

Impact of Entrepreneur's Demographic Characteristics and Personal Characteristics on Firm's Performance Under the Mediating Role of Entrepreneur Orientation

Sulaiman Sajilan*
Universiti Kuala Lumpur Business School

Noor Ul Hadi
Universiti Kuala Lumpur Business School

Shehnaz Tehseen
Universiti Kuala Lumpur Business School

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ABSTRACT

The firm's superior performance is the main goal of every business. Therefore, it is very important to identify the factors that lead towards the success of the business. The existing studies have demonstrated the impact of several factors on the firm's performance. However, the aim of this paper is to investigate the influence of demographic characteristics (age and gender) and personal characteristics (need for achievement, need for cognition and internal locus of control) of the entrepreneurs on the firm's performance by considering the mediating role of entrepreneur orientation and then to suggest a new theoretical framework in this regard. The review of studies has revealed the positive relationship between the demographic and personal characteristics of the entrepreneurs and firm's performance. The mediating role of entrepreneur orientation is also evident in the previous studies. Based on the existing studies, a new theoretical framework has been proposed in this paper to study the impact of some selected demographic and personal characteristics of entrepreneurs on the performance of the firm. This new proposed model might be helpful in providing the useful insights regarding the impact of understudy factors on the firm's performance and will improve our understanding regarding the most influential factors for the success of the firm.

Keywords: Entrepreneur, Demographic Characteristics, Personal Characteristics, Entrepreneur Orientation, Firm Performance.

1. INTRODUCTION

Every business strives to achieve an outstanding performance. Without superior performance of any business, a firm cannot survive. Thus, it is very essential to investigate the impact of factors that contribute towards the success of a firm. The entrepreneur is a person who builds up a business, does creative things and makes impossible things possible. Carland et al (1984) stated that it is difficult for researchers to explain the difference between an entrepreneur and small business owner. According to them, the small

business researchers usually explore the experiences of routine businesses such as running a small business. On the other hand, entrepreneurship researchers more focus on the innovative efforts of individuals such as in the start-up process. Because the goals of a small business owner and entrepreneur are different. For instance, a small business owner is mainly concerned with the survival of the business to get income for his/her survival. Whereas an entrepreneur focuses on the growth and success of the business through innovative and creative actions. Thus, the entrepreneurship is applied to broader areas such as new venture creation, high-growth ventures or corporate ventures. Whereas, the small business just focuses on the established small firms without these categories. The previous studies have examined various factors that contribute towards the superior performance of the businesses. Some researchers have given more importance to the external factors such as government policies; on the other hand, several researchers have revealed the importance of internal factors such as entrepreneur's attributes in this regard. However, this paper argues that entrepreneurs play more vital role for the success of any business. Thus, the impact of their demographic characteristics and personal characteristics are important to examine for the superior firm's performance.

Several studies have investigated the influence of entrepreneur characteristics on the business performance by utilizing a personality trait approach (Frese et al., 2002; Pearson & Chatterjee, 2001) or emphasized more on the demographic characteristics of the entrepreneurs (Bates, 1995; Davidsson, 1995). The firm's superior performance is contingent upon available resources. Both tangible and intangible resources contribute towards firm's success. According to Resource Based View (RBV), firm's unique, rare, imitable and valuable resources to lead towards the competitive advantage of the firms (Hunt & Morgan, 1996; Peteraf, 1993; Barney, 1991; Penrose, 1959). Based on RBV, this paper also argues that the entrepreneurs' characteristics are the valuable, unique and rare resources of the firms that contribute towards their sustainable competitive advantage and superior performance. Because all the entrepreneurs may not have the essential characteristics that lead towards the firm's competitive advantage. Thus, entrepreneurs' characteristics may be assumed as valuable, unique, rare and imitable resources for the firms and are the critical factors for their success. Therefore, the scope of this paper will be limited to the selected demographic characteristics of the entrepreneur which include their age and gender as well as to the selective personal characteristics of entrepreneurs such as need for achievement, need for cognition and internal locus of control. The study will also investigate the mediating role of entrepreneurial orientation in the relationships between the independent variables and a dependent variable.

