Entrepreneurial Orientation of Social Entrepreneurs in Developing Economies

The Case Study of Cambodia

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SUMMARY

While abundant evidence links entrepreneurial orientation (EO) to enhanced firm performance, minimal academic knowledge exists in regard to its manifestation in social contexts. Furthermore, the majority of studies using the construct in developing economies have failed to question if the proposed EO model remains equally robust in these contexts, or if it is in need of a conceptual renovation. With social enterprises playing an increasing role in the worldwide economy, and in particular, in developing countries like Cambodia, understanding entrepreneurial behaviour is critical in enhancing the likelihood for success in the increasingly fast-paced, global, and uncertain environments.

In response to the knowledge gap that practitioners and researchers face, this study aims to contribute information as to how social enterprises in developing economies exhibit EO in their pursuit of their social and economic missions. Building upon prior research, this study demonstrates novelty by characterizing persistence as a fourth dimension of EO, in addition to the three salient dimensions of risk-taking, innovativeness, and proactiveness. Furthermore, a critical stance is taken on whether the former dimensions suit Cambodian contexts, or if other dimensions better underpin enterprise success.

Over the period of three months, twenty semi-structured in-depth interviews were carried out with enterprises from diverse business sectors in the case study region of Cambodia. The sample was comprised of twelve non-NGO affiliated social enterprises and eight commercial enterprises to provide a baseline assessment. Interviews were paired with a quantitative likert-type scale adapted from the Covin and Slevin (1989) EO scale. Moreover, a revolutionary approach was taken to analyse EO within social enterprises, incorporating how internal organizational structures plays into the manifestation of EO.

Results from the study show that the developing economy of Cambodia has significant implications on current understandings of EO and its manifestation in social contexts. Social entrepreneurs in Cambodia are found to be highly innovative in developing solutions to their social problems and finding ways to target their beneficiaries. Furthermore, they are willing to take on steep financial and personal risk, although averse to risks that may jeopardize social impacts. The newly explored dimension of persistence was confirmed in some senses, although not demonstrated as persistence through adversity. Social motivations paired with capricious contextual dimensions familiar to developing economies are shown to considerably modify the EO dimension of proactivity. Local connections are found to underpin entrepreneurial success, and *agility* and *cultural sagacity* are suggested as highly relevant additional dimensions of EO.

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"It is hard to be an entrepreneur because it requires talent and luck, and to make a social business, it is even harder. I could cut corners and make it a bit easier for myself, but it is my own core values that I must maintain. It is not core values that were given to me from above, or from a professor or some NGO, or even the International Labour Organization or the United Nations. It is my values, how I like to live my life and do my work feeling good, making a difference, and making money."

-Anonymous Social Entrepreneur, Cambodia

CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

LIST OF APPENDIX TABLES

LIST OF APPENDIX FIGURES

List of Abbreviations and Acronyms

BoP	Bottom of Pyramid
CDEs	Community Development Enterprises
DDF	Dominant Driving Force (Governance)
EO	Entrepreneurial Orientation
FBT	Food, Beverage, & Tabaco (Industry)
NGO	Nongovernmental Organization
NPC	Nonprofit Cooperative
NPO	Nonprofit Organization
SE	Social Enterprise
SEC	Social Enterprise Cambodia (Organization)
SEO	Social Entrepreneurial Orientation
SMEs	Small and Medium Sized Enterprises
TFP	Two-fold Pricing
TSO	Third Sector Organizations
TWF	Textile, Wearing Apparel, & Footwear (Industry)

1 INTRODUCTION

The objective of Chapter 1 is to provide an understanding of the choice of topic, the study's theoretical background, as well as its scientific and developmental relevance and novelty. This chapter will also introduce the study's research objectives and questions, the theoretical framework that helped to build the research design, and an agenda of the forthcoming thesis.

1.1 Choice of Topic

The application of sustainability practices in the field of International Development holds unique challenges. This is equally true in the establishment of sustainable business in developing economies. A particular problem that stands out is the fact that practitioners are left to rely on knowledge, data, and theory that was created in Western contexts and apply it to non-Western environments in their effort to tackle issues, create social or economic impact, or make vital operational decisions. The discrepancy is profound. The following research takes a small step in challenging this convention.

The research studies the manifestation of entrepreneurial orientation in the developing economy of Cambodia. More specifically, a focus is taken on how social entrepreneurs exhibit entrepreneurial orientation in the developing area. The research seeks to understand if the predominantly Western construct of EO is applicable in this context, and if not, how it can be modified to better exemplify the dimensions of entrepreneurship that underpin the strategy and success of entrepreneurs in this field. The research makes two significant contributions: First, the research augments current understandings of EO in social contexts. Second, the research challenges conventional understandings of the proposed EO model and attempts to better fit the construct to the unique contexts of developing economies.

1.2 Motivation & Significance of Research

The social enterprise sector in Cambodia is extremely different from what we expect to see in more developed regions, where much of the social enterprise literature is originating. In Cambodia, unlike the United States or Europe, we are not seeing a vast accumulation of local community-based enterprises scattered throughout the country. Instead, the developmental contexts of Cambodia have shaped a social enterprise sector characterized by NGO dependency, expatriate leadership, and arguably, a weaker impact on social inclusion and poverty reduction than what would be desirable (Lyne, 2012; Lyne et al., 2015). Social enterprises in Cambodia, whilst prevalent in diverse sectors, are being primarily brought forth by NGOs in an effort to diversify revenue steams in response to the country's shifting funding landscape. In their research on Cambodian social enterprise, Lyne et al. (2015) state a very evident reality:

> *"It needs to be understood that a combination of variables impact on SE governance and should be taken into account in the Cambodian context: the infancy of SEs and their differentiated capacities; the culture of accountability in the third sector generally, coupled with donors' practices (beyond rhetoric); questionable political democracy; and the continued pervasiveness of patron-client relationships" (p. 14).*

Cambodia is proof that Western trends in governance, (social) business, and entrepreneurship are not mirrored in developing regions. In consideration of the latter, it is important that we begin to gain a better understanding of social enterprise and its constructs in developing regions, where, for better or for worse, social enterprise is playing a larger and larger role in the attempt to proliferate social, environmental, and economic capital. This research attempts to take entrepreneurial orientation (EO), a well-known and established firm-level strategic orientation, and better understand its role and application in the social enterprise sector of the developing region of Cambodia. Thus far, limited research has been done to understand entrepreneurial orientation in social contexts, and to the best of my knowledge, no research has attempted to understand it in social contexts in developing regions.

Comprehending the entrepreneurial orientation of social entrepreneurs in Cambodia means studying the way in which social entrepreneurs are exhibiting risk, innovativeness, proactiveness, and persistence in the pursuit of their economic and social missions. Additionally, it means understanding if these proposed dimensions of EO are suitable for Cambodian contexts, or if there are other aspects of EO that better underpin enterprise success in the area. Currently, the knowledge gap in scholarly literature also translates into a knowledge gap amongst social entrepreneurs working in the field; If we can better understand how strategic dimensions of entrepreneurship are being exhibited, we are better able to harness them to overcome the increasing social and economic pressures and recognized shortcomings of the Cambodian social enterprise sector.

From a practitioner's perspective, it is desirable for social enterprises to understand the factors and conditions that produce EO, and thus bolster one's ability to develop EO competencies. Proficiency regarding innovativeness feeds into the propensity to support and implement creativity and experimental processes, while competency of proactiveness indicates the tendency to compete aggressively with other firms (Hu & Pang, 2013). Furthermore, it is valuable to understand if there are lesser-known aspects playing into entrepreneurial success in developing regions, and if so, what are they and why are they important? From a different standpoint, procuring information pertaining to the relationship between social enterprise organizational structure and EO is of particular importance for future practitioners. Understanding how social enterprise business models demand unique EO proficiencies allows practitioners to design enterprises that are compatible with their personal entrepreneurial capacities.

Studying entrepreneurial orientation in the region also brings new knowledge to the academic arena by shedding light on the cultural characteristics that are influencing the attitudes of entrepreneurs and the positioning of their business. Mainstream understanding of entrepreneurial orientation may not capture its true meaning in Cambodia, or the determinants of it in developing economies at large. Hence, the predominantly Western construct of entrepreneurial orientation may need a conceptual redefining in Cambodia. This study in particular explores the entrepreneurial orientation of non-NGO affiliated social entrepreneurs in Cambodia. Commercial entrepreneurs are studied to provide a baseline and evaluation of how the entrepreneurial orientation of non-NGO affiliated social entrepreneurs differs from their commercial counterparts. The study also takes into consideration the cultural and organizational characteristics of the selected entrepreneurs in understanding their entrepreneurial orientation.

1.3 The Wider Research Gap

Entrepreneurial Orientation (EO), or the propensity to innovate, take risks, and be proactive, is widely recognized as a crucial construct for business survival, growth, and enhanced performance (Covin & Slevin, 1991; Wiklund, 1999; Kraus et al., 2005; Al Swidi & Mahmood, 2011). According to recent and rather novel studies, the significance of entrepreneurial orientation does not diminish when applied in social enterprise/ social business contexts (Balta et al., 2012), but rather the constructs are exhibited in unique ways (Syrjä et al., 2013; Lumpkin et al., 2011). When considering the latter, however, it must be realized that despite the fact that more than 100 studies relating to entrepreneurial orientation have been carried out (as confirmed by a meta-analysis by Rauch et al., 2009), and hence, a wide acceptance of its conceptual meaning and relevance exists, only a handful of studies have applied its relevance in the context of social business.

Syrjä et al. (2013) are amongst the first researchers to study entrepreneurial orientation in a social context in their exploration of how social entrepreneurs exhibit innovativeness, proactiveness and risk taking in the pursuit of their social and economic missions. Syrjä et al. build upon conceptual elaborations of the likely unique aspects of entrepreneurial orientation in social contexts (Lumpkin et al., 2011) and in nonprofit contexts (Morris et al., 2011), although they are the first to implement empirical analysis as a tool of inquiry. Through case study research of three Finnish social enterprises, they verify that the existence of a social mission does indeed have significant implications for the nature of entrepreneurial orientation in social enterprises (Syrjä et al., 2013, p. 7):

1. Social entrepreneurs are willing to take substantial economic risks but are very careful and risk averse in respect to their social impact. They are cautious to avoid anything that could have the potential to harm the social identity of their organization.
2. Social entrepreneurs exhibit highly proactive and innovative behaviour in developing solutions and/ or new ways to approach the social purpose/ problem and in discovering new ways to generate income and increase revenues.
3. Social entrepreneurs exhibit an important new characteristic that is distinct to social EO rather than EO as a whole- the commitment to the social mission produces a remarkable persistence in pursuing goals and adhering to a course of action, despite the presence of adverse circumstances.

Whilst novel, the aforementioned research, and subsequent results, must be restricted to entrepreneurial orientation of social enterprises in a Western context. This provides, at best, an abstract awareness of how entrepreneurial orientation is being carried out by social entrepreneurs who are operating in developing economies, where the SE sector is playing a greater role in the provision of goods and services. This study attempts to help fill this research gap (as demonstrated in Figure 1) by providing new knowledge as to how social entrepreneurs in developing economies exhibit innovativeness, proactiveness, risk taking and persistence in the pursuit of their social and economic missions.

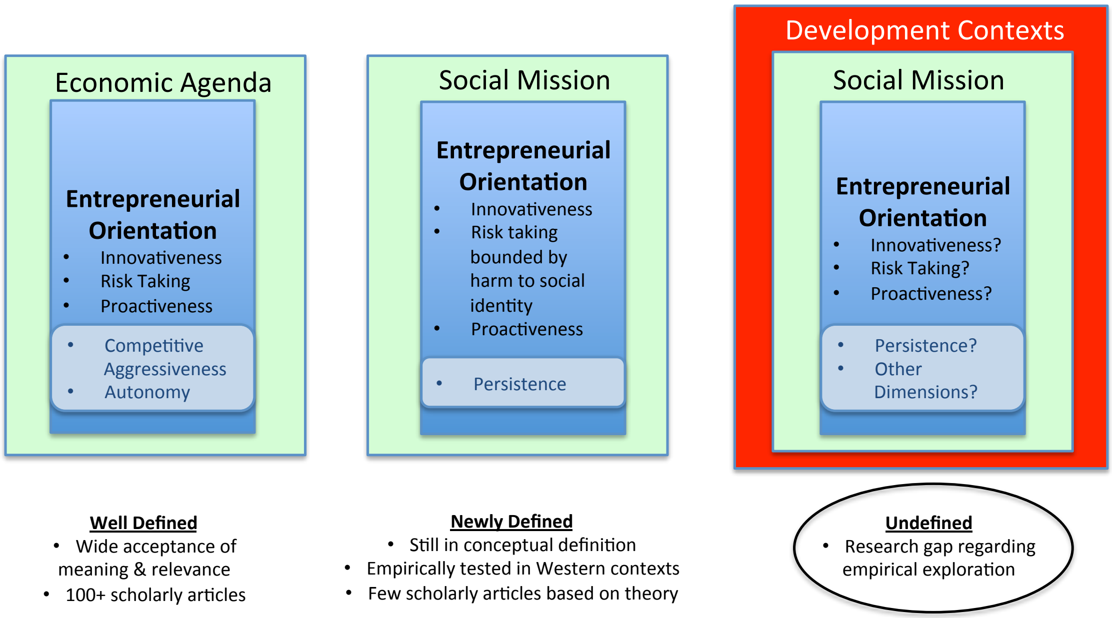

Figure 1, Research Gap In Entrepreneurial Orientation

Source: Self made based on Miller, 1983 (EO); Lumpkin & Dess, 1996 (EO + Competitive Aggressiveness & Autonomy); Lumpkin et al., 2011 (EO in Social Contexts); Syrjä et al., 2013 (EO in Social Contexts + Persistence)

The research was carried out in the case study region of Cambodia, a Southeast Asian country that has been accredited by the International Finance Corporation (IFC) as having "one of the most active Social Enterprise sectors in the region" which "could inspire new developmental approaches to other least developed countries" (Lyne at al., 2015, p. 5). Cambodia provides an exceptional ground to explore this defined research gap for several reasons. Social entrepreneurs and social business have not gone unrecognized in the area; Foundations such as Skoll, Schwab, Ashoka and Rockefeller have given awards to social entrepreneurs in Cambodia (Lyne at al., 2015, p. 5), the 'Stay Another Day initiative for pro-poor tourism' has been supported by the Cambodian Ministry of Commerce, and "night markets to deliver social trading space for retailers of traditional Cambodian products" have been invested in by municipal authorities in Phnom Penh and Siem Reap (Lyne, 2012, p.10). Furthermore, the entrepreneurial culture of Cambodia has been acknowledged by many scholars. (Southiseng et al., 2008; Shariff & Peou, 2008).

That being said, despite the public awareness and recognition of the SE sector, Cambodia remains one of the world's least developed countries, which undeniably plays a role in how entrepreneurial orientation is demonstrated. In Cambodia, organization leaders may or may not even regard their organizations as 'social enterprises', despite following strict social agendas (Lyne et al., 2015). This is comparable to other developing countries in which leaders are operating in a space that lacks judicial legitimacy, laws and regulations. Social enterprises are instead "legitimized by their creation of social values and economic values" (Cheng, 2015, p. 135). Likewise, in Cambodia, there are no laws or legal frameworks pertaining to social enterprises, with only the formal option being to register as a private company or a non-governmental organization (Lyne et al., 2015). The country is viewed as having weak market mechanisms with weak welfare states, whereas the strength of the social economy in Cambodia is more uncertain (Lyne, 2012). This results in a blend of social economy with informal activity, high NGO dependency, and a weak impact on poverty reduction, or (upon strengthening of the social economy), perhaps the ability to develop economic alternatives (Amin, 2009). Consequently, the area provides a relevant and interesting space to test the degree to which current understands of EO can or cannot be applied.

Although research into Cambodia's social enterprise sector is somewhat limited, there is little doubt that the region embodies the developmental characteristics that bring new knowledge to the entrepreneurial orientation arena. Whilst an investigation into the entrepreneurial orientation of Cambodian social entrepreneurs surely cannot be generalized to other developing nations, it can help shed light on how complicated development contexts may or may not have an additional influence on entrepreneurial orientation in social contexts. Furthermore, as management theories are culturally bounded, clarifying the extent to which entrepreneurial orientation theory rings true in the context of social enterprise in Cambodia helps to establish boundary conditions of entrepreneurship theory (Rauch et al., 2009).

