrepreneurship by high risk-taking behaviors, employees will show a high level of work engagement if they trust the top manager, and it can improve organizational effectiveness and performance. If top managers and employees perceive that they move towards common goals, their interaction will heighten the employees’ job engagement, job satisfaction and motivation, eventually leading to high organizational performance.

In the era of “the fourth industrial revolution” [70], the role of human resources has become more prevalent in gaining a sustainable competitive advantage [71,72]. In this vein, the importance of top managers’ entrepreneurship and market-oriented culture has been emphasized. This study empirically confirmed that entrepreneurship of SMEs generates employees’ engagement in their jobs through market-oriented culture, and their relationship is affected by trust in CEO leadership. It expanded the scope of research by analyzing the causation involved in work engagement, market-oriented culture and trust as organizational processes and outcome caused by entrepreneurship. Previous studies showed that entrepreneurship and market-oriented culture both improved organizational performance but with different outcomes, depending on the relationship between the different variables, the country, and legal system [57].

In terms of theoretical implications, the present study extends the strategic choice theory by introducing the MOC concept, reflecting a more culturally focused construct. This study’s results may have practical implications for the organization that seeks ways to cope with an increasingly competitive organization or intends to adopt strategic choices to stimulate organizational performance. In this sense, the present study suggests that managers should pay attention to select employees with a high level of work engagement and also need to enhance the work engagement of the employees by the internalization of MOC because the employees with high work engagement show higher job performance than those with low work engagement. By exploring the mechanism in the relationship between entrepreneurship and work engagement, this study provides a comprehensive examination of entrepreneurship and its boundary conditions to improve work engagement which has been mostly neglected in the literature.

5.2. Limitations and Future Research Directions

Despite important strengths, the findings of this study should be interpreted subject to some limitations. First, the data of this study were collected by cross-sectional research designs which may cause an inflation or deflation of correlations between constructs due to the existence of a common method variance. This study faced the issue of common method bias because it measured variables by using the same survey instruments with the same respondents at the same time point. In future research, some key variables are better to measure at different time points and by different respondents (i.e., employees or top managers, etc.). Second, the sample survey of this study was implemented with employees working in South Korean SMEs. The majority of respondents were clerical, sales, and
service workers. Generalizability of the research findings can be limited due to the size of the firm and the task type of the respondents. Therefore, we may strengthen the arguments addressed in this study by expanding the range of firm size and industry type. Third, this study focused on the influence of entrepreneurship on work engagement through market-oriented culture and tested how effective trust was in the association between these constructs. Future studies will need to elaborate the research model by incorporating other antecedents and consequences of work engagement [73,74]. Fourth, this study collected data before the outbreak of the COVID-19 pandemic. Since entrepreneurship and market-oriented culture are presumed to affect corporate performance expectations, the relationship between managerial confidence and business performance in the post-corona era needs to be explored.

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