2. LITERATURE REVIEW

2.1. DEMOGRAPHIC CHARACTERISTICS OF ENTREPRENEURS

The demographic characteristics of people also shape their behaviors towards entrepreneurship. Many studies have highlighted the role of demographic characteristics such as age, religion, gender, experience, background and education of entrepreneurs towards their entrepreneurial behaviors and firm's performance (Welmilla et al., 2011; Ahmad, 2007; Davidsson, 1995). Instead of the all components of demographic characteristics, we will explore only age and gender in this study. Because only few studies have examined these two variables in shaping entrepreneurial behaviors (Welmilla et al., 2011; Davidsson, 1995; Minns & Rizov, 2005). And some of the studies suggested to further research regarding these variables in different contexts (Ahmad, 2007).

2.1.1. AGE

Traditionally, the age has been used as one of the important variables in contemporary social science research to categorize individuals and explain differences among them (Aapola, 2002). Age is a time of life and particular power or qualification arises as the age increases. The skills of people might improve with the age (Welmilla et al., 2011), because they learn to manage time effectively (Korpunen & Nápravníková., 2008). According to many previous studies, the person's age has been considered as a key demographic characteristic in understanding his or her entrepreneurial behaviors and intentions (Reynolds, 1997). Research has highlighted that most active entrepreneurship is over the age of 25 (Lévesque & Minniti, 2006; Reynolds, 1997). The literature has highlighted different views of researchers regarding age and its impact on business success and entrepreneurship. For instance, Rose et al. (2006) has related the age of individuals positively to the success of business while Bosma et al. (2000) has related it positively with knowledge rather than the success of business. According to him, age is positively related with knowledge and that knowledge makes the business successful (Rose et al., 2006; Bosma et al., 2000). According to Tanveer et al. (2013), age is a controversial factor. According to them, there is less chance to become an entrepreneur as the age increases, but age is positively related to a firm's success. Consistent with similar view, Raposo et al. (2008) stated that individuals up to the age of 24 do not feel to start their own business as entrepreneurs. They argued that entrepreneurs get more opportunities with increasing their ages, but their willingness to become an entrepreneur decrease as they become old. Similarly, some of the studies have identified that mostly in developing countries the entrepreneurs are in 25-34 age groups at an early stage and 35-44 age groups are of early stage entrepreneurs in the developed countries (Bosma et al., 2007; Karadeniz & Özçam, 2009). According to them, among 18-24 age groups, the rates of early entrepreneurial activities are relatively low, but are at a peak amongst 25-34 age groups but then sharply decline above the age of 44. Similarly, Levesque & Minniti (2006) highlighted that at early age individuals start a business but decreases thereafter. Also, Reynolds et al. (2000) found that most entrepreneurial active people were at about 25-44 age groups. Similarly, another study conducted in India by Sinha (1996) also revealed that in younger age the entrepreneurs are more successful than their older age. On the other hand, Antoncic (2009) totally disagreed with other researchers and related age directly with the success of the business and stated that a person's age is not related to business success, the firm's age

matter in this regard only. Thus, it is observed that researchers have diverse results regarding age and its relationship with business success.

Although there are difference the views of researchers regarding impact of age of individuals on their entrepreneurial behavior and intentions, but from above literature, it can be observed that most of the researchers agree that individuals show their intention towards entrepreneurship at their younger age (25-44) than in older age (above 44).

2.1.2. GENDER

A number of studies have investigated the role of gender in the field of entrepreneurship and venture success (Raposo et al., 2008; Grilo & Thurik, 2005; Van der Kuip, I. & I. Verheul, 2004; Reynold et al, 2002). Türetgen et al (2008) argued that in different cultures the inequalities in the gender exist in many different forms. Some studies have highlighted gender differences regarding entrepreneurial abilities, potentials and other entrepreneurial attributes (Shinnar et al, 2012; Díaz-García & Jiménez-Moreno, 2010; Yordanova. & Tarrazon, 2010). Some of these studies believed in more engagement of males in better ways in entrepreneurship than females (Grilo & Thurik, 2005; Verheul et al., 2004). Similarly, many other studies have described gender as an important predictor of entrepreneurial behavior and intention and revealed that males have more intentions towards entrepreneurship than females (Crant, 1996; Wilson et al., 2007; Davidsson, 1995; Tkachev & Kolvereid, 1999). Also, many women want economic and personal independence, but are less capable and confident to run a business (Raposo et al., 2008). Also, another study stated that females have 50% less possibility to start a business as an entrepreneur compared to males (Reynold et al, 2002). On the other hand, the females of developing countries struggle more to involve in entrepreneurship because they want to improve their family's life standards which is not possible while doing low level jobs. That's why women are willing to be self employed (Van der Kuip & Verheul, 2004). Although, the literature has indicated various demographic variables as antecedents of entrepreneurial competencies, but very few studies have considered the influence of gender on the development of entrepreneurial competencies and found mixed results. For instance, Ferk et al (2013) analyzed the abilities of male and female regarding leadership and management and concluded that females can be better entrepreneurs because of their more managerial competencies than males. Whereas, Zeffane (2012) provided statistical evidence that both males and females have same overall entrepreneurial potentials. Nevertheless, a few recent studies focusing on female entrepreneurship revealed that females are taking more interest in the entrepreneurial activities in Middle East and other developing countries (Madichie & Gallant, 2012).