1.4 Introduction to this Study

Entrepreneurial Orientation (from here on out referred to as EO) has three salient dimensions that have been consistent throughout scholarly literature: innovativeness, proactiveness, and risk taking (Covin & Slevin, 1991; Miller, 1983; Venkatraman, 1989). First developed by Miller (1983), EO has time and time and time again proved to have a positive relationship with overall firm performance (Covin & Slevin, 1991; Wiklund, 1999; Kraus et al., 2005; Al Swidi & Mahmood, 2011). Perhaps more importantly for Cambodian contexts, the construct has been applied and testing within small and medium sized enterprises (SMEs) in both Western and non-Western contexts (Mostafa et al., 2005; Gürbüz & Aykol, 2009; Islam et al., 2011). Literature regarding how EO can be applied in social business contexts is now beginning to emerge, in part recognizing how the constructs of EO differ when bounded by a social mission (Syrjä et al., 2013) and the challenges that have exerted pressures to social enterprise to adopt EO (Balta et al., 2012). Thus far, notable progress has been made in the conceptual understanding of EO in social contexts (Lumpkin et al., 2011) and its application in Western social enterprises (Syrjä et al., 2013).

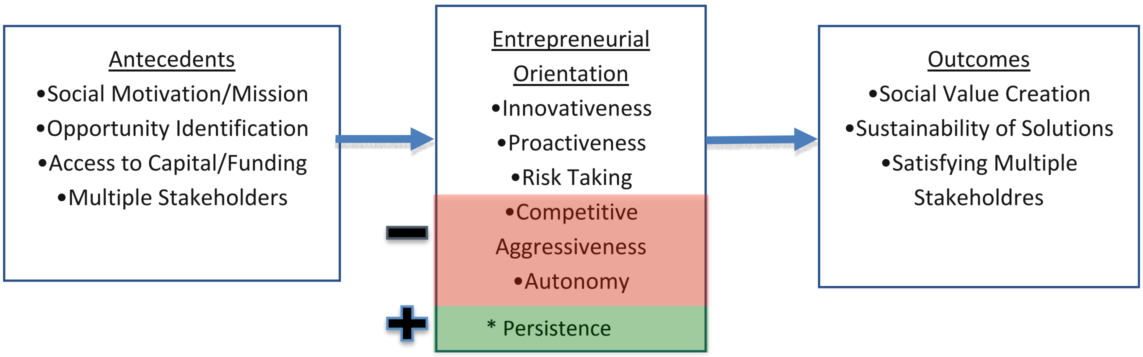

Figure 2, Social Entrepreneurship Process Framework including EO in Social Contexts

Source: Adapted from Lumpkin et al, 2010 with insights from Syrjä et al., 2013

In some EO research, two additional dimensions of EO have been mentioned, including competitive aggressiveness and autonomy (Lumpkin & Dess, 1996). Though worth mentioning, these dimensions were later found to be somewhat irrelevant in social contexts, and thus will not be considered in this research. Lumpkin et al. (2011) state "autonomy and competitive aggressiveness are the EO dimensions most seriously impacted by the unique characteristics of a social context" (Lumpkin et al., 2011, p. 777). Social business naturally embraces multiple stakeholders, and often resources are under tight constraint, and therefore, a greater need for cooperation and collaboration emerges. Furthermore, the sheer presence of similar organizations augments, rather than diminishes, social value, and consequently a social enterprise that is truly dedicated to a certain social purpose should wish for other organizations (i.e. their competitors) to take on related issues. Accordingly, these EO constructs are less applicable to social business and therefore removed (shaded red) in Figure 2. Persistence, on the other hand, has been added to the framework, as empirical findings from Syrjä et al. (2013) suggest that social entrepreneurs strongly exemplify persistence as an additional dimension of EO in their pursuit of a certain course of action.

1.4.1 Research Objectives & Key Research Questions

Building upon the above framework that has been constructed via theory and Western research, the question remains of how pressures unique to less developed economies may further transform current perceptions of EO in social contexts in developing economies. Many entrepreneurial scholars in the field have worked under the assumption that entrepreneurship is naturally embedded into business, and consequently, they have executed entrepreneurial research across space and time without questioning if its fundamentals really do transcend space and time.

EO research is no exception to this; research has been carried out using the proposed (Western) model of EO in less developed regions and/or less formal sectors such areas as street traders in inner-city Johannesburg (Callaghan & Venter, 2011), the entrepreneurial posture of Angolan entrepreneurs (Zinga et al., 2013), SMEs in Bangladesh (Islam et al., 2011), natural farmers in rural Malaysia (Ishak et al., 2015), banana farmers in Ecuador (Gellynck et al., 2015), small firms in Chile (Felzensztein et al., 2015), gender differences of EO in India and Turkey (Goktan & Gupta, 2015), and more. This is not to say researchers were wrong to do so; Lumpkin et al., 2011 describe EO "to be an effective tool for capturing entrepreneurial decisions across a wide variety of organizational and geographic contexts" (p. 769). Moreover, the EO construct differs from many other business concepts, as it does not depend on the presence of a formal business model or many of the economic formalities that currently can only be measured in the more developed world.

That being said, EO research that has occurred in developing areas for the most part has been carried out under the conjecture that the proposed model of EO is the single 'right' model of EO to work with. This research qualitatively and quantitatively explores the manifestation of EO at the nexus of social entrepreneurship in the developing world. It intends to question how the four listed dimensions of EO are displayed in Cambodian contexts, and also their importance. Are these formalized concepts of entrepreneurship really as cross-cultural as suggested? Are there additional dimensions or better-suited dimensions that underpin the success of social and commercial enterprises in developing economies? The following research incorporates deductive and inductive reasoning to explore if the proposed model of EO needs revitalization in the context of Cambodia. The element of social business versus commercial business also brings new knowledge to the EO field. Scholarly literature has begun to theorize that certain dimensions of EO exist in social contexts. Do these traits carry over to social enterprises in developmental contexts? If so, how do social entrepreneurs in the Cambodia manifest these traits, and what value do they find in them? When recounting their entrepreneurial experiences, do other valuable dimensions emerge as important facets of entrepreneurial success in social developmental contexts?

The subsequent research questions were investigated within the case study region of Cambodia in an aim to shed light on the wider research gap demonstrated above. To the best of my knowledge, this is the first empirical study of how EO is exhibited by *social* entrepreneurs operating *in developing economies*.

RQ 1) How do non-NGO affiliated social entrepreneurs in Cambodia exhibit entrepreneurial orientation in their pursuit of their social and economic missions?

- How is innovativeness being approached and/or achieved?
- How is proactiveness being approached and/or achieved?
- How is risk taking being approached and/or achieved?
- How is persistence being approached and/or achieved?
- Are there any additional dimensions of entrepreneurial orientation being demonstrated? If so, what are they and how are they being approached?

RQ 2) How does the entrepreneurial orientation of non-NGO affiliated social entrepreneurs in Cambodia compare to the entrepreneurial orientation of commercial entrepreneurs in Cambodia?

RQ 3) Is there a relationship between certain cultural and organizational characteristics of social and commercial entrepreneurs and their entrepreneurial orientation?

RQ 4) Are there contextual qualities affecting the proposed model of entrepreneurial orientation and its adoption in Cambodia?

1.5 Theoretical Framework

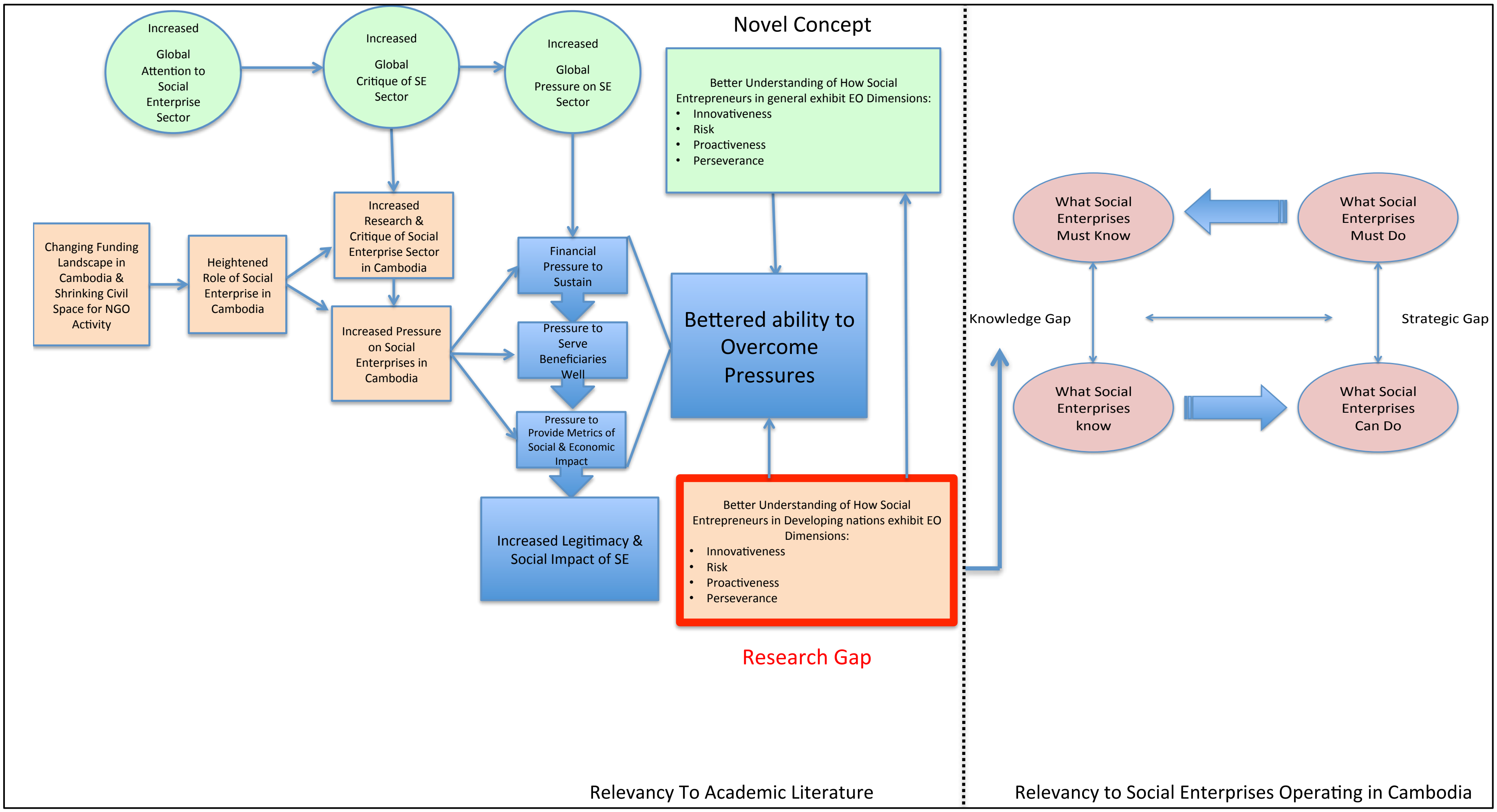

Figure 3, Theoretical Framework

Source: Self Made with Inputs from Academic Literature

1.6 Outline of Thesis

The following Thesis Agenda table provides an outline of the chapters within this document and their content.

Thesis Agenda	
Chapter 1: Introduction	The objective of Chapter 1 is to provide an understanding of the choice of topic, the study's theoretical background, as well as its scientific and developmental relevance and novelty. This chapter will also introduce the study's research objectives and questions, the theoretical framework that helped to build the research design, and an agenda of the forthcoming thesis.
Chapter 2: Literature Review	Chapter 2 provides the academic background relevant to the Entrepreneurial Orientation arena including conceptual definitions for each of the EO constructs. Fundamentals for understanding entrepreneurship and social enterprise in Cambodia are also provided. The chapter closes by clarifying the deliberate choice to study non-NGO affiliated social enterprises throughout this study.
Chapter 3: Context of the Research	Chapter 3 is intended to provide the reader with an introduction to the research field, including the regional contexts of Cambodia, as well as the socio-economic and business situation in the country. The chapter also positions Cambodia in relation to the United States, the UK, and China. This is intended to provide an understanding of the uniqueness of developing economies, and recognize why EO dimensions in these contexts may not mimic those established within developed economies. The chapter also introduces the two primary research sites and the organizations that assisted the study by providing contacts for social enterprises in the region.
Chapter 4: Research Methodology	Chapter 4 details the methodology that was implemented throughout the study. This encompasses the selected research strategies, the research population, and data collection techniques and analysis. This chapter also provides information regarding the design of an appropriate EO scale, conceptualization of firm-level EO, and the limitations of the study.
Chapter 5: Empirical Research Findings & Analysis	Chapter 5 contains the scientific research findings that were collected in the field based on in- depth interviews and a survey completed during the period of the study. This chapter begins by providing descriptive information about the cultural and enterprise-based characteristics of the research population. This is followed by contextual considerations that were discussed throughout the in-depth interviews, many of which confirm previous accounts of the Cambodian business environment. Accounts of EO based on the organizational structure of social enterprises are then considered. The subsequent sections present direct research findings according to research questions 1-4.
Chapter 6: Discussion	Chapter 6 frames findings from this study in relation to the field of entrepreneurship in social contexts at large. Significant results from this study are discussed, and compared to and contrasted with existing scholarly research. Futures areas for research are discussed. The section closes with a conclusion recapping the study at large.

Table 1, Thesis Agenda

2 LITERATURE REVIEW

Chapter 2 provides the academic background relevant to the Entrepreneurial Orientation arena including conceptual definitions for each of the EO constructs. Fundamentals for understanding entrepreneurship and social enterprise in Cambodia are also provided. The chapter closes by clarifying the deliberate choice to study non-NGO affiliated social enterprises throughout this study.

2.1 Entrepreneurial Orientation & Its Constructs in Western Social Contexts

As mentioned before, the proposed model of EO can be thought of encompassing innovativeness, proactiveness, risk taking, and persistence. Currently these dimensions have been understood in Western social contexts and/or in theory, based on Lumpkin et al. (2011), Morris et al. (2011), and Syrjä et al. (2013). The following diagram provides an understanding of how each of these terms have been comprehended in social contexts:

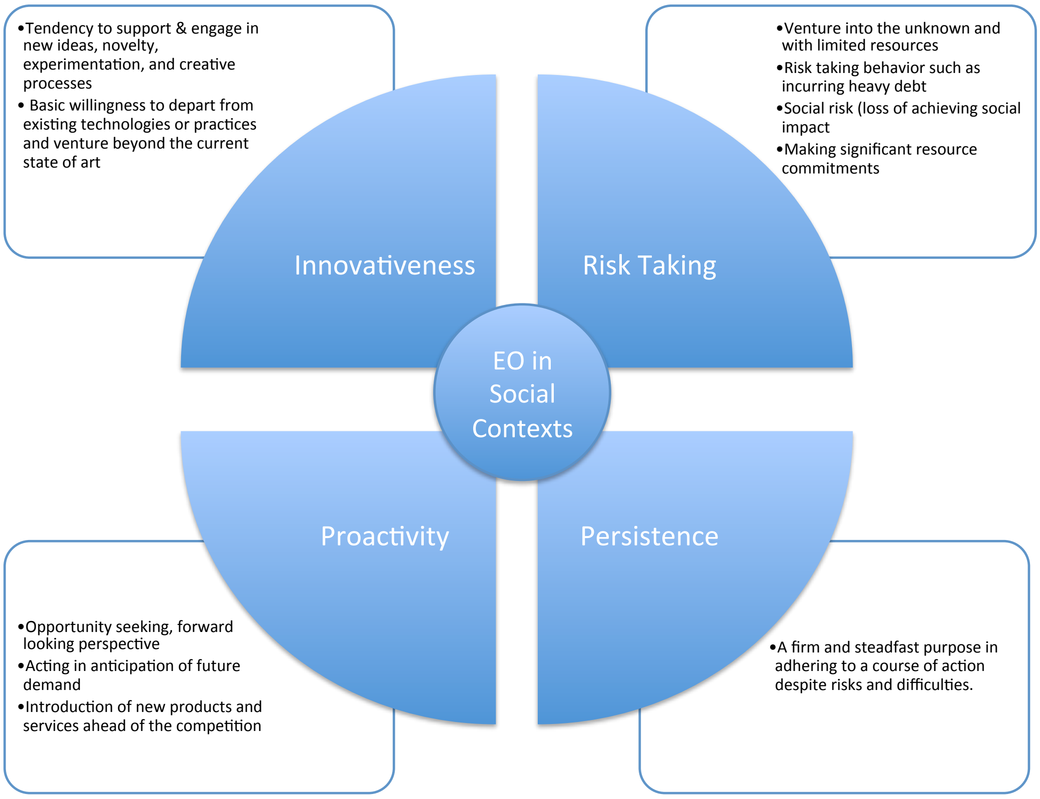

Figure 4, Dimensions of Entrepreneurial Orientation in Social Contexts

Source: Self-made with definitions from Lumpkin et al. (2011), Morris et al. (2011), Syrjä et al. (2013)

Increased innovativeness in a social enterprise has the ability to result in greater social value creation and new ways to address social ills. Innovativeness may encompass engaging in creativity and experimentation via the introduction of new products and services, or using research and development in new processes to further technological leadership (Lumpkin et al., 2011). Experimentation in social enterprise is quite natural, as social enterprises diverge from 'business as usual' because they realize that 'business as usual' does not satisfy their beneficiaries. Hence, experimentation in some form or another is needed to find novel ways to accomplish objectives. However, some forms of innovation may be suppressed, regardless of potential for value creation, if the ideas do not have a high 'degree of fit' with the organization's social mission.