2.2. MANAGERIAL AND ENTREPRENEURIAL CHARACTERISTICS IN LITERATURE

Numerous studies have tried to identify the main characteristics of the entrepreneurs while launching a new business (Di Zhang & Bruning, 2011). A study by Mazzarol et al. (2009) also revealed that personal visions of the owner/managers correlate with a high level of sales turnover. The cognitive ability of managers adds much to their performance and behavior (Panagiotou, 2006). Managers are more likely to be innovative, effective, and

efficient if they have a more internal locus of control (Miller & Toulouse, 1986; Govindarajan, 1989). Several previous studies have found, that the crucial factors of successful entrepreneurs are; locus of control and achievement motivation (Hansemark, 1998). There should be an investigation into other personal characteristics, to make available a clear picture concerning the behaviors of entrepreneurs (Dobbs & Hamilton, 2007; Macpherson & Holt, 2007). The scope of this study is limited to three personal characteristics of entrepreneurs which include the need for achievement, need for cognition and internal locus of control.

2.2.1 NEED FOR ACHIEVEMENT

This construct in the psychology literature has been used in the past. This construct is taken from the work by McClelland (1961) and associated with the behaviors of entrepreneurs. People with a need for achievement refers to all those who want to be high achievers and therefore have a strong desire for success, establishing challenging standards for himself. These people always strive to get the best results and seek improvements in their actions for the outstanding outcomes. For example, most studies have shown this construct as a major entrepreneurial attribute, meaning that entrepreneurs have always high need to achieve the establish standard than non entrepreneurs (Begley & Boyd, 1987; Hornaday & Aboud, 1971). It's a learned, but a stable personal characteristic of the individual, to win the satisfaction of striving for higher level achievements (Feldman, 1999).

A positive relationship has been found in a number of studies between the need for achievement and entrepreneur orientation (Miller & Toulouse, 1986; Lumpkin & Dess, 1996). Lumpkin & Dess (1996) further argued that, managers and entrepreneurs with high achievement needs were more entrepreneurial oriented, which lead to superior performance of the companies. Di Zhang & Bruning (2011) hypothesized the direct relation between entrepreneurial orientation and need for achievement and also its indirect impact on the performance of the company. They found that entrepreneurs having higher need for motives seem to adopt an entrepreneurial orientation to take over direction of the activity of the company are a feat to get. According to them, entrepreneurs with this pattern seem to adopt an entrepreneurial orientation and dig up exceptionally company success.

A positive correlation between entrepreneurs need for achievement and firm growth has been found in the study of Smith & Miner (1984). Begley & Boyd (1987) also identified the same relationship. Similarly, the study by Davidsson, (1989) has revealed the positive relationship between entrepreneurs/managers need for achievement and small business performance. Lee & Tsang (2001) study also pointed out the positive effects between entrepreneurs need for achievement and firm performance. A study by Bergmann et al (1994) also found a certain level of achievement motivation which significantly affects the firm performance in terms of growth in the number of employees, sales growth and net profit.

2.2.2. NEED FOR COGNITION

Need for cognition means, "a need to structure pertinent situations in meaningful, integrated ways, and to improve the decision-making process" (Cacciopo & Petty, 1982).

Individuals with this attribute are more willing to solve a complex problem, they search for complete and precise information via perfect cognitive effort. Previous studies showed that people with high demand for cognition have better skills of logical reasoning and performance; they are also more effective in the tasks of information processing to solve problems (Caccioppo et al., 1996).

The roots of need for cognition are pursued in the field of psychology. But there is widespread research in other areas such as, in the area of marketing, where it is used primarily in the behavior of consumption and advertising. In one study of Areni et al. (2000), found that people with a higher level of need for cognition more focused on the logical evaluation of the relevant arguments for topics. But their results have shown that people with low cognitive must decide specific questions on the emotional basis with respect to the information.

Individuals need for cognition means the propensity to get involved and enjoy the thoughts (Cacioppo & Petty, 1982). People with this type generally have a more positive attitude in complex and uncertain situations that requires too much thinking (Cacioppo et al., 1986). Mourali et al. (2005) also stated that people with the largest proportion of the need for cognition are those; who prefer looking for more information, rather than the others who prefer perceptions and inferences.

Di Zhang & Bruning (2011), have examined that, one cannot observe extensively need for cognition in the areas of entrepreneurship and strategic management. But having this, entrepreneurs and managers can make their business decision strategically (Levin et al., 2000). That is why, Di Zhang & Bruning (2011) assumed that entrepreneurs with a high need for recognition, emphasize more on logical arguments and will probably have their strategic decisions on the basis of extensive research in the market, rather than their intuition. The strategic guidelines such as targeting the market encourage entrepreneurs more to create and make use of wide market intelligence. It is necessary to analyze a high level of cognitive ability and to react with the intelligence of the market in many situations.

2.2.3. INTERNAL LOCUS OF CONTROL

The degree to which individuals deem they can manage influencing events is called locus of control. From an entrepreneurs' perspective, there are two types of locus of control (internal and external). Under entrepreneur perspective, internal locus of control means that businesses are operating in competitive and uncertain environment. According to Di Zhang & Bruning (2011), entrepreneurs with internal locus of control believe that success or failure of the company is the result of their actions. But an entrepreneur with an external locus of control, consider that firm success or failure is the result of external environments.

With locus of control individuals notice that they have the ability to control or influence the events in their lives. Individuals with internal locus of control believe that they have an influence on the outcome of the events by the effects of their behavior. On the other hand, individuals with external locus of control believe that external forces impact on the results of daily events (Lee & Tsang, 2001).

Entrepreneurs with a locus of control deem that they will be responsible because of their own actions for success. So they try their best to build their business and meet the requirements of the customers. Firm market oriented culture is required to meet the needs

and wants of their customers. In a market orientation customers is supposed to be the locus of control. Through entrepreneurs' creative and innovative ideas, they develop a competitive corporate culture which positively influences firm performance. Previous studies showed the risk taking behavior of entrepreneurs of internal locus of control on the performance of the company (Boone et al., 1996).

Locus of control is, in fact, that individuals can control their environment (Rotter, 1966). Individuals with internal control believe that their end of life can be determined by their own behaviors or properties. Compared to people with low local control, the individuals with high local control are more seeking to acquire valuable results, because they believe the control over their results. So, the insistence and much effort lead to superior performance (Markman & Baron, 2003; Bandura, 1993; Locke & Latham, 1990). Numerous empirical studies have found a correlation between locus of control and many other results. Findley & Cooper (1983) found, for example, a positive correlation between this character and academic success.

The study by Judge et al. (1999) also found a positive correlation between locus of control and managing organizational change. An association between internal locus of control and professional motivation, job performance and career success also resulted in Judge & Bono (2001). Poon et al. (2006) suggested a connection between personal traits and the performance of companies. A positive relationship between personal traits and the company's growth was found in the study of Lee & Tsang (2001) through the study of the Chinese entrepreneurs in Singapore. Accordingly, Miller & Toulouse (1986), argued that product innovation is the result of people with more of the locus of control. These people have a wider vision for their future and they can fulfill various specific needs of companies and lead towards successful innovations. This relationship is more visible in an uncertain economic environment in small companies contexts. Similarly, some other studies have concluded that there is a positive relationship between locus of control and entrepreneurial orientation. (Miller & DroE ge, 1986; Kimberly & Evanisko, 1981).