Proactiveness, on the other hand, is a dimension of EO that perhaps intensifies when applied to social contexts, as social issues and injustices demand attention and urgency. When needs are identified, ideally social enterprises will act early and quickly. However, when social missions are focused on long-term issues like poverty, the need to search for new opportunities or new needs may be diminished, and thus, proactiveness may deteriorate. Also, proactiveness and progress might be hindered in an environment where there is an abundance of social needs, because conflicts of priority might occur. This may become of particular relevance in the context of Cambodia, where numerous social ills have been documented.

Risk, or venturing into the unknown, is likely a requirement of pursuing social missions. However, risk taking in social ventures differs from risk taking in their commercial counterparts. Though economic risk is relevant, SE also must consider social risks such as damage to their organization's reputation and the possibility that their mission may be under-executed or their beneficiaries may not be served. The assessment of these nonfinancial risks may be difficult to undertake and miscalculations may happen, resulting in an organization pursuing risk-taking behaviour (either too much or too little) without knowing the real effects. Another issue comes when looking at the developmental contexts of Cambodia. In high-risk atmospheres with weak business and legal institutions, firms may implement risk-averse strategies as a method of compensation. Furthermore, limited resources and competencies may limit the ability for an enterprise to confront these risks.

Persistence is the least studied dimension of EO in social contexts, as it has not been included in conceptual studies by Morris et al. (2011) or Lumpkin et al. (2011). This dimension resulted from an empirical study by Syrjä et al. (2013), in which they found an overwhelming dedication to social missions by social entrepreneurs, and hence, a high level of persistence to achieve them. In the face of developmental contexts, where perhaps more roadblocks stand in the way, it is of interest to understand if this dimension is equally observable in social entrepreneurs in Cambodia.

2.2 Cambodia's Entrepreneurial Culture

Slightly more than three decades ago, upon the fall of the Khmer Rouge in 1979, Cambodia emerged from over thirty years of conflict that had devastated much of the country's population, infrastructure, and development. Suffering more than three decades of warfare was recognized to have destroyed most forms of social capital in Cambodia (Colletta & Cullen, 2000). Furthermore, it can be said that the Khmer Rouge 'extinguished entrepreneurship' throughout the anti-capitalism period (Kiesner, 2010). Violence and instability persisted until 1993, when the UN helped support a transition into democratic elections. Peou (2000) deemed the 'triple transition' from war, authoritarianism and command economy to peace, democracy and free market as the beginning of sustained economic growth, great social change, and the renewal of education and action geared toward life improvement.

One strategy that was used to boost the success of socio-economic growth in Cambodia was the enhancement of small and medium sized enterprises (SMEs) in the area. SMEs were used as a support industry to strengthen larger industries, as well as a renewed form of employment generation and sustainable growth (Shariff & Peou, 2008). Although the creation of SMEs in Cambodia is certainly recognized to be associated with 'excellent entrepreneurs' (Southiseng et al., 2008), this hardly captures the entrepreneurial spirit of the area in its entirety. In fact, as of 2012, Mendizabal et al. recognized that the informal economy of Cambodia remains the dominant means of livelihood for a great majority of the population. With perhaps up to ninety percent of the population reliant upon the informal sector, it is home to many individuals with entrepreneurial potential and skills (Heinonen, 2008). Also, due to lack of employment opportunities in the formal sector, educated individuals with a propensity for entrepreneurship sometimes choose to pursue opportunities in the informal sector, as shown in Figure 5 (Heinonen, 2008).

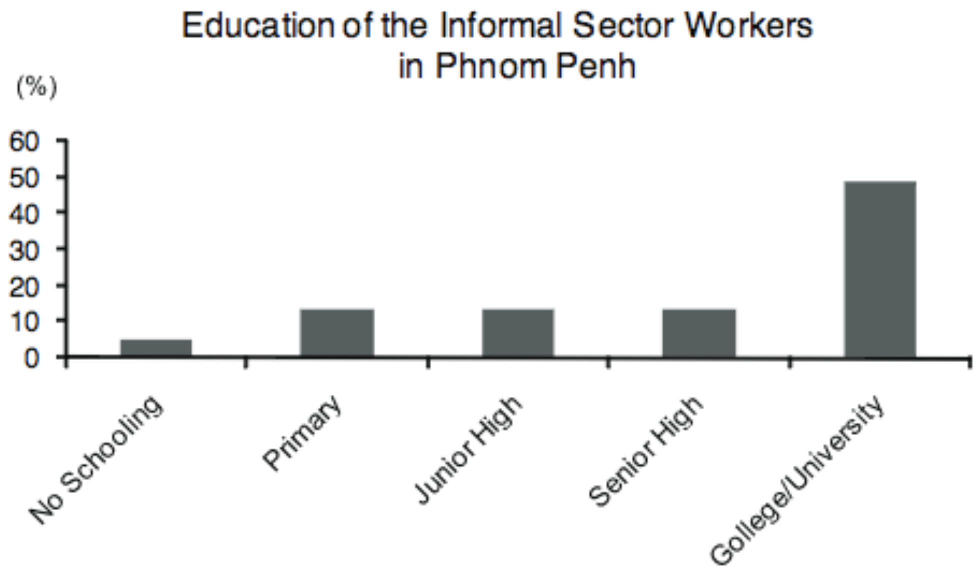

Figure 5, Education in the Informal Sector of Phnom Penh

Source: Heinonen, 2008

The foundations of entrepreneurship are also being acknowledged and taught in Cambodian institutions of higher education, which is likely contributing to the EO of SE developers who have obtained higher education in the area. After the fall of the Khmer Rouge, education institutions underwent structural and substantive changes to facilitate learning of socialism concepts, language, technical knowledge, and trade (Chan & Latif, 2013). In 1997, university law was modified to allow for the establishment of private universities, thus contributing to a boom in the number of higher education institutions throughout the 2000s (Kitamura et al., 2015). In tandem with the demand for a labour market able to withstand national and international pressures, higher education institutions began to teach the fundamentals of economics and accounting, management, marketing, and entrepreneurship. Currently, new educational goals have been established to provide students with greater knowledge and skills, as well as the capacity to innovate and create. Perhaps most interestingly, students are being taught to underpin these concepts with ethics and morality (Chan & Latif, 2013).

Regardless of the educational background of Cambodian entrepreneurs, or if they are choosing to operate in the formal or informal sector, it cannot be denied that entrepreneurship as a whole is expanding in Cambodia. Such proof of this can be seen within groups and associations that have been formed to unite entrepreneurs such as the 'Young Entrepreneurs Association of Cambodia' and 'Cambodia Women Entrepreneurs Association'. Furthermore, the upsurge of social enterprise in the area seems to also corroborate the notion that entrepreneurs are instigating business, whether it be with economic or social bottom lines.

2.3 The Social Enterprise Sector in Cambodia

In Cambodia, much like the rest of the world, the social enterprise sector is on the rise. Social enterprise, in general, can be thought of as organizations that implement market-oriented economic activities to serve a social goal (Defourny & Nyssens, 2007). These non-traditional organizations are being cultivated by individuals with the aim to create positive social change, and thus improve the social, cultural, and perhaps economic situation in the post-conflict region. The growth of the SE sector in Cambodia coincides with a number of different phenomena. Cheng (2015) recognizes the intersection of 'government failure, market failure and voluntary failure' standing behind this upsurge. In particular he details problems relating specifically to NGOs and their limited organizational capacities:

1) The global economic turndown, in tandem with decreasing aid support from international donors, is causing an increase in pressure to be able to survive and sustain financially, and is furthermore placing greater demands on NGO accountability.
2) NGOs in the region are being criticized more and more for their relative disempowerment rather than empowerment of their beneficiaries. Recognition of NGO interventions in education and training as having little linkage with the local economy is causing concern that they are keeping the poor and vulnerable in the same place.
3) There is a growing mistrust of the Royal Government of Cambodia from the NGO community, in part due to the 2008 Law on Demonstration, and drafting of legislation pertaining to Associations and Non-Governmental Organizations. NGOs are experiencing 'shrinking civil space for their activities', which is contributing to an increase in the role and responsibility of social enterprise.

The result of these changes has been a boom in the SE sector. However, Cambodia is no different than anywhere else in that differentiated notions of social enterprise exist, and consequently there is a high level of ambiguity regarding what does and what does not constitute a social enterprise. While little definitive information exists pertaining specifically to social enterprise in Cambodia, Lyne et al. (2015) set out to provide concepts and contexts, existing models, institutional trajectories, and relevant positioning of Social Enterprise in Cambodia. The following information, brought forth from their paper 'Social Enterprise in Cambodia: An Overview' must be considered when analysing EO of social entrepreneurs in

Cambodia.

Social enterprises in Cambodia are operating in a great variety of sectors and are aimed to serve different groups of beneficiaries. Education (1), health (2), child rights (3), community development (4) and agriculture (5) are the most represented sectors, with children (1), women (2), the general population (3), students and youth groups (4), and disabled persons (5) amongst the top groups of beneficiaries (Lyne et al., 2015). For the most part, annual budgets are not large, with about forty percent of social enterprises operating under 100,000 USD per year (Lyne et al., 2015). Social enterprises in Cambodia can be placed on a spectrum from 'socially-committed regular enterprises' to 'NGOs' (traditional or not-for-profit SEs), with 'hybrid SEs' being the most common, with a share of between 10-50 percent earned income in relation to organization's total income (Lyne et al., 2015).

NGOs are one of the driving forces behind social enterprise development in Cambodia. This is not of great surprise, as Cambodia has the highest NGO density per capita of any country in the world (Lyne et al., 2015). Currently, the majority of social enterprises in Cambodia are either operated by NGOs or registered as associations with the Interior Ministry of the Kingdom of Cambodia. However, registration with Cambodia's Ministry of Commerce (MoC) as a business is also a possibility. In regard to economic risk, Lyne et al. (2015) recognize that opting to register as a business instead of an NGO would imply exposure to greater risk, as NGOs don't have the burden of paying taxes. Furthermore, risk must be evaluated in terms of if SE developers are assuming risk with their own money or with other philanthropic funds. According to Khieng (2013), effective business management can be compromised when Cambodian NGOs initiate social business without committing personal resources, because it is not uncommon for the ventures to be entirely funded via philanthropic funds. Risk with donor relations may instead be lost, or, as with all social enterprises, social reputation may be compromised (Shaw & Carter, 2007). Though worth mentioning, the latter is less relevant for this research, as entrepreneurial orientation in this study relates to non-NGO affiliated social enterprises. The decision for this is discussed in depth in Section 2.4.

While the vast majority of social enterprises can be considered mission-driven with their enterprise activities aligned with their social program, social enterprises in the area vary greatly with regard to their model. When Lyne et al. (2015) placed SE within the East Asian SE typology developed by Defourny and Kim (2011), they found that most SE fit into the 'trading organization' category as NPO's seeking to diversify their funding sources, followed by the 'work integration' social enterprise (WISE) group with a mission to create jobs for low qualified people. Whilst the other models (nonprofit cooperative, nonprofit/for-profit cooperative, and community development enterprises) are less prevalent, they note that CDEs can have a high profile, reach many stakeholders, and are generally oriented toward social innovation (Lyne et al., 2015).

Lyne et al. (2015) identify three governance styles that can be found within social enterprises in the region, including corporate governance, dominant driving force (DDF), and democratic governance. Of these, DDF seems to be most prevalent, meaning one individual (likely the founder) is in complete control of the financial, directional, and managerial decisions. DDF governance can occur either with or without the presence of a Board, as Board members may be elected by the existing board or directly by the founder. This suggests a somewhat authoritarian-style governance tendency in Cambodian SE, as seen in Figure 6. For better or for worse, this dynamic does prove to be interesting for the study of EO, because, essentially, the way the founder exhibits EO would have profound implications in a DDF-governed organization.

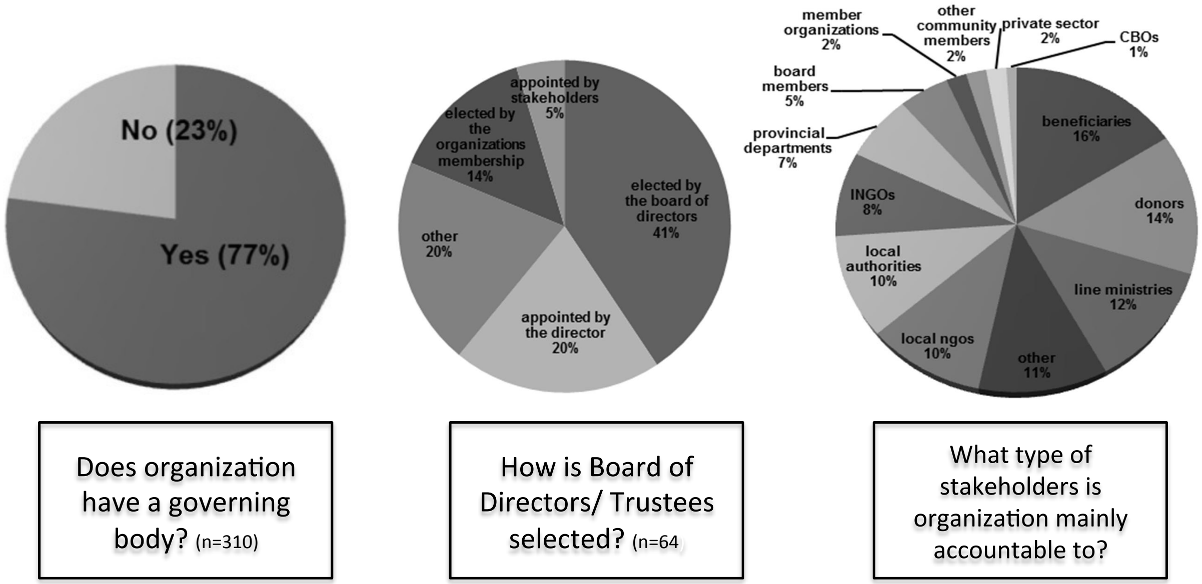

Figure 6, Governance Amongst Cambodian Social Enterprises

Source: Adapted from Lyne et al., 2015

Accountability issues also seem problematic, as one would think that most social business would be primarily accountable to beneficiaries, though only 16 percent of organizations ranked them as the principal stakeholder group. This is not to say, however, that the organizations don't consider beneficiaries as a second or third priority. Perhaps the failure to rank beneficiaries as the single most important group is due to the five recognized 'forces at work in the institutionalization of SE in Cambodia' (Lyne et al., 2015, p. 16):

1. "Governmental policy and international development institutions (World Bank, Asian Development Bank, UN Agencies);
2. NGO and CSO coordinating institutions within Cambodia;
3. International civil society, including social entrepreneurship foundations (Skoll, Schwab, Ashoka), bilateral agencies (GIZ, SNV International) and international NGOs;
4. Impact investment platforms (Insitor, Arun, Uberis, Asia Impact Exchange);
5. Private sector institutions, including the Cambodia Chamber of Commerce."

Accountability to the third sector, paired with the changing funding landscape in Cambodia, increases the pressure for Cambodian social enterprises to not only sustain their existence, but also to perform well. Having a social mission central to one's business does not prevent complications and inefficiencies that need to be overcome. In fact, shortcomings of the social enterprise sector have been well documented, and particular limitations have been found in regard to SE operating in developing regions. Hanley et al. (2015) document a number of issues in their article 'Taking the Pulse of the Social Enterprise Landscape in Developing and Emerging Economies':

- Social enterprises that operate in the direct provision of 'basic goods and services' are underrepresented in social enterprises that have been on the receiving end of social investment (p. 6).
- Social enterprises must have a focus on 'target' customers that have the finances to pay, and thus contribute to the SE's financial stability. Unfortunately, this can impede them from serving the bottom of pyramid (BoP), or the lowest income tier (p. 6).
- Social investors use educational background and prior work experience as a signal to invest. This, however, excludes critical opportunities to obtain important knowledge from low-income entrepreneurs with perhaps a weaker or more limited educational background, but who certainly have the ability to help develop solutions for their surrounding communities (p. 6).
- Social impact measurement has been a critical issue for the SE sector and continues to be a key challenge in the SE landscape (p. 7).
- Intra-organizational processes have difficulty in aligning their activities with social impact metrics, or simply choose not to (p. 7).
- Nonprofit social enterprises are all too often relying on a single funding source, putting themselves in a compromising position should anything impede the existing funding stream (p. 30).

Though the above observations are not tied directly to the problems of social enterprise in Cambodia, it can be expected that some of these conditions prove true likewise. Arguably, gaining a better understanding of EO in the context of social enterprise developers in Cambodia will help to recognise how some of these challenges can be faced and eventually overcome. Understanding EO can mean understanding how innovation can be used to reach the lowest income tier or diversify revenue streams, and understanding risk better may mean boosting knowledge of how social impact measurement is approached in Cambodian SE.

2.4 Social Enterprise Vs. Social Entrepreneurship: The Decision to Study Non-NGO Affiliated Social Enterprise

As expressed in the previous section, the social enterprise sector is up-and-coming in Cambodia. Research on the topic is beginning to follow, along with interest groups and associations aimed at uniting SE developers. Whilst the social ambitions of such organizations gives an overall positive attitude towards SE, the developers that stand behind them undoubtedly have diverse motivations, outlooks, and skill sets, and thus partake in business and contribute to their local communities in diverse ways. One such distinction must be made in the depiction of social enterprise developers as social entrepreneurs, because despite the similarities between social enterprise and social entrepreneurship, the terms are not interchangeable. Consequently, not all social enterprise developers will have a recognizable propensity toward EO. For the purpose of this study, EO in social contexts is examined, and thus it is necessary, at best, to distinguish those who identify more with social entrepreneurship above social enterprise development.

The organization Social Enterprise Cambodia, an initiative of Impact Hub Phnom Penh, represents an organization working in close proximity with existing social enterprises operating in Cambodia, and that actively seeks out registration and recognition of social enterprises in the region. SEC also goes on to express its 'love for the power of social entrepreneurship' and its aim to 'tell the world about the incredible work of social enterprises operating in Cambodia today' (About Social Enterprise Cambodia, 2016, About Us para. 1). The SEC website, in its Frequently Asked Questions, poses the query, "Who can be a social entrepreneur?" providing the following as an answer:

> *"The dictionary definition of a social entrepreneur is 'a person who establishes an enterprise with the aim of solving social problems effecting social change'. However, we feel this lacks passion, so let's turn to Ashoka (the largest network of social entrepreneurs worldwide) who say that 'social entrepreneurs are individuals* ***with innovative solutions*** *to society's most pressing social problems. They are ambitious and* ***persisten****t, tackling major social issues and* ***offering new ideas*** *for wide-scale change'. Schwab Foundation say that 'social entrepreneurs* ***drive social innovation and transformation****…they pursue poverty alleviation goals with entrepreneurial zeal, business methods and the* ***courage to innovate*** *and* ***overcome traditional practices****.' Pamela Hartigan at the Skoll Centre for Social Entrepreneurship says that 'social entrepreneurship is about* ***disrupting the status quo*** *in an effect to achieve transformational social change'"(About Social Enterprise Cambodia, 2016, FAQ para. 2).*

The latter demonstrates SEC's recognition of some of the foundational tenets of entrepreneurship- innovativeness, proactiveness, and persistence- but also shows how these terms can be merged into the same category, often using 'social enterprise' as an "umbrella term for any organization that innovates or trades for a social purpose" (Ridley-Duff & Bull, 2015, p. 1). "Clearly, social enterprises and social entrepreneurship share many commonalities: both blur the boundaries between for and not-for-profit activities and combine commercial activities with social objectives" (Luke & Chu, 2013, p. 765). It is of no surprise that the positive social change and transformation pursued by both social enterprise and social entrepreneurship is encouraged, endorsed, and occasionally idealized (Dacin et al., 2011). Nevertheless, the concepts are often oversimplified, and important distinctions are overlooked, such as the difference between *innovating* and *trading for social purposes*. Some of the important distinctions between nonprofit organizations, social enterprises, and social entrepreneurships are laid out below:

	Non-profit organisations	Social enterprises	Social entrepreneurship
Identity	Express non-profit focus	Business with a social purpose Mix of non-profit and for-profit activities (Dart, 2004)	Innovative and commercial activity with a social purpose Change agent (Leadbeater, 1997)
Objective	Pro-social mission (Dart, 2004)	Double bottom line involving social mission and financial sustainability (Emerson and Twersky, 1996)	Creating positive change through innovative, novel products, services and/or processes (Bornstein, 2004)
Operations/ norms	Traditional 'charity' role (Dees, 1998b)	Business-like approach involving planning, trade and revenue streams (Dees, 1998b) Formal and informal trading; cash and non-cash transactions (Barraket et al., 2010)	Social activities with a focus on innovation (Defourny and Nyssens, 2010; Weerawardena and Sullivan Mort, 2006)

Figure 7, Distinctions between Nonprofit, Social Enterprise, & Social Entrepreneurship

Source: Luke & Chu, 2013, p. 767

Social entrepreneurship, in its most general form, denotes to a mindset that can have significance in any business and any setting, including the for-profit, nonprofit, or hybrid organizations that blend these approaches (Roberts & Woods, 2005). “Social entrepreneurship activities seek to create social value through innovativeness, risk management, and proactiveness bounded by a social mission, sustainability, and the contextual environment” (Lumpkin et al., 2011). Eighteenth century businessman Richard Cantillon first recognized entrepreneurs as ‘undertakers’ engaged in market exchanges at their own risk for the purpose of making a profit. In the early ninetieth century Jean-Baptiste Say later embedded value creation into this idea when describing entrepreneurs as those who “shift economic resources out of an area of lower and into an area of higher productivity and greater yield” (Martin & Osberg, 2007, p. 31). Cantillon and Say laid the foundation for abundant research in the field of entrepreneurship, including the formation of three key concepts: “the German tradition built on the work of Joseph Schumpeter with an emphasis on innovation, the Chicago tradition of Knight and his work on risk, and the Austrian tradition of Israel Kirzner and his exploration of alertness to opportunity” (Roberts & Woods, 2005, p. 46). Acknowledgement of these core qualities that are attributed to the term entrepreneurship, and thus applicable to its sub-division of social entrepreneurship, must be distinguished from that of ‘social enterprise’ in order to avoid misguided recommendations (Luke & Chu, 2013).

The term ‘enterprise’, on the other hand, is linked to commercial business activity, signifying that social enterprises exemplify a form of social business or venture. Social enterprises can be looked at as companies that confront social and environmental challenges, creating jobs while prioritizing impact over and above economic profit (Darko & Koranteng, 2015). Social enterprise, operating in the contexts of high unemployment and deep social problems, can simultaneously assist with economic development and the creation of jobs, while tackling social and environmental matters (Darko & Koranteng, 2015). Although the social enterprise sector suggests an innovative response to the recognized market gap between the public/ nonprofit and private/ for-profit sectors, it is questionable to as to whether all social enterprises are necessarily entrepreneurial (Luke & Chu, 2013). Hence, the rise of the social enterprise sector in Cambodia does not necessarily qualify as an increase in EO in the area as a whole, or even amongst its developers.

In consideration of the aforementioned, this research seeks to study non-NGO affiliated social entrepreneurs in Cambodia. Secondary research has demonstrated that NGOs are the primary cultivators of SE in efforts to diversify revenue streams. This represents a somewhat outside-in approach to the creation of enterprise, in a sense demonstrating that the need for an ulterior form of income overrides the true recognition of a market opportunity and the willingness to take risks to exploit this opportunity. While the development of a commercial business activity certainly corresponds with the 'enterprise' aspect of SE, the 'entrepreneurship' characterization is more questionable. Furthermore, the fact that NGOs are often creating enterprise entirely from philanthropic funds potentially warps the risk dimension of EO. Risk-taking behaviour of NGO-affiliated social enterprise may be unusually high, as no personal funds are at stake. Moreover, the overarching NGO may have a dominant influence on all actions and decisions made by their corresponding social enterprise, hence moderating or curbing EO in the social enterprise. It is assumed that the study of non-NGO affiliated social enterprise may align more with the 'entrepreneurial' aspect of social entrepreneurship, and thus be better suited for the study of EO. Whilst interesting to examine, the study of EO in NGO-affiliated social enterprise lies outside the scope of this study. This represents an area for future research.

It must be noted, however, that research within the somewhat grey area of enterprise and entrepreneurship, particularly in a region that lacks formal definition of such constructs, proved to be difficult. Guidance from experts in the area helped to point the way toward non-NGO affiliated social enterprises. Furthermore, a database cataloguing social enterprise in Cambodia helped to locate social enterprises that have no current NGO affiliation. In-depth interview questions included whether or not enterprises had any NGO affiliation, and if so, what was the existing relationship. Various nuances were found in that a few cases were first developed with the help of an NGO but no longer affiliated. Other relationships included organizations that had not been established by an NGO but had formed cooperative partnerships for hiring and networking purposes.

3 Context of the Research

Chapter 3 is intended to provide the reader with an introduction to the research field, including the regional contexts of Cambodia, as well as the socio-economic and business situation in the country. The chapter also positions Cambodia in relation to the United States, the UK, and China. This is intended to provide an understanding of the uniqueness of developing economies, and recognize why EO dimensions in these contexts may not mimic those established within developed economies. The chapter also introduces the two primary research sites and the organizations that assisted the study by providing contacts for social enterprises in the region.

3.1 Country Overview

The Kingdom of Cambodia is one of the ten nations that make up Southeast Asia. Cambodia has a geographic area of 181,035 square kilometres and it has a 443 kilometres coastline on the Gulf of Thailand (CIA, 2016). It is border by Thailand on the West, Vietnam on the East, and Laos and Thailand on the North. The Mekong River divides the country from North to South, and ultimately flows into the Mekong Delta of Vietnam. On this river resides Cambodia's largest city and capital, Phnom Penh. Other well-known cities in Cambodia include Battambang, Siem Reap, and Kampong Som. The country has an estimated population of 15,708, 756 persons, with 31.43 percent being under the age of 14, and 19.71 percent being between 15-24 years old (CIA, 2016), reflecting a noticeably young age demographic.

Figure 8, Map of Cambodia

Source: Welcome to Cambodia 'Kingdom of Wonder', n.d.

3.2 The Socio-Economic & Business Situation In Cambodia

Cambodia's unique history has contributed to a distinctive socio-economic atmosphere and business climate that should be understood for the purpose of this study. While much of the last century was marked by war and isolation from international markets, in 1993, Cambodia held an election that was overseen by the United Nations and the transition toward a full market economy began (Chhair & Ung, 2013). Cambodia joined the ASEAN Free Trade Area in 1999, and later the World Trade Organization (WTO) in 2003. For the last two decades Cambodia has seen strong economic growth, with the primary drivers of the economy being the garment sector, construction sector and services sector (World Bank, 2016). Since the turn point in 1993, however, Cambodia's market economy has been heavily dependent on foreign capital and foreign markets. This has resulted in substantial economic growth, yet low linkage to the domestic economy (Chhair & Ung, 2013).

In tandem with this economic growth, poverty has continued to fall year by year. Unfortunately, however, those who have managed to escape poverty have done so only by a slight margin, and accordingly, over eight million individuals are 'near-poor' (World Bank, 2016). With the economic hub being Phnom Penh, the countryside homes the majority of Cambodia's poor. It is recognized that Cambodia continues to struggle with a number of issues and developmental challenges such as "weak public service delivery, which impedes inclusive development, ineffective management of land and natural resources, environmental sustainability, and good governance" (World Bank, 2016, para. 5). The government does not display the ability to generate surplus revenue for essential public spending and investment or the aptitude and willingness to use available resources accountably.

It is without question that the contextual environmental of Cambodia has effected its business climate. While estimates regarding size and number of enterprises in Cambodia differ from source to source, Chhair and Ung's (2013) report of Economic and Industrialization in Cambodia suggests that micro-establishments make up the majority of the total enterprises in Cambodia, with 2011 estimates citing that 92 percent of all establishments are micro-establishments. On the other hand, however, large industrial establishments held a share 65.50 percent of employment, with an estimated 78 percent of value added generated from these firms (Chhair & Ung, 2013). "This suggests that the foundations for large industry are strengthening while micro, small and medium industrial establishments are struggling to survive" (Chhair & Ung, 2013, p. 14). Much like the population of Cambodia, the majority of firms in Cambodia are young. It is estimated that 55 percent of industrial firms have been in operation for less than five years (Chhair & Ung, 2013).

Cambodia can also be considered a place that is relatively accessible for foreign enterprises. It is recognized by Investing Across Borders Indicators that the country is more open to foreign equity ownership than other countries in the Asia and Pacific region, allowing for one hundred percent foreign ownership of companies, unlike some other nearby countries in Southeast Asia (World Bank, 2014). When looking at current local versus foreign ownership trends, it can be seen that ownership structure varies by size of establishment and subsector. In 2011, Cambodians owned almost all micro-establishments, yet only own 37 percent of large industrial establishments (Chhair & Ung, 2013). On the other hand, it is estimated that Chinese owned up to 47 percent of large industrial establishments and 12.5 percent by Koreans and other Asian nationalities. In the same year, Cambodians occupied 90 percent ownership of medium and large industrial establishments in the food, beverage, and tobacco (FBT) sector. However, in the textile, wearing apparel and footwear (TWF) sector, Cambodians only owned approximately 41 percent of establishments, as compared to the Chinese at 48 percent (Chhair & Ung, 2013). According to Chhair and Ung's (2013) analysis, trends show that although Cambodian ownership in traditional sectors remains forceful, there is not enough strength or vigour to engage in new industries.

An enterprise survey in 2007 cited the top three challenges to operating a business in Cambodia as corruption, electricity, and political instability (World Bank, 2014). As a testament to corruption, "61.2 percent of firms report having to give gifts to public officials to "get things done", compared to the regional average of 24.7 percent" (World Bank, 2014, para. 2). On a positive note, however, in 2015, Cambodia was reportedly one of two economies worldwide that recorded a reform to improve electricity reliability (World Bank, 2015). Cambodia was also recognized to have reduced the time it takes to start a business and the number of required procedures to follow.

3.3 Positioning Cambodia: Should We Expect the Proposed EO Model to Fit?

Information in the previous section provides a small window into the business and socio-economic climate in Cambodia. While much more information exists regarding the economic development of the country and the positionality of social and commercial enterprises within it, this section aims to provide and brief understanding of how the contexts of Cambodia differ from developed nations. The dynamics of entrepreneurship can range greatly according to institutional context and level of economic development (Acs et al., 2008). Comprehending the differences between developed and developing nations feeds into the questions discussed in Section 1.4.1 regarding if the proposed model of EO and its dimensions can be considered the right 'fit' for development contexts.

The majority of both EO and social enterprise theory has been constructed within the United States and Europe, and tested within Western contexts. Findings have then been carried over to studies in developing economies, and the EO construct, for the most part, has been unchanged in these studies. A variety of graphs depict the position of Cambodia in relation to the United States, United Kingdom, and China, providing an understanding of some of the contextual considerations that may weigh into the manifestation of EO.