2.3 ENTREPRENEURIAL ORIENTATION (EO)

Entrepreneurial orientation describes the process of the development of the strategy in organizations as a basis for decisions and actions taken by entrepreneurs (Wiklund & Shepherd, 2003; Lumpkin & Dess, 1996). The roots of the entrepreneurial orientation are found in the literature of the strategy making process (Mintzberg, 1973). Formulating strategy occupy various aspects such as planning, decision-making, analysis, and many aspects of the system of values, culture and Organization (Hart, 1992). Mintzberg et al. (1976) emphasized that the development of effective strategy is the result of strategic resources and entrepreneurs' personal actions. Therefore, Rauch et al. (2009), viewed entrepreneurial orientation to the policies and practices that serve a basis for decisions and actions of entrepreneurs.

Most researchers have found a positive relationship between entrepreneurial orientation and performance (Kraus et al., 2005; Krieser et al., 2002; Wiklund, 1999; Lumpkin & Dess, 1996; Covin & Slevin, 1991). EO leads, export performance (Ibeh, 2004). It also leads to economic growth and success of the company (Tang et al., 2007). The literature of the

small business showed the positive effects of EO on its growth (Gurbuz & Aykol, 2009) and on the profitability of the companies in China (Chow, 2006).

Some researchers have studied the effects of EO on the performance of the companies. For example, Atuahene-Gima (2001) observed the impact of the EO on the innovation capacity of SMEs and found that high EO has a positive impact on the performance of the company. Similarly, the Baker & Sinkula (2009) have identified the direct effects of EO on the profitability of SMEs in the context of the United States. Study by Barrett et al. (2005b) showed the correlation of the EO with the performance of the non-profit organizations. Another study by Becherer & Maurer (1997) also presented the same results within the contexts of the US SMEs.

Wang (2008) found a linear relationship between entrepreneurial orientation and firm performance. A further study under the supervision of Frishammar & Horte (2007) revealed a significant effect of the EO on the performance of the new product in small scale manufacturing's in Sweden. The result of their study has shown that the dimension of the innovation is positively correlated with EO for the context of new product. Several studies have provided the influence of EO on the performance of Chinese companies (Li, 2005).

Likewise, Li et al. (2006) conducted a study on Chinese companies and proved the positive influence of the EO on the new product performance. Liu et al. (2003) proved that Chinese companies found their competitive advantages derive more due to their highest EO. Li et al. (2008) presented evidence that proactiveness and innovativeness dimensions of the OE improve the positive relationship between market orientation and the performance of the company. Hult et al. (2004) showed a positive relationship among EO, innovativeness and firm performance. According to these studies, many other researchers have also the same conclusions and found a positive relationship between EO and organizational performance in various studies (Hoq & Chauhan, 2011; Fauzul et al., 2010; Luo et al., 2005).

Many conceptual studies emphasized the influence of the EO on the performance of the company (Schindehutte et al., 2008). Literature has also shown that EO improves various aspects of SMEs. Tzokas et al. (2001) stated that EO improves the operational capabilities in the small enterprises in the manufacturing sector of Greece. Many studies have shown the effects of EO on the performance of SMEs in various areas. Study in Switzerland by Tajeddini (2010) also analyzed the impact of the EO on the performance of the hotels and restaurants and found a significant influence of the EO on the success of businesses. In contrast, Barrett et al. (2005a), stated that the impacts of the EO on business performance rely on the nature of the industry or the market. Chandrakumara et al. (2011) revealed the positive impact of EO on the performance of small companies relative to its impact on the larger companies.

2.4 FIRM'S PERFORMANCE

In many studies the words "firm performance" and "firm success" have used interchangeably. According to Alchian & Demsetz (1972), performance means the comparison of the value created by a firm with the value expected by the starter. Firm performance means effective outcomes (Flapper et al., 1996). March & Sutton (1997), stated that the on hand literatures on firm performance have been extended into two main streams. The first line of research concentrates on the study of ways to improve the

company's performance and the second deals with the study of different influencing factors on the performance of the company (Herath & Mahmood, 2013).

In organizational studies this construct has been used as a dependent variable (Rogers & Wright, 1998; March & Sutton, 1997). Numerous studies have shown variations in performance when they used it as a dependent variable in the context of SMEs (Carton & Hofer, 2010; Brush & Vanderwerf, 1992). The Majority of the studies used profitability as a key dimension of firm performance in the context of entrepreneurship (Joa & Lee, 1996; Stuart & Abetti, 1990; Begley & Boyd, 1987). To measure firm performance, mostly profitability and growth rate is used. According to Chandler & Jansen (1992), the firm should not combine both measures to create a single measure for firm performance. It also makes sense to use this measure separately, such as normally entrepreneurs engaged in small and medium-sized companies, which are privately owned and therefore they are not obligated to display the information about the performance of the company. For example, Chinese entrepreneurs in abroad uphold profile of their business and don't unveil information regarding their financial statements (Redding, 1990). In addition, Chandler & Hanks (1993) showed that the self reported data provided by entrepreneurs concerning the growth of their business is more valid and reliable.