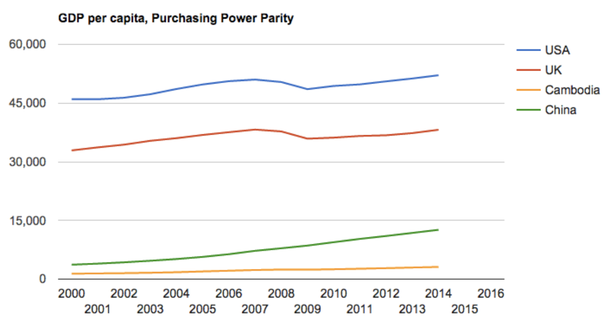

Figure 9, Comparison of GDP per Capita, Purchasing Power Parity

Source: TheGlobalEconomy.com (World Bank Data), 2016

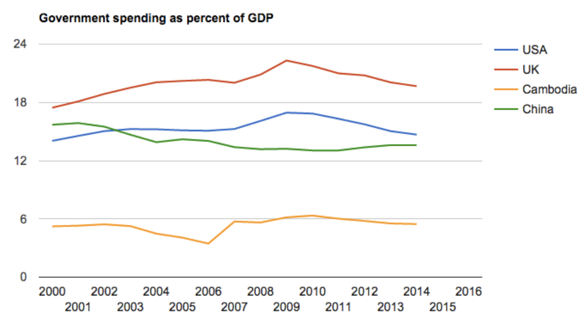

Figure 10, Comparison of Government Spending as Percent of GDP

Source: TheGlobalEconomy.com (World Bank Data), 2016

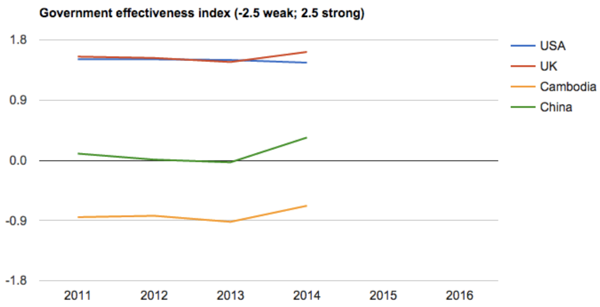

Figure 11, Comparison of Government Effectiveness Index* (-2.5 weak; 2.5 strong)

Source: TheGlobalEconomy.com (World Bank & Govindicators.org Data), 2016

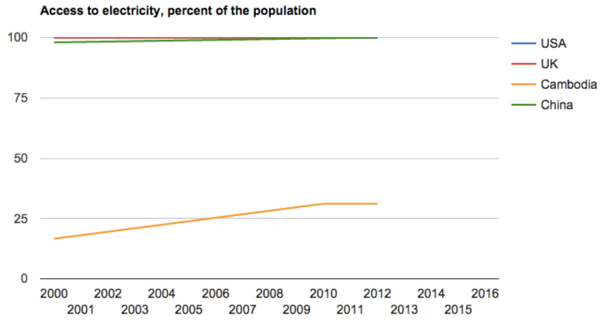

Figure 12, Comparison of Access to Electricity, Percent of the Population

Source: TheGlobalEconomy.com (World Bank Data), 2016

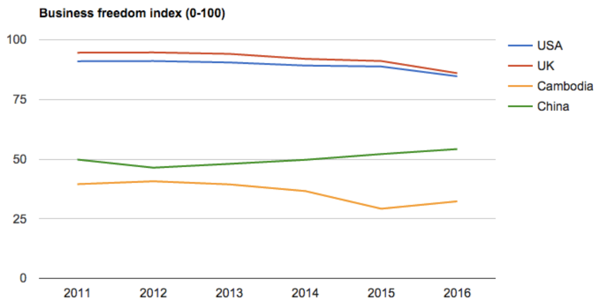

Figure 13, Comparison of the Business Freedom Index (0-100)**

Source: TheGlobalEconomy.com (The Heritage Foundation Data), 2016

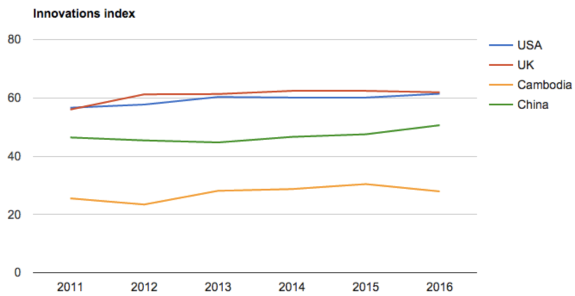

Figure 14. Comparison of the Innovations Index***

Source: TheGlobalEconomy.com (Cornell University, INSEAD, and the WIPOData), 2016

* **Government effectiveness index** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
** **Business freedom index** is based on 10 indicators, using data from the World Bank's Doing Business study: Starting a business-procedures (number), time (days), cost (% of income per capita), and minimum capital (% of income per capita); Obtaining a license-procedures (number), time (days), and cost (% of income per capita); Closing a business-time (years), cost (% of estate), and recovery rate (cents on the dollar).
*** **The global innovation index** aims to capture the multi-dimensional facets of innovation and provide the tools that can assist in tailoring policies to promote long-term output growth, improved productivity, and job growth.

As compared to the highly developed countries of the USA and UK, as well as the nearby country of China, profound differences in the contextual atmosphere of Cambodia are clear. These must be taken into consideration when evaluating if the proposed model of EO fits with Cambodian contexts, of if other dimensions of entrepreneurship may underpin enterprise success. The Cambodian context in this sense serves as an excellent ground to explore the ubiquity of 'high entrepreneurialism', and if Western understandings of EO may need to be revamped for use in developing economies like that of Cambodia.

3.4 Primary Research Sites

Research for this study took place in the provinces of Phnom Penh and Siem Reap. Due to time and resource constraints, energy was focused in the areas with the highest non-NGO affiliated social enterprise concentrations. All other provinces had less than 3 non-NGO affiliated social enterprises, according to the database of the hosting organization Impact Hub.

3.4.1 Phnom Penh

Research was principally conducted in the capital city of Phnom Penh, where both hosting organizations (Social Enterprise Cambodia and Impact Hub Phnom Penh) are stationed. Phnom Penh covers an area 678.46 square kilometres, and is located at the intersection of the Mekong, Tonlé Sap, and Bassac rivers. Phnom Penh is made up of a single municipality with a population of 1.731 million, according to the 2015 census data estimate (CIA, 2016). The region serves as the economic hub of Cambodia, and thus, the majority of commercial and social business can be seen here.

Industrial establishments of all sizes cluster within Phnom Penh. Over the last few years, Phnom Penh has seen an economic boom, with growth rates sustaining double-digit growth (Phnom Penh province, 2016). Reasons for increased economic activity in Phnom Penh may be due to heightened availability of infrastructure including roads, electricity, water supply, qualified human resources and improved access to public services (Chhair & Ung, 2013). The commercial economy of the city is chiefly based on the garment industry, trading, and small and medium sized enterprises (SMEs). In tandem with the steep economic growth of the city, the real estate market has skyrocketed causing disproportionately expensive property. Phnom Penh regularly brings in leisure and business travellers, as well as investors.

3.4.2 Siem Reap

Siem Reap served as a secondary location for research, as the Impact Hub database recognized it as the province with the second-most amount of non-NGO affiliated social enterprises in Cambodia. The Siem Reap province of Northwest Cambodia can be considered the hub for tourism of the country, where the world-renowned temples of Angkor bring in millions of visitors each year. Likewise, this has caused a boom in property value and a shift toward tourism-based industry (Siem Reap province, 2016). Whilst bringing in more wealth to some, this has not gone without detriment to underserved populations who face inflated prices, yet resume employment within industries such as subsistence farming and fishing (Siem reap province, 2016).

3.5 Hosting Organizations

Research for this study was performed in limited partnership with the Impact Hub Phnom Penh and Social Enterprise Cambodia. Though the organizations provided contact information for social enterprises in Cambodia, no influence was exerted on research questions, interpretation of data, or subsequent analysis. The following paragraphs give a brief overview of the functions of these organizations. All information has been taken from their websites:

- http://phnompenh.impacthub.net/
- http://socialenterprisecambodia.org/.

3.5.1 Impact Hub Phnom Penh

The Impact Hub Phnom Penh recognizes itself to be a co-working space to help support and develop social enterprises. The platform is working toward a more 'sustainable and innovative' Cambodia by extending its services to entrepreneurs, social investors, freelancers, students, consultants and more. Its purpose is to help enable collaborative ventures, provide access to mentoring and support, present a flexible exhibition and event space, as well as present lectures and workshops to support the cause. Impact Hub Phnom Penh works with a variety of partners including Transparency International Cambodia, EZECOM, ANAKOT Asia, SINET, Social Enterprise Cambodia, Zoom in Project, Cellcard, NBS-NUS Social Venture Challenge, and Insitor Fund.

3.5.2 Social Enterprise Cambodia

Social Enterprise Cambodia (SEC) is an initiative of Impact Hub Phnom Penh. SEC has been working to map the existing Social Enterprises in Cambodia, showing the issue the enterprise is working towards solving, their solution, their activities and the impact that they intend to make. Through an interactive map on the site, social enterprises are made visible and examples can be seen of how systems are being improved, new approaches are being invented, and solutions are being found in Cambodia.

4 RESEARCH METHODOLOGY

Chapter 4 details the methodology that was implemented throughout the study. This encompasses the selected research strategies, the research population, and data collection techniques and analysis. This chapter also provides information regarding the design of an appropriate EO scale, conceptualization of firm-level EO, and the limitations of the study.

4.1 Overall Research Strategy

A mixed methods research design was used to explore and effectively answer the aforementioned research questions, as well as to reach more reliable conclusions. The mixed methodology was comprised of semi-structured in-depth research interviews paired with quantitative surveys. Information obtained was used in a complementary fashion and triangulated to ensure greater measurement accuracy, as well as to recognize latent shortcomings in the operationalization of the EO constructs (Lyon et al., 2000). The methods were used sequentially, with the interviewer first gathering cultural and organizational data from a single respondent, followed by an in-depth interview with the respondent. Upon the completion of the interview, the researcher distributed a likert-type survey to the respondent, which was completed on the spot.

Both the interviews and the surveys were reliant upon managerial perceptions of their organization’s EO. Managerial perceptions of EO are recognized to have a relatively high degree of validity, as a researcher can develop questions that target the fundamental nature of any of the four cited EO constructs (Lyon et al., 2000). According to literature, surveys can be used to augment construct validity, and scaled items that require a response are thought to boost validity even further (Lyon et al., 2000). Another advantage of using managerial perceptions is the ability to measure current conditions in a given organization with a high degree of specificity. However, while interview questions can result in a great amount of descriptive qualitative data, perceptions gathered via interview rather than survey are thought to reduce validity due to confusion in the interpretation of open-ended responses. By implementing both interview and survey tactics, content validly as a whole was likely increased and discrepancies were more recognizable.

In-depth semi-structured interviews were used to address the ‘how’ aspects of the EO construct. As Lyon et al. (2000) suggest, “in-depth case analysis better captures the inherent richness of entrepreneurial processes and behaviours”, and managerial perceptions of EO can provide greater information regarding the explanation of entrepreneurial processes (p. 1078). An email was sent to respondents in advance that loosely hinted toward entrepreneurial themes that would be discussed in order to help respondents prepare for the interview. This contrasts from Syrjä et al.’s (2013) study of EO in social entrepreneurship in which a clear list of themes was sent to respondents prior to the study. Upon completion of the interview, a carefully prepared survey regarding EO was administered to each of the individuals interviewed. The use of scales with standardized responses can be particularly useful in the study of EO, as they aid with uniform interpretation and improve comparability (Lyon et al., 2000).

4.2 The Research Population

The population of organizations taken into consideration included the following:

1. Non-NGO Affiliated Social Enterprises
    a. Introduced by locals
    b. Introduced by non-locals
2. Commercial Enterprises
    a. Introduced by locals
    b. Introduced by non-locals

The sample of social enterprises for this research was initially collected from the Impact Hub database of social enterprises operating in Cambodia. More specifically, this database included the business name, associated NGO (if applicable), location, business sector, and business goal. The database being used was first compiled by another Utrecht University researcher a few months prior to this study (early 2016), so the listings were assumed to be up to date and accessible. No mention of cultural background was found in the database, thus, prior to interview, there was no guarantee of obtaining equal amounts of locally and non-locally introduced enterprises. It was intended that the sample would be diverse and be comprised of different sectors, however this was not specifically controlled for in terms of purposive sampling.

It must be noted that obtaining an equal amount of respondents from each of the above population groups was not expected and ultimately did not occur. Furthermore, joint ventures between locals and foreigners had to also be taken into consideration. In-depth discussions regarding the respondents' relationships to Cambodia were recorded in order to comprehend various nuances as such. Descriptive statistics of the final research sample can be found in the results, Section 5.1.

4.3 Data Collection Process

Social enterprises operating in Phnom Penh were first contacted, which was followed by a second wave of interviews that took place in the Siem Reap province. All known non-NGO affiliated social enterprises in Siem Reap and Phnom Penh were contacted, and interviews were conducted will enterprises that responded in agreement to partake in the interview. Snowball sampling was then used to contact additional social enterprises, as respondents occasionally provided contact information of other social entrepreneurs in the area.

The sample of commercial enterprises for this research was first collected from enterprises that were using Impact Hub as a working space, as they were easily accessible and likely to be willing to participate in the research, as connections to the partner organization were already established. The member directory on the website of the 'Young Entrepreneurs Association of Cambodia' was also used as a source of contact information for (presumably) commercial entrepreneurs in Phnom Penh and Siem Reap. Snowball sampling was subsequently used to contact additional commercial enterprises.

An email was first sent to the contact address listed on the enterprise website of the selected enterprise. In this email, 'all top decision-makers' were invited to participate in an interview, which would take place as a small group interview. This included founders, owners, or managers. In the email, it was also expressed that a meeting with any one of these individuals would be acceptable, according to what best suited the enterprise. It was assumed that by having all founders present, information regarding the dependent variable (EO) would likely be enhanced and the organizational and cultural characteristics (predictor variables) of the organization and its founders would be better understood. Furthermore, this method would help to eliminate single respondent bias and error, a recognized shortcoming of measuring EO from managerial perceptions (Lyon et al., 2000).

A response rate of approximately 25 percent was obtained, with substantially more responses from social enterprises than commercial enterprises. A total of 20 enterprises were interviewed. Each meeting took place in three stages; 1) collection of organizational data, 2) in-depth interview, and 3) completion of quantitative survey. The interview guidelines including the organizational information, interview, and survey questions can be found in Appendix A, B, and C. Of the 20 interviews that took place, 4 occurred as small group interviews with 2 top decision-makers from the company as respondents, while 16 took place with a single top decision-maker. Only one of the interviews required an official translator, while one other interview had a family member present to assist the decision-maker with communication.

Semi-structured interviews were carried out using an interview guideline comprised of 22 questions. Occasionally questions were omitted if the respondent managed to answer the question previously in the interview. Interviews lasted on average for 1.5 hours, though they ranged from 45 minutes at shortest to 2.5 hours at longest. Interviews typically took place at the location of the given enterprise, though sometimes the meeting took place at a coffee shop. Each of the same respondents from the interview filled out the survey. For the cases in which a small group interview took place with multiple decision-makers present, each decision-maker filled out the survey separately without input from each other. In these cases, the mean of the scores was used for the overall SPSS analysis, accounting for a single EO score for the enterprise.

All research records were kept confidential. Consent was sought from all participants after informing them of the purpose and timescale of the research. Each participant was informed that he or she has the right not to participate, he or she has the right to discontinue at any time, and that all information would be confidential.

4.4 Level of Aggregation

The concept of entrepreneurship has been applied across a variety of different levels including individuals, groups, and whole organizations (Lumpkin & Dess, 1996). Because entrepreneurship is often connected to the introduction of some sort of new revolutionary invention, some recognize it to be only relevant to the level of an individual. Other theorists relate it to the small business domain, as they stimulate substantial economic growth and new job creation by tapping into new markets. Corporate level entrepreneurship has been more recently emphasized as a method of growth and strategic renewal for larger firms already in business. Hence, when discussing the EO construct, a level of analysis and level of aggregation must be established.

Entrepreneurial Orientation has typically been described as a firm-level strategic approach (Miller, 1983). Lumpkin and Dess (1996) clarify what this means;

> *"New Entry as the essential act of entrepreneurship is primarily a firm-level phenomenon. It is analogous to a business-level strategy undertaken by a nondiversified economic unit. Thus, new entry refers to actions that may be instigated by an individual, a small firm, or the strategic business unit of a large corporation. As such, the discussion of EO will focus at the firm/ business-unit level. This firm-level approach is consistent with classical economics in which the individual entrepreneur is regarded as the firm. The small business firm is simply an extension of the individual who is in charge" (p. 138).*

Under this perspective, a variety of social and commercial enterprises may be taken into the sample. Secondary research, however, suggests that most firms in Cambodia are small, if not particularistic in nature. Furthermore, it is likely that enterprises in the area are not analogous to the ‘impersonal firms’ that are commonly seen in Western economies. That being said, the aforementioned understanding of EO plays into the level of aggregation established for data collection and analysis.

This study makes the methodological decision to employ data relating to top-decision makers within a given enterprise, and the methods, practices, and decision-making styles that are implemented within that given enterprise. Under this assumption, a group of top decision-makers influence each other, and thus, have a joint influence on the EO of the firm. Recognizing this perspective is central to the research design of this study.

Predictor variables were recorded at the firm-level, rather than at the level of the respondent. For example, rather than consider the age of the individual respondent, the age of the company was taken into consideration. Rather than note if the individual respondent was foreign or local, the study controlled for the origins of the total group of top decision-makers. In cases that only had one top decision-maker, this essentially meant the same thing. Likewise, gender and education-level were controlled in the same manner. This tactic also proved to be helpful because single respondents representing a larger body of decision-makers had difficulty in recalling specific personal information of all of those not present at the interview.

Due to this firm-level perspective, respondents were instructed to answer interview and survey questions about the specific enterprise, not about other ventures that the individual may have been involved with. This meant that survey questions such as the ‘number of new product and services’ referred to the number of new products and services introduced by that specific (social or commercial) enterprise, rather than the amount of products and services created in all ventures that the entrepreneur had previously been involved with.

4.4.1 Predictor Variables at the Firm-Level

According to the level of aggregation established in this study, the following predictor variables were taken into account. Although these are similar to independent variables, it must be understood that in this non-experimental research design, none of the variables were manipulated by the researcher. Hence, these conditions represent already occurring enterprise characteristics that were simply recorded for subsequent quantitative analysis and qualitative reflection.

Predictor Variable	Categories
Enterprise Categorization	Social Enterprise
	Commercial Enterprise
Number of Top Decision-Makers	Actual Number Recorded
Budget	$ 0-40,000
	$ 40,001 - 80,000
	$ 80,001 – 120,000
	$ 120,001 – 160,000
	$ 160,001- 200,000
	$ 200,000 +
Number of Years of Operation	Actual Number Recorded
Number of Employees	0 – 20
	21 – 40
	41 – 60
	61 – 8
	81 – 100
	100+
Ethnic Composition of Top Decision-Makers	100% Foreign
	100% Local
	Mixed Ethnicity
Gender Composition of Top Decision-Makers	Entirely Male Group
	Entirely Female Group
	Mixed Gender Group
Educational Composition of Top Decision-Makers	No Decision-Makers with Higher Education
	1+ Decision-Maker with an Associate's or Bachelor's Degree
	1+ Decision-Maker with a Master's Degree or PhD
Official Registration of Enterprise	Registered as a Business
	Registered as an NGO
	Not Registered

Table 2, Recorded Predictor Variables

4.5 Design of the EO Scale for Dependent Variable Measurement

The dependent variable evaluated in the survey was the degree of Entrepreneurial Orientation achieved by a firm. The design of an appropriate EO survey was a critical matter to consider, as a number of unique EO scales have been used in the modern studies of entrepreneurship. In creating the scale, the aim was to develop a comprehensive set of items targeting the four dimensions of EO including risk, innovativeness, proactiveness, and persistence, and thus provide a measure regarding the dependent variable of entrepreneurial orientation. The survey that was used in this study was primarily adapted from the widely-used measurement tool, Covin and Slevin's (1989) bi-polar likert-style scale of EO. Bipolar scaling involves designing two statements or concepts that conflict with each other, with degrees of agreement in between the extreme poles. Three initial and somewhat complex steps are used to develop a bipolar scale: 1) determining what is to be measured 2) determining how many concepts must be evaluated and 3) determining the scales to constitute these measures.

In accordance with Covin & Slevin's (1989) bi-polar likert-style scale of EO, three questions were used to target each of the four EO constructs (risk, innovativeness, proactiveness, and persistence). Thus, a 12 likert-item questionnaire was created, with each item measured on a 7-point scale. It is essential to understand the difference between a likert-item, which is a single statement in which the respondent is asked to evaluate some kind of subjective or objective criteria, and the likert-scale itself. The likert scale itself is the sum of responses of four of more likert-items that are combined into a single composite score during the data analysis process (Boone & Boone, 2012). Hence, in this study, the composite score of Entrepreneurial Orientation can range from the minimum score 12 points (score of 1 on each of the 12 likert-items) to the maximum score 84 points (score of 7 on each of the 12 likert-items). Likert scale data must be subjected to unique data analysis procedures, which are discussed in the proceeding analysis, Section 4.6.2.

In a few questions taken from the popular Covin and Slevin scale, complicated language was simplified to enhance understanding for non-native English speakers or to better fit local contexts. Examples of these minor changes and their reasons for change* can be seen below:

Original Covin and Slevin (1989) Likert-item	**Modified Likert-item Used in this Survey**
How many new lines of products or services has your firm marketed in the past 5 years (or since its establishment)?	Lately, how many new lines of products or services has this enterprise tried?

** Language simplified for easier understanding and specified time period removed due to nature of Cambodian environment (many businesses are relatively new)*

In dealing with competitors, my firm… Is very seldom the first business in the sector to introduce new products/ services, administrative techniques, operating technologies, etc.	In dealing with competitors, my enterprise… Is rarely the first business in the sector to introduce new products/ services, administrative techniques, operating technologies, etc.

** Language simplified for easier understanding*

Additionally, some of the Covin and Slevin (1989) questions were not selected, and instead questions were replaced with bipolar statements that related to scales that have been specifically used in social entrepreneurial orientation (SEO) studies, such as that of Hu and Pang's (2013) study of SEO and Performance of Nonprofit Organizations in China. An example of this can be seen in the proactiveness measure below:

<u>Hu and Pang's (2013) Likert-item for Proactiveness</u>
"SEO aims to achieve a position of leadership in similar organizations." (p. 3933.)

Strongly Disagree	1 2 3 4 5 6	Strongly Agree

<u>Actual Likert-item Used in this study:</u>
In general, my enterprise…

Is primarily focused on our own activities and less on our trend-setting position.	1 2 3 4 5 6 7	Usually seeks to achieve a position of leadership in the sector.
*Self-made as a bi-polar response.		*Based on Hu and Pang (2013)

Another significant feature of the scale used in the study is the addition of the persistence measure, which previously had not been placed on any EO scale. As discussed earlier, persistence was placed on the scale in response to the suggestion of the Syrjä et al. (2013) study of social entrepreneurship to modify the dimensionality of EO by adding persistence. The persistence measure was built from a number of scholarly literature sources that seek to define persistence, and in particular, the role of persistence in entrepreneurship. Syrjä et al. (2013) align with other scholars including Kanfer (1990), and Markman et al. (2005) in that "entrepreneurial persistence implies a firm and steadfast purpose in adhering to a course of action despite risks and difficulties" (p. 6). Wu et al. (2007) also provide much information about persistence in business in their article, *Need for Achievement, Business goals, and Entrepreneurial Persistence*. In their study, persistence is measured using a single question in which participants were asked if they were continuing to pursue the ideas that they had selected three months earlier. Based on the above definitions, the following three persistence measures were created:

PER1 Generally…

Decision-makers at our enterprise prioritize economic efficiency when allocating time and labour to a given project.	1	2	3	4	5	6	7	Decision-makers at our enterprise spend an extensive amount of time and personal dedication in efforts to make our ideas come to life.

PER2 When it comes to risks and difficulties…

My enterprise has changed our original purpose and the corresponding course of action in response to risks and difficulties	1	2	3	4	5	6	7	My enterprise has maintained our original purpose and the corresponding course of action, despite risks and difficulties

PER3 For the most part, new ideas, products and services developed or thought about 3-12 months ago are…

Disregarded if they presented little profit or success	1	2	3	4	5	6	7	Still being pursued, even if they have presented difficulties or hindered profits along the way

4.6 Analysis of Data

The following sections provide and overview of the software tools used to analyse data. This includes decisions that were made regarding coding structures for qualitative data, as well as details pertaining to the analysis of the quantitative likert-scale.

4.6.1 Qualitative Analysis

Qualitative data was analysed through the use of the software NVivo. NVivo assists with the classification and arrangement of unstructured, non-numerical data. It assisted with linking, shaping, searching, and modelling of data. Qualitative data analysis software packages like NVivo are recognized to have numerous advantages including more efficient data management, reduced complexity, and their ability to cope with large volumes of data (Kaefer et al., 2015). Some researchers also argue that they help to boost methodological rigor, consistency, and analytical transparency (Kaefer et al., 2015). A key aspect of using NVivo is the fact that it is up to the researcher to decide which data to code and how to code it, ensuring that the technique matches the context, theoretical framework, and the research questions (Ryan, 2009).

NVivo required each in-depth interview to be transcribed by the researcher in full. Upon completion of transcription, A-priori coding was initially used to enter data into NVivo. This inductive approach of pre-coding was then enhanced by emergent coding of nodes that did not fall into the pre-defined categories. This cautious and cumulative process ensured that data was organized in a manner that was able to specifically address the defined research questions.

4.6.2 Quantitative Analysis

Quantitative data acquired through the EO survey was paired with organizational data and analysed through use of the statistical software SPSS. SPSS is a universally known and widely used software program designed for statistical analysis in the social sciences. SPSS is commonly used in entrepreneurship research, and countless studies have implemented the software to analyze data generated by Covin and Slevin's (1989) scale of EO (Lee & Lim, 2009; Li et al., 2008; Jambulingam et al., 2005). The software helped to determine the effect of various organizational and cultural characteristics on EO, and also assisted with the comparison of EO amongst the commercial and social sectors. SPSS also provided useful descriptive and bivariate statistics.

Much disagreement in the scientific community exists regarding the proper analysis of Likert-Type Scale Data. Each likert-item used on the scale must be considered ordinal measurements, as they express a 'greater-than' relationship (Boone & Boone, 2012). Cronbach's alpha was used to assess the internal consistency between likert-items. Likert-scale data, on the other hand, consists of the summative value of four or more likert-items, and was analysed on the interval scale (Boone & Boone, 2012). Because the survey administered in this study implemented a cumulative measure of EO ranging from scores 12-84 points, which was calculated by summing 12 likert-items, central tendency was measured via mean, variability via standard deviation, associations via Pearson's r, and other statistics via ANOVA or t-test. Furthermore, because each likert-item was measured in equidistant numerical categories ranging from 1-7, rather than descriptive anchors such as 'agree' or 'disagree', interval-level measurement was deemed to be appropriate to ensure that valuable information was not lost.

The four sub-dimensions of EO were only assessed in relation to social versus commercial enterprises, as a comparative understanding is central to research question two. Because the summative scores of sub-dimensions are made up of only three likert-items (less than the required four), they could not be analysed with interval-based measurement. Instead, these summative items were assessed as ordinal measurement scales. Descriptive statistics suggested for ordinal measurement scale items include a mode or median for central tendency and frequencies for variability. Further analysis procedures appropriate for ordinal scale items include the chi-square measure of association and Kendall Tau b (Boone & Boone, 2012). The summative scale for each of the EO sub-dimensions ranged from a minimum score of 3 (score of 1 on each of the 3 likert-items) to a maximum score of 21 (score of 7 on each of the 3 likert-items). Comparative statistics of sub-dimensions were not calculated for cultural and organizational subsets, as research question three is satisfactorily answered when evaluating EO as a unidimensional construct.

Academic studies that have attempted to assess cultural and demographic factors affecting EO have frequently used multiple regression analyses to examine the relationship between the dependent variable, total mean EO score, and various potential predictor variables (independent variables) (Callaghan & Venter, 2011). Data from this study, however, breaks some of the basic assumptions that must be met in order to carry out multiple linear regression analysis. One particular problem comes in regard to sample size, with the basic rule of thumb being that the sample size should be 20 cases per independent variable, at a minimum. Due to the sample size and the amount of predictor variables taken into account, multiple regression analysis could not be appropriately implemented to evaluate the data collected throughout this study. Instead, one-way analysis of variance (ANOVA) tests are used to determine statistically significant differences between various cultural and organizational subsets taken into consideration in regard to total EO. Pearson's R and Kendall's Tau b were used to assess if there were significant relationships between certain enterprise characteristics and EO. The test was selected according to the measurement scale used for the independent variable.

4.7 Critical Reflections on Research Methodology

There are a number of limitations that are associated with managerial perceptions of EO. Relying on managerial perceptions, both through interviews and surveys, means relying on the technique of self-reporting. Though informants are usually knowledgeable about company strategy and enterprise circumstances, data obtained from managerial reports is subjective rather than objective (Lyon at al., 2000). Furthermore, many of the interviews took place with only one representative of the enterprise, this essentially meant relying on the response of single key player to represent the entire enterprise. Functional bias can also be a limitation of managerial perceptions, as well as the inability to identify sources of variation in responses (Lyon et al., 2000). There are also a number of limitations that are associated with semi-structured interviews and surveys. In this particular study, because top decision-makers of an enterprise (and often founders) were the respondents, there is a possibility of various biases including social desirability bias. For example, a social enterprise owner may not be truthful about willingness to put social values at risk for profits. This tendency is often an issue in self-reports and questionnaires, which were the primary tools of inquiry used throughout this study.

An issue with managerial perceptions also carried over to the view of an organization as a social enterprise or a commercial enterprise. This blurred line became a key issue to reflect upon, because, as discussed previously, there is no official recognition of a social enterprise in Cambodian law. Thus, the categorization of a social or a commercial enterprise is usually self-deemed by the entrepreneurs who stand behind the business. Upon first research of an enterprise via the organization's website, one could enter into an interview with the enterprise pre-emptively labelled as a social or commercial enterprise. Furthermore, Impact Hub had placed certain enterprises into a 'social enterprise' database that hinted toward an organization's social objectives. The first question asked in the interview, however, was aimed to ensure that this classification was correct and in-line with how the respondents view their own enterprise. Do they consider the enterprise as a social or commercial enterprise? This self-recognition was then used to categorize enterprises. The in-depth interviews later highlighted extreme versatility between meanings of social enterprise, and also demonstrated the overlap between a socially-oriented commercial enterprise and a self-proclaimed social enterprise. Hence, drawing a definitive line between the two for quantitative research purposes cannot capture the nuances and realities of the complicated SE arena. Though qualitative research helped to understand differences between the two groups, this overlap fundamentally affected the ability to use commercial enterprise as a baseline to distinguish EO in social enterprises.

Participation bias and nonresponse bias also became a profound limitation of this study. Of the (believed to be) commercial enterprises contacted through the member directory of the Young Entrepreneurs Association of Cambodia, not a single enterprise responded to the interview request email. Rather, the commercial enterprises that did agree to participate either used Impact Hub as a working space or were obtained via snowball sampling. Despite having explicitly identified as a commercial enterprise (in the very first interview question), subsequent data revealed that many of these commercial enterprises aired on side of socially-oriented commercial enterprises. Moreover, some enterprises discussed firm-level behaviour that could align more heavily with conventional understandings of social enterprise. Perhaps the willingness to partake in the interview also served as an indicator of more socially-oriented firms. Accordingly, the values, opinions, business strategies, and perceptions of these ‘commercial’ entrepreneurs may not have differed significantly from their social enterprise counterparts. EO was unable to be evaluated in (perhaps) more strict commercial enterprises due to nonparticipation of the enterprises.

Time and resource constraints also served as a limitation to this study, as the time period for interviews was constrained to approximately three months. Consequently, a small sample size was obtained, which is also a drawback that must be taken into consideration. A small sample size often increases the margin of error, and also does not provide a representative measure of the total population of SE/ Commercial enterprise in Cambodia. With no realizable and comprehensive database of social or commercial enterprise in Cambodia, and much business occurring without official registration with the city, one cannot conclude that the research population is an accurate representation of the total population. Hence, the research cannot be generalized from the study sample to the larger target population.

Quantitative analysis through use of ANOVA or t test also comes with inherent limitations. As mentioned previously, sample size limits the ability to perform quantitative analysis such as multiple linear regression. The performance of multiple linear regression for such a small sample size risks over-fitting the model, which could lead to misleading outcomes. Results from ANOVA or t tests, on the other hand, can only be used to confirm or reject the null hypothesis. In this non-controlled study, however, extraneous or confounding variables may also be affecting the dependent variable. In this sense, conclusions from this study must be limited to whether or not a statistically significant difference was found between the groups. Further research would be needed to infer causation, and a larger sample size would be needed to understand the interactions between the various independent variables that were taken into account in the survey.

5 Empirical Research Findings & Analysis

Chapter 5 contains the scientific research findings that were collected in the field based on in-depth interviews and a survey completed during the period of the study. This chapter begins by providing descriptive information about the cultural and enterprise-based characteristics of the research population. This is followed by contextual considerations that were discussed throughout the in-depth interviews, many of which confirm previous accounts of the Cambodian business environment. Accounts of EO based on the organizational structure of social enterprises are then considered. The subsequent sections present direct research findings according to research questions 1-4.

5.1 Overview of The Research Sample

Twenty enterprises were interviewed in the study. Of this sample, 12 enterprises defined themselves as ‘social enterprises’, while 8 defined themselves as ‘commercial enterprises’. Sixteen interviews were carried out with a single top decision-maker, while 4 interviews took place with two top decision-makers of the enterprise. This resulted in 24 individual survey responses, although double-enterprise responses were averaged to create a single EO score for each enterprise. Participating enterprises represented a number of different sectors including the following:

	Social Enterprise	Commercial Enterprise
Building Design & Construction	1	1
Consumer Goods	2	2
Consumer Services	1	1
Energy & Fuel	0	1
Finance	0	1
Garment	0	1
Handicrafts	0	3
Hospitality (Hotel, Hostel, Restaurant)	2	2
Information Technology	1	0
Medical & Healthcare Equipment	1	0

Table 3, Sectors of the Sample

Results of the study revealed that most (6) enterprises were composed of two top decision-makers, although the majority of commercial enterprises were made up of a single top decision-maker. Frequencies relating to the total number of top decision-makers in a single enterprise can be seen below according to social or commercial classification.