3. CONCEPTUAL MODEL

This theoretical framework seeks to provide understanding of entrepreneur's personal characteristics, entrepreneurial demographic factors (age, gender), entrepreneur orientation and firm performance. Study has also defined and designed a conceptual model with a mediating effect of entrepreneurial orientation that would provide a mechanism for the independent variables to impact on the firm's performance. The modified and integrative conceptual model for the purpose of this study have not been studied and identified before. The existing research has largely focused on either the impact of demographic factors (age, gender) or entrepreneur personal characteristics (need for achievement, need for cognition and internal locus of control) on firm performance.

The proposed model is drawn after reviewing the literature regarding the demographic and personal characteristics of entrepreneurs, firm performance and entrepreneur orientation. The above literature has clearly revealed the positive impacts of entrepreneur's demographic and personal characteristics on the firm's performance. The literature has also highlighted the entrepreneur orientation as a mediator and firm's performance as a dependent variable.

Therefore, based on the review of relevant literature, in this proposed model the demographic characteristics and personal characteristics of entrepreneurs have been used as independent variables. The entrepreneur orientation is the mediator through which the independent variables impact the firm performance. On the other hand, the firm's performance is taken as a dependent variable. The proposed model is shown in the figure 1 as below;

Conceptual Model

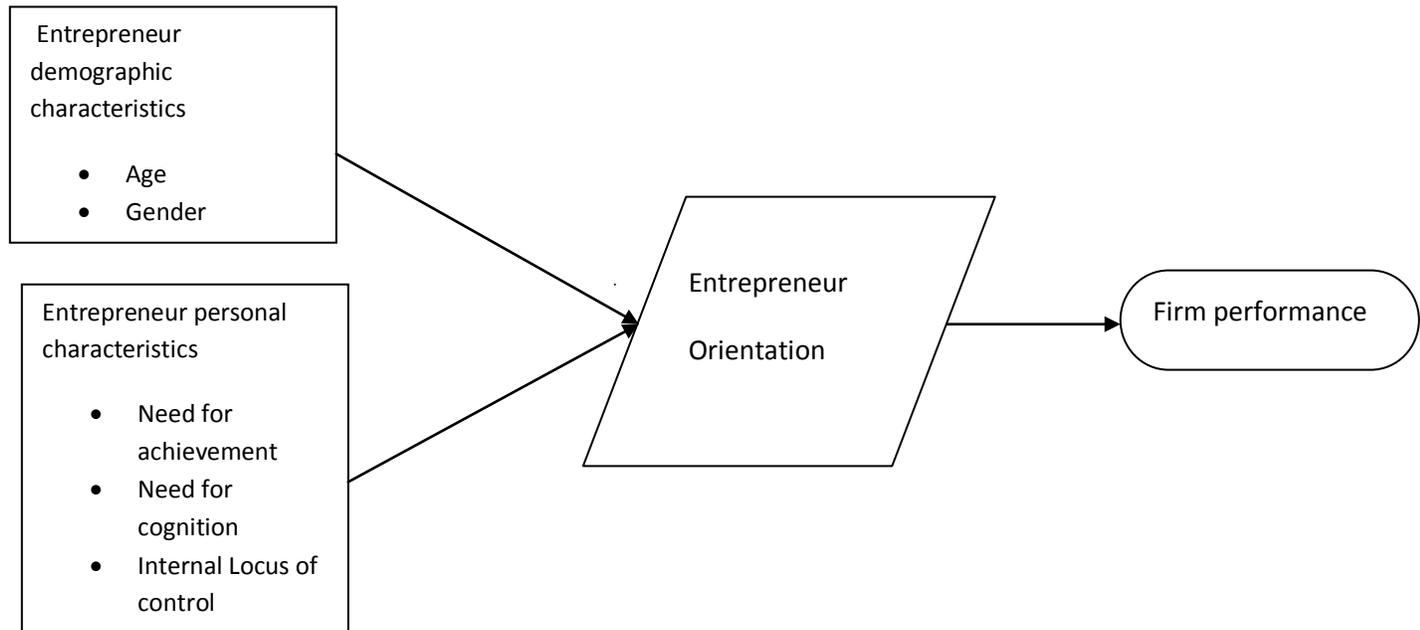


Figure 1 Source: Di Zhang & Bruning 2011; Raposo et al., 2008; Hansemark, 1998; Sinha, 1996 Sidik, 2012.