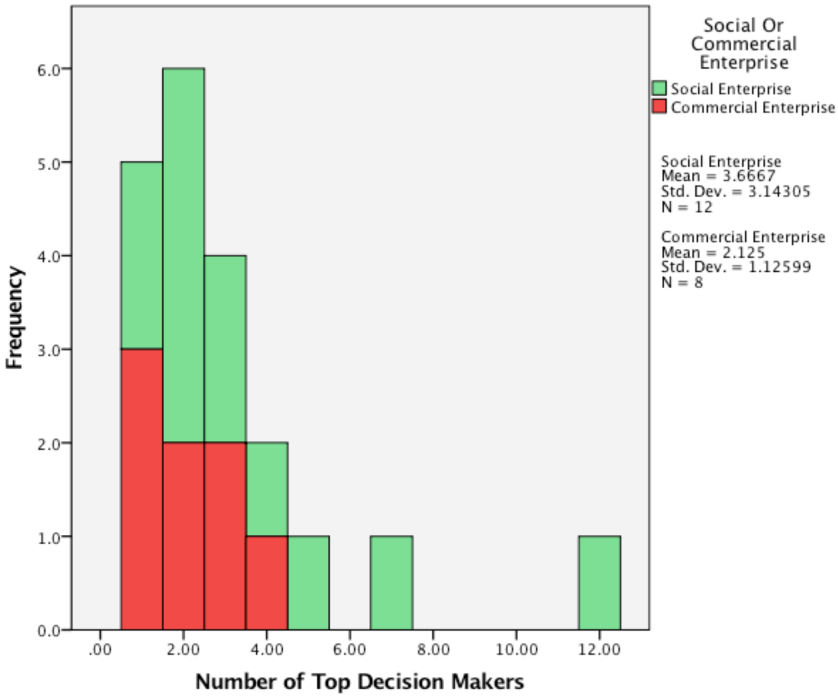

Figure 15, Number of Top Decision-Makers per Enterprise

Half of the organizations (10) had entirely foreign top decision-makers, while 5 enterprises (25%) had entirely local Cambodian top decision-makers. Four enterprises (20%) were made up of a mixed group of foreign/ local decision-makers, and one enterprise declined to make this data available. In regard to gender composition, there was a strong tendency for male leadership: 13 organizations (65%) were made up entirely male groups of decision-makers, while only one organization had an entirely female group of top decision-makers (5%). Six organizations (30%) had mixed-gender groups of top decision-makers. In regard to educational composition, half of the organizations (10) had at least one top decision-maker with an educational degree of Master's or higher, seven organization had at least one top decision-maker with an Associate's or Bachelor's degree, while two enterprises had no decision-makers with any university education. One enterprise failed to make this data available.

Frequencies of this data according to social and commercial enterprise classification can be seen below:

		Social Enterprise	Commercial Enterprise
Ethnic Composition of Top Decision-Makers	Entirely Foreign Decision-Makers	7	3
	Entirely Local Decision-Makers	2	3
	Mixed Foreign/ Local Group of Decision-Makers	2	2
Gender Composition of Top Decision-Makers	Entirely Male Decision-Makers	6	7
	Entirely Female Decision-Makers	1	0
	Mixed Gender Decision-Makers	5	1
Educational Composition of Top Decision-Makers	No Decision-Makers with University	1	1
	1+ Decision-Makers with an Associates or Bachelor's Degree	4	3
	1+ Decision-Makers with a Master's Degree	6	4

Table 4, Frequency Table of Education, Gender, & Ethnic Composition

Of the sample of enterprises included in the study, 11 enterprises (55%) were recognized to have original founders still with ownership and total control of decision-making, while 5 organizations (25%) were recognized as having original founders with ownership but also employing additional decision-makers. One organization was recognized to have founders who had partially transferred ownership, including decision-making, to another group, while three organizations (15%) of enterprises had fully transferred ownership and decision-making control to another group of individuals.

Enterprise size and age were recorded via number of employees (including top decision-makers), annual budget, and number of years of operation of each enterprise. Half of the organizations taken into account employed less than 20 individuals including top decision-makers, while an additional 30 percent employed between 21-40 individuals. Organizational annual budget on the other hand varied greatly, with 20 percent of organization in the smallest budget cluster of between 0-40,000 USD, and 25 percent of organizations with a budget in uppermost cluster of $200,000 USD or more. Fifty-five percent or enterprises had an annual budget somewhere between $40,0001 and $200,000. Seventy-five percent of organizations had been in operation for 5 years or less. Detailed descriptive statistics relating to the former can be found in Appendix E.

5.2 Contextual Considerations

The operational environment that enterprises exist within in Cambodia is vital to understanding EO in the area. Qualitative results confirm a number of external factors existing within the region, which must be discussed in order to comprehend how these conditions change traditional understanding of EO constructs. While most of the following observations have been well discussed in scholarly literature and modern news, interview participants continued to stress a number of circumstances in Cambodia when recounting their entrepreneurial experiences in the area. The following section will give a brief overview of significant external factors of the Cambodian environment that have proved to be relevant to both social and commercial enterprises in their discussions of EO.

Business in Cambodia traditionally has entered into an environment that can be looked as having considerably low entry barriers paired with elevated external risk. As Social Enterprise 2 states,

> *"We compare Cambodia to anywhere else and it is much easier for the young entrepreneur to start. If you want to do something you just start, that is it. There is no administrative forms, norms, rules, or standards, and contracts with the banks. The entry job here is terribly open and easier than anywhere else. Maybe this is Cambodia or maybe this is true in developing countries in general" (Social Entrepreneur 2).*

Forty percent of respondents make reference to the low entry barriers of the market, alluding to 'fertile business grounds', 'simplicity in formalities', and 'low costs' associated with both setting up a business and employing people. In addition to this, the market of Cambodia is considered small, particularly for foreign business, and the entry costs for start-up are comparatively low.

One factor at play is the decision for an enterprise to officially register with the Cambodian government. As discussed in the literature review, all enterprises in Cambodia are limited in formal registration as a commercial business or an NGO. Social enterprise is not yet legitimized in the country, although one respondent mentioned that they were the first enterprise in the country to legally be acknowledged by the Cambodian government as a 'social enterprise'. The former perhaps suggests a potential shift in the consideration of social business in the future. It is important to note, however, that taxation and government treatment of this social enterprise did not differ in any way from any other commercial business. The final option is for a business is to delay or evade formal registration and recognition from the government. The following pie chart summarizes the registration selections of the sample of enterprises.

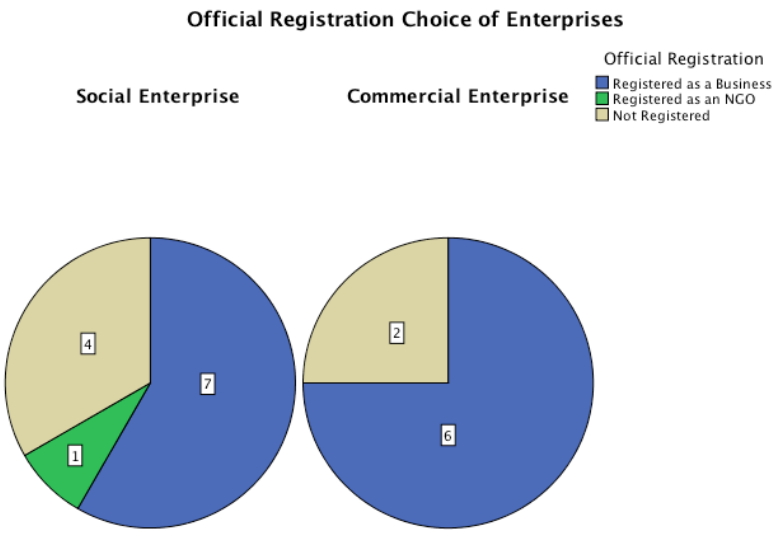

Figure 16, Official Registration of Sample Enterprises

As seen from the graph above, 30 percent of participating enterprises are not currently registered with the Cambodian government. Some other enterprises that are now registered also described how they strategically delayed their initial registration. The ability to delay registration essentially creates an incubator for business to test its sustainability and potential in the market without having to succumb to taxation laws. “Initially for the few months, I did the same business without officially registering to understand how the market would respond to this” (Commercial Entrepreneur 18). However, the opinions of different entrepreneurs within the sample differ dramatically regarding how this business choice will play out in the future. Many entrepreneurs discussed how Cambodia’s taxation laws are quickly becoming more formalized, and how failure to register or ‘do things properly’ may no longer be tolerated or may have negative consequences in the future. Another entrepreneur also talked about being a role model for other Cambodian entrepreneurs, and how committing to legitimate business sets a good example.

With low entry barriers and the possibility of conducting informal business, Cambodia is often thought of as a land of opportunity for a budding entrepreneur. On the other side of the token, external factors in Cambodia make the peripheral environment high risk for business to operate in. This external risk is not to be confused with the internal propensity of an enterprise for risk-taking, as considered in entrepreneurial orientation research. Accordingly, one must first evaluate and appreciate what kinds of external risks exist, and then comprehend how these may or may not influence internal EO characteristics. With more than half of respondents describing the endemic corruption in the country, political instability and tainted power relations, it is understood that the business environment is highly unstable. Interviews reveal that corruption extends beyond governmental structures in Cambodia, and also into the medical sector, which often has profound effects on the BoP or less educated individuals.

Physical infrastructure in Cambodia is also lacking, which hinders large-scale social and economic development but also small-scale business growth and development. One of the particular concerns emerging from the interviews has to do with irrigation networks and flooding. Cambodia is marked by two distinct seasons, the dry season and the monsoon season. Cambodia's geographical location makes the country particularly prone to natural disasters including tropical storms, drought, forest fires, and in particular, floods. It is recognized that these natural disasters have contributed to a reduction in the pace of sustained economic development, and have had profound effects on the local population and the ability for business to cope. An example of the effects of the natural disasters and flooding on business can be seen in the following quote,

> *"The weather is a big problem. Every business in Kampot flooded in the beginning or this season and end of last season. That affects heaps of people. People start building their bungalows and resorts, and they get flooded. They were up to the roof. We were catching fish of the floor of the bar at my place. My bar was high enough, but I got lucky. We had to do loads of new electric work after, but we were lucky though. A few doors down, they had to fully close everything. Some people had to go and rescue customers that were stranded on their bungalows on their beds because the water was so high. They had to kayak to their mattresses and get them out. We went out and rescued them with our 4-wheel drive. They lost loads of land because the water receded and took their land with it into the river" (Commercial Entrepreneur 19).*

Capricious factors like these have ripple effects. Investment cynicism is one such difficulty that can hold back a business from accessing financing. Furthermore, enterprises are less able to accurately assess the effects of their organization's behaviour, or what issues they may face in the future. In addition to these external pressures, the organizational structure of enterprises plays an undeniable role in their EO proficiencies.

5.3 Comprehending EO According to SE Organizational Structure

Previous scholarly accounts of Entrepreneurial Orientation in social contexts fail to address the complexities of organizational structure, instead adopting a topical perception of how underlying social and environmental bottom lines can enhance, mitigate, or completely eliminate the foundational properties of EO. With only a handful of studies aimed to comprehend EO in social contexts, the view of EO has been capitulated to a series of statements, in short, accepting the 'social' business effect to be as such; social entrepreneurs compete equally on risk taking, proactiveness, and innovativeness, yet competitive aggressiveness and autonomy are impaired due to the underlying nature of social business. As previously mentioned, persistence has been suggested as an additional EO construct applicable to social enterprise/ entrepreneurship. Results from this study suggest that a more complex relationship in that the organizational structure within a social enterprise influences the manifestation of EO. These internal differences and differing business models cannot be ignored when seeking to gain a comprehensive understanding of EO in social contexts. Furthermore, an additional layer of analysis must take place due to the developmental contexts that the study took place in.

First and foremost, the social and commercial enterprises that were taken into consideration in this study sample vary drastically in (formal or informal) business model. Although business model was not the primary consideration in this study, data from in-depth interviews provided an understanding of how each organization seeks to create social value. To understand the effects that SE structure can have on EO, the sample of enterprises is first paired with Grassl's (2012) business models of social enterprise, which are depicted below.

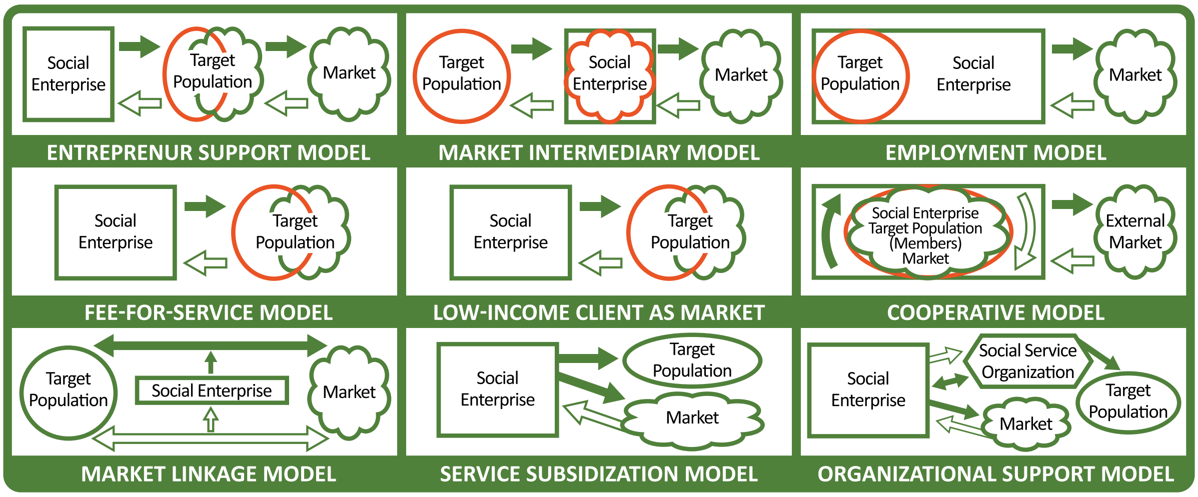

Figure 17, Business Models of Social Enterprise

Source: Grassl, 2012

Grassl's (2012) business models of social enterprise provide generic structures of social entrepreneurship that are established from enterprise ontology. The business models emphasize various combinations between enterprise components including mission, target population, and markets, ultimately distinguishing (at a rudimentary level) the unique ways in which social enterprises operate. Working from this model, typological distinctions can be made regarding variations in enterprise strategy. While explanations of each business model in detail is beyond the scope of this document, the business models that are relevant to this study are described in further depth in the following sections, and their relationship to EO is reflected upon.

5.3.1 WISE Social Enterprise

Of the 12 social enterprises interviewed, 50 percent of the organizations fit within Grassl's (2012) Employment Model, otherwise referred to as the WISE social enterprise model (Defourny & Kim, 2011). These are social enterprises that are based on work integration of marginalized persons. It is important to consider however, that the WISE typology, which is demarked by a very specific work integration mission, is not necessarily a mutually exclusive categorization. Some WISE organizations may accomplish this mission through an activity that also aligns with other recognized typologies. The vulnerable groups and beneficiaries considered in the sample of WISE enterprises in the study included BoP dump-site workers, vulnerable young adults from orphanages, locals from farming families living below the poverty line, displaced individuals and families from the Boeung Kak Lake area, local artisans with disabilities, and at-risk rural citizens living below the poverty line.

Results from the interviews, however, demonstrated that the WISE model can be further split into two emerging typologies; 1) social enterprises that provide training and permanent employment at their facility to a target group of beneficiaries, or 2) social enterprises that provide training and temporary employment at their facility, with the greater aim to eventually place beneficiaries with different permanent employers. In this sense, the former of the options lies more in line with Becker's 1964 Human Capital Theory, which reasons that employers bear the cost of investment in training due to their ability to see the prospect of recouping their investment (Spear & Bidet, 2005). On the other hand, the business decision might instead be to ensure permanent rather than transitional employment, or due to the volume of the target beneficiary group. The second typology, however, consisting of a cyclical process of education, training, and placement, is assumed to ultimately reach more beneficiaries. Visual typologies have been created to understand these unique WISE strategies in Figure 18 below.

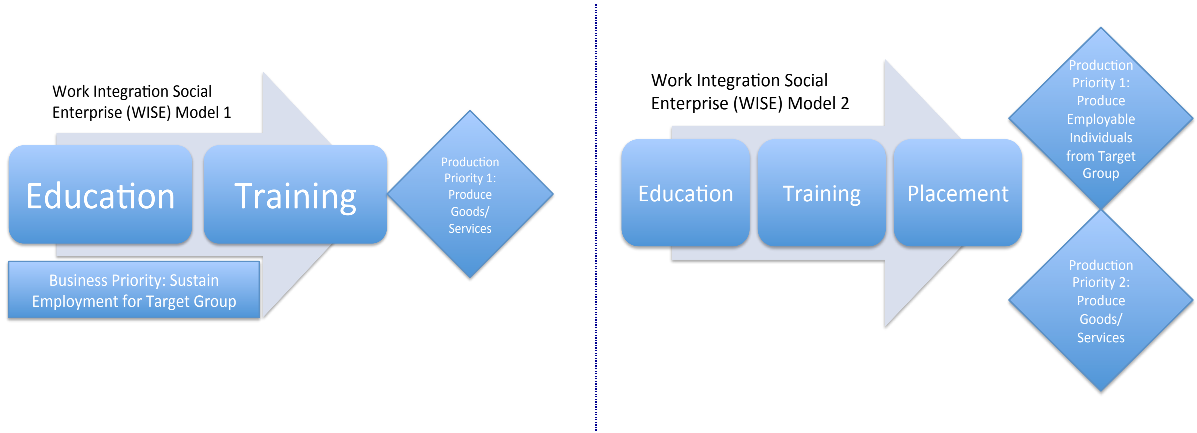

Figure 18, Emerging WISE Typologies

Source: Self-Made from Research Interview Input

Results from the study demonstrated that taking on a WISE business model uniquely transforms Entrepreneurial Orientation. By creating programs of education, training, and perhaps placement of beneficiaries, enterprises open up an additional forum in which to innovate, take risks, as well as demonstrate proactiveness and persistence. Essentially this model casts a wider net for EO in which an organization can demonstrate its constructs in ways that business-as-usual enterprises cannot. Broadly speaking, the WISE model opens up an enterprise's ability to demonstrate EO through distinctive mediums. At a more discrete level, however, the two aforementioned WISE typologies have distinctive influences on EO.