4. DISCUSSION

The review of existing literature has revealed the importance of demographic characteristics of entrepreneurs in achieving the superior performance of firms. For instance, firm's performance is influenced mostly by the young entrepreneurs because of their high energy levels (Tanveer et al., 2013; Rose et al., 2006; Lévesque & Minniti, 2006; Reynolds, 1997). On the other hand, the literature has shown mixed results regarding the impact of gender on the firm's performance. Some of the studies have associated the outstanding performance of the firms with the males because of their more entrepreneurial abilities (Wilson et al., 2007; Grilo & Thurik, 2005; Verheul et al., 2004; Tkachev & Kolvereid, 1999; Davidsson, 1995), while some researchers have linked the firm's success with the females due to their more managerial competencies than males (Ferk et al., 2013; Madichie and Gallant, 2012; Van der Kuip & Verheul, 2004; on the other hand, many studies have viewed no difference in terms of gender on the firm's performance (Zeffane, 2012). However, it will be more interesting and useful to investigate how entrepreneur orientation mediates the impact of the age and gender on the firm's performance.

The studies have shown the positive impact of entrepreneur's personal characteristics such as need for achievement, need for cognition and internal locus of control on the firm's

performance (Di Zhang & Bruning, 2011; Markman & Baron, 2003; Bandura, 1993; Begley & Boyd, 1987; Smith & Miner, 1984). The studies have shown that people with high needs of achievement keep on striving for the best outcomes. High need for achievement leads towards the growth and success of businesses. This is the most important characteristic of entrepreneurs which keep them motivated to attain the superior performance. Similarly, entrepreneurs with high need of cognition, use more logic arguments in solving the complex problems. Thus, they are better able to handle the uncertain situations more successfully. In this way, a person with a high need of cognition actually can easily face the threats from the external environment and develop more successful strategies in this regard. The locus of control is another entrepreneur's characteristic that also impacts on the firm's performance. For example, the entrepreneurs with internal locus of control believe that they can control the outcomes of their lives and therefore try to be more careful in their actions. Since they take the responsibility of all outcomes of their businesses and link them with their own actions, thus, they always strive to be more attentive in their actions.

Entrepreneurs' orientation is very important as it means establishing the successful strategies for the success of businesses through the effective decision making processes (Wiklund and Berger, 2003; Lumpkin & DESS, 1996). EO acts as a mediator in the relationship between the entrepreneur's characteristics and firm's performance. Without the entrepreneurial orientation, entrepreneurs cannot develop the vision, goals and successful strategies for the firm's success. And thus, lack of vision and lack of successful strategies may cause the failure of businesses. Therefore, the contribution of EO in the success of firms cannot be ignored.

5. CONCLUSION

The review of existing literature reveals the importance of entrepreneur's demographic and personal characteristics in achieving the success of firms. Also the mediating role of EO is well documented in the relevant studies. It can be concluded from various studies that young entrepreneurs impact more on the firm's performance than old entrepreneurs. However, several studies are agreed that male entrepreneurs seem to handle their businesses more successfully relative to female entrepreneurs. But the impact of entrepreneur's demographic characteristics varies in different contexts. Moreover, it can be concluded that the entrepreneurs are the most valuable resources for the firm's outstanding performance and successful entrepreneurs depict the unique personal characteristics such as high need for achievement, high need for cognition and internal locus of control. These personal characteristics make them different from the non-entrepreneurs. But without EO, the impact of these characteristics on the firm's performance cannot be productive. Thus, EO serves as a mechanism for the impact of entrepreneurs' characteristics on the firm's

performance. Therefore, it is strongly recommended to empirically test the proposed model in different contexts to investigate the mediating role of EO in the relationships between the entrepreneurs' demographic and personal characteristics. The empirical findings will provide more useful information regarding the relationship and impact of these variables on firm's success.

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