An example of the variances in EO of the two WISE typologies can be seen when considering product and service innovation. An innovation that is projected to have market success would likely be adopted by WISE Typology 1, as this innovation would potentially boost sales and accomplish the underlying goal of sustaining employment for the target group. Additionally, increases in revenue could be reinvested to employ more members of the target beneficiary group. On the other hand, WISE Typology 2 may or may not adopt an innovation that is projected to have market success. The choice would depend on the underlying skills embedded in the production process of the innovation. The goal of generating employable individuals places an emphasis on innovations that require production skills demanded by the external market. This ambition extends beyond the profitability of the innovation.

A good example of this transformative nature of the WISE Typology 2 can be seen from Social Enterprise 6 that functions as a restaurant, purely for the benefit of beneficiary training;

> *"It would be silly to train skills if they cannot find jobs afterwards. It is all about hospitality here [in Siem Reap]. You really only really have two options; restaurants and hotels. The investment is much higher with hotels than with restaurants. Because there was just two of us, it was just what made most sense for the trainees. Can we find good jobs for them afterwards? It was never our dream to run a restaurant. In the whole time we have been together, we never once said, 'One day I would like to have a restaurant.' We 100 percent put the trainees first in that decision. Running a restaurant is not our dream, but for the trainees, it produces the best opportunities" (Social Entrepreneur 6).*

The pathways for innovation in a WISE Typology 2 enterprise follow suit, in a sense limiting the pursuit of new ideas, products, and services to those that will incorporate useful beneficiary training. Although profit or organizational benefit may be a consideration, it is unlikely that the enterprise will embrace an innovation that does not enhance the training and skills building of beneficiaries;

> *"We just signed a contract last week for the property next door where we will build a bakery. We are going to expand the training to that, because all the big hotels have a bakery inside. We buy all of our bread from other places, so we want to start it mainly for all the bread and cakes for in-house, but perhaps in the future it would be an idea to sell to other restaurants and hotels. It could work for tourists too. The main reason we are doing it is for the trainees, so they have an additional field that they can be in"(Social Entrepreneur 6).*

Additionally, both WISE Typologies naturally push the social enterprises into a zone of elevated financial risk, which essentially boosts the risk-taking dimension of firm-level EO. The configuration of training and education programs (Typology 1 and 2), and placement programs (Typology 2) demand substantial fixed costs that endure despite profits made, inflow of customers, number of products sold, etc. Furthermore, within the sample of WISE enterprises in the data set, certain social enterprises have incorporated much more than on-site training into their business model.

An example of a more complex and comprehensive approach to WISE Typology 2 is seen within Social Enterprise 6 which provides accommodation for all employees, front of house hospitality training, back of house chef training, and all employee meal costs over the period of two years. Furthermore, the restaurant sustains an integration program to incorporate employees gradually into other local restaurants or hotels upon completion of employee training. Another example can be seen in Social Enterprise 4, a WISE Typology 1 hotel that trains staff in hospitality, operates a full education program for all staff, and sends two members of staff to Norway every year on a one-year exchange to gain specialized international industry knowledge. These examples illustrate more integrated and more core cost-intensive WISE set-ups. It must be noted, however, that across the board, WISE typologies differ drastically from one another; "some set-ups give little more than on the job training, others strongly emphasize formal training; while others develop a mix of formal and informal training. The integration objectives will have an effect on the types of contracts offered to work integration participants: trainees, short- term, temporary or permanent contracts" (Spear & Bidet, 2005, p. 206).

The WISE typology also knowingly takes on inflated risk by choosing to employ certain groups of beneficiaries that may be considered lesser qualified than their counterparts, at least upon initial employment. By designing a SE model that is specifically intended to employ those who 'otherwise may be un-employable', social enterprises take on the risk of reduced work efficiency, thus enhancing their costs for equal outputs. Enterprises also may need to design measures or adjust their program to "overcome recidivism into unemployment, perhaps due to attitudinal or cultural programs associated with the 'difficult to employ' disadvantaged in the labour market" (Spear & Bidet, 2005, p. 206). In this sense, we can understand that work integration social enterprises operating in Cambodia are demonstrating greater EO risk-taking than their counterpart social and commercial enterprises.

5.3.2 Market Intermediary Model

Three of the social enterprises in the data set align with Grassl's (2012) 'Market Intermediary Model' of Social Enterprise. This embedded model of social enterprise focuses on boosting the financial security of beneficiary groups by strengthening markets and assisting with the development and sale of beneficiary products. The model can take place in one of two ways: the social enterprise can directly purchase products made by clients or take them on consignment and subsequently sell them for a mark-up in high margin markets.

Data from qualitative interviews with these enterprises demonstrated that they take a focus on market and product innovation. Essentially, in these enterprises, market innovation plays a particular role in that the enterprise can (and must) work both 'forward' and 'backward' to support enterprise growth. Working forward means innovating to reach more markets to sell products to, perhaps including international export into markets that are willing to negotiate higher price points. Innovating backward in the market essentially means capturing more beneficiaries who create the products, usually with the hope to accumulate diverse skill sets. Product innovation, in a sense, is limited to the beneficiary's aptitudes in creating product. To build these skills, two of the three participating enterprises assist with product innovation by introducing skills-building workshops and providing supplementary technology to assist with product development (sewing machines, craft material, etc.). Of the three enterprises interviewed, one of the enterprises can be considered very large-scale, employing more than 1000 artisans. This enterprise also represents the only enterprise out of the entire sample of social and commercial enterprises that employs a sizeable research and development department to support product innovation.

Proactiveness also becomes an important EO construct for Cambodian social enterprises under the 'Market Intermediary' model. Market Intermediary enterprises in this study focused primarily on the sale of handicrafts. With steep competition in this industry in Cambodia, social enterprises must seek to add value in order to justify the higher price points of their products. Moreover, in a market like Cambodia, competitor prices are drastically low, reinforcing the need for competitive advantage. As Social Enterprise 7 states,

> *"For the same product you can find it a bit cheaper in other places. Sometimes the places have social goals, sometimes they don't. So you can find the product elsewhere for cheaper… We know that our prices are quite high but we like to think we have better quality. We know that we have to have higher prices because we have higher costs related to the wellbeing of our artisans. That is why we cannot just keep up with the others, if we just want to be at the same level, we will lose because the others don't have 1000 people to take care of. We have to be more innovative, we want creativity and innovation to be at the core of our projects so that people wont complain about our prices and go see the competition" (Social Entrepreneur 7).*

5.3.3 Entrepreneur Support Model

Two participating enterprises fall under Grassl's (2012) 'Entrepreneur Support' model of social enterprises, though they do so in very different ways. Of the organizations, one serves as an impact-investing firm for social entrepreneurs in Cambodia, while the other provides business incubation support and IT training, as well as a co-working and co-living space for entrepreneurs and digital nomads in the area. Despite the same embedded approach to facilitate financial security of clients via support and backing of entrepreneurial activities, it is difficult to generalize how this model directly influences EO. In the first of the two enterprises, support is provided via direct financial backing, while the second of the two provides training and ancillary entrepreneurial support. An enterprise that provides direct financial backing encourages entrepreneurial orientation in the beneficiary (innovativeness, proactiveness). On the other hand, it may be less likely for the enterprise to make an investment that is recognized to be risky. Social Enterprise 5 instead provides training and services to entrepreneurial beneficiaries, which places less emphasis on the subsequent achievement of the beneficiary. Because the two enterprises in this sample differ drastically in approach to the 'Entrepreneur Support', qualitative data from cannot support any generalizations of how EO correlates with this model.

5.3.4 Low Income Clients Model

One enterprise in the sample can be classified within the 'Low Income Clients Model'. Qualitative results from the interview support the notion that this model demands substantially high levels of Entrepreneurial Orientation on all fronts. The model is aimed particularly at supplying low-income BoP clients with products and services that are usually inaccessible due to price, distribution, product features, etc. Considering the low income of the target group of beneficiaries, financial sustainability of this model is often difficult to accomplish, and thus, the entrepreneur must take bold initiatives to make the business viable. The 'Low Income Clients Model' relies on "developing creative distribution systems, lowering production and marketing costs, achieving high operating efficiencies, and cross-subsidising creative revenue markets to markets that require subsidy" (Alter, 2007, p. 38).

Data from the local Cambodian entrepreneur that founded Social Enterprise 10 under the 'Low Income Clients Model' illustrated enormous amounts of risk taken both financially and personally, along with social risk in regard to the entrepreneur's status with family and friends. In the case study under consideration, the entrepreneur knowingly embarked on a journey in which profits were highly improbable, stating that,

> *"I put around 90 percent of everything that I had into the project. I put all the money that I saved... It's a huge risk. I know that it's a huge risk, but the thing that I thought during the time is, without doing anything, without doing it, with just thinking, nothing happens. So we took the risk, and with my family, nobody supported me during that time. My wife, she didn't support me, she didn't agree that I spent money that was saved to do that" (Social Entrepreneur 10).*

Traditionally, financial risk is associated with the preference to take on high-risk projects, knowing that there is a chance of high-returns, as expressed in the Covin and Slevin's (1989) EO survey. The 'Low Income Clients' model, however, does not usually allow for a high profit margin, hence, firms opting for this model naturally exhibit disproportionate risk-taking behaviour. That being said, the former perspective does not take into account alternative currencies in regard to impact evaluation; there is the possibility that high financial risk projects may be paired with possibilities of vast social impact. Considering the preference for BoP impact associated with this model, it is likely that firms will adopt EO risk taking behaviour in hopes for great amounts of BoP social change. Although, that is not to say that it is impossible to create financial profits from the BoP, as scholars have recognized the potential of capitalizing upon the untapped purchasing power of the BoP, assuming the right business model is put into place (Prahaled, 2006).

Persistence also proves to be a critical aspect of EO in the 'Low Income Client Model'. Whether it be due to prices of raw materials, risk aversion, big industry dominance, disconnects with middle management, or other recognized difficulties in reaching the BoP, typically there is a reason as to why business-as-usual has failed to do so. Adopting the 'Low Income Clients' model means taking on these challenges headfirst, and persisting in terms of maintaining one's vision and course of action despite such risks and difficulties. Social Enterprise 10 demonstrates personal persistence throughout the interview, stating,

> *"It was around one year before people recognized my purpose, and I got a small grant. They gave me the grant because I won the first prize in a business competition and I also got the scholarship to study in Germany for the Green Start challenge. So without these achievements, the continuous work, and showing this, maybe they wouldn't have invested... It really hurt because during the time for me, I spent my own money. Some days, I didn't even have money to have breakfast, just enough money for filling gasoline to go to work" (Social Entrepreneur 10).*

Innovativeness is an equally robust EO construct in this model. Fundamentally, the model requires innovation to find ways to make a product accessible to the BoP. Such changes may include the innovative design of the products and services themselves, radically transforming logic behind ones business model, or leveraging power of the BoP as both consumers and producers. As one social impact investment enterprise states,

> *"We are looking at integration of innovations together, different types of innovations but mainly technology and organizational. Why organizational? You will find cost-effective ways to service the BoP low income population with something that has to have a technology to make it possible to begin with" (Social Entrepreneur 12).*

5.4 RQ1: Demonstrations of EO in Social Entrepreneurs in Cambodia

The following section primarily takes into account qualitative information gathered via in-depth interviews to answer research question one. The section individually assesses each EO construct and how it has been manifested within non-NGO affiliated social enterprises in Cambodia.

5.4.1 Innovativeness

Research from the study in general supports Lumpkin et al.'s (2011) theoretical assumption that "multiple and complex social problems suggest multiple ways to exercise innovativeness to identify solutions" (p. 764). As discussed in the literature review, scholarly accounts of innovativeness look at it as an enterprise's development and use of new ideas or behaviours, which can be demonstrated in terms of new products, services, methods of production, organizational structure, or administrative systems (Damanpour & Wischnevsky, 2006). It is important, however to consider the two-fold nature of innovation; "Innovation consists of *an invention and an exploitation* and thus corresponds to the innovation generation process that begins with the *creation of an idea* and finishes with its *commercialization*" (Magdalena, 2015, p. 54). The study attempted to take into account a) methods of idea generation and b) examples of new ideas that had been realized within a firm. In the interview, it was also asked if an enterprise had a particular focus on a certain type of change (product, service, process, market, etc.), as well as how often the new ideas are actually brought to life. Copies of all questions relating to enterprise innovativeness can be found in Appendix B.

In regard to strategy of idea generation, the study demonstrated that in the constrained resource environment that many Cambodian SMEs operate in, there is an inclination to steer away from formal commitments to research and development. Of the twenty interviews that took place with social and commercial entrepreneurs, only one enterprise mentioned the formal existence of an R&D department. This particular social enterprise also occupied the position of highest budget and largest amount of employees. This perhaps suggests that other participating enterprises are not necessarily against the formality of R&D, but more inclined toward informality due to enterprise size or resource constraints. Nevertheless, the vast majority of entrepreneurs in the study rely upon self-generation of ideas, with informal tactics used to create the innovative 'sparks' that are recognized to be essential for business growth and survival. Due to the self-report nature of the in-depth interviews, it is difficult to determine whether this approach to innovation achieves its objectives, and how formal tactics would differentiate results. Regardless of the strategic formalities of idea generation, the study's focus on top decision-makers provided insight as to how the powerful internal actors encourage creativity and/ or endorse the overall capacity for organizational change (Magdalena, 2015).

When discussing examples of novelty that each enterprise has pursued, the most commonly cited style of innovation was market-based innovation, with 13 out of 20 sources illustrating examples of new markets being targeted. Observations regarding market innovation can be broadly categorized as 1) seeking to explore and capture markets outside of Cambodia 2) seeking to capture the BoP and 3) seeking to maintain one's position or expand within an increasingly divided middle-class and tourist/ expatriate population.

Of the social enterprises interviewed, depending on business model, reaching the BoP can encompass different strategies. In the WISE style enterprise, finding and employing the BoP means reaching the least-employable and true 'bottom' of the target group of beneficiaries. Often this is done though collaboration with partner organizations or NGOs in the region. Illustrations of this strong BoP preference can be seen from Social Enterprise 9,

> *"If I weren't working with [anonymous NGO], I would hire openly and it would be easier because I would get better people. That sounds terrible but some of my workers are really bad people. Not because they have done anything bad to me, but I know that they have done bad things to their family. Also, they are bad workers. Well some of them have changed and some of them have left. In a way, it was kind of survival of the fittest. It would be easier but I have to say it is a very big motivation for me personally to hire these individuals" (Social Entrepreneur 9).*

Reaching the BOP in another manner, means finding distributors and/or buyers of a given product that come from the BoP. One of the emerging tactics for reaching the BoP is the innovative strategy of using two-fold pricing (TFP) to reach multiple markets.

> *"We keep focused and now we are more focused on the poor people. As a social business, we need to make money from the rich right? Mainly focus on the bottom line people, we want to generate, but from a local campaign, we want to focus on that .We sell at a different price to the rich and the poor" (Social Entrepreneur 10).*

An element of this strategy also relies upon the cultural observation, that, in Cambodia, the disposition of the 'poor' towards adopting a certain innovation or product depends on that of the rich. "We know that introducing new things to Cambodia isn't easy, unless rich people use it" (Social Entrepreneur 10). Accordingly, a company can implement dual pricing paired with dual marketing strategies to penetrate both the rich and the poor clientele.

Second to market innovation, sixty percent of respondents mentioned some sort of product or service innovation. Product extensions, the 'new but familiar', were a common theme, though product expansions into unfamiliar ground were also mentioned. Of the product extensions discussed, multiple enterprises discussed the strategy of blending diverse materials to create a single product, such as rattan and iron, or stone with painted wood, to make the products both unusual and difficult to mimic or reproduce. This strategy also combats issues regarding intellectual property, which will later be discussed in Section 5.8. In regard to product expansion, it seemed that the enterprises engaging in radical product innovation were in the process of doing so at this exact moment, hence, it is difficult to determine if the enterprise will actually go through with the plan, or how it will be received by the market.

Unique to social enterprises, innovativeness regarding beneficiary management was discussed by forty percent of the social enterprises interviewed. This included innovative ways to find workers and evaluate their potential, innovative ways to include beneficiaries in decision-making, and innovative rules and regulations pertaining to beneficiaries that were thought to augment social impact.

One subject that continues to emerge from the interviews was the recognition of workers lacking financial planning and budgeting skills. Interview respondents revealed a number of matters specific to Cambodia. For instance, it is commonplace for a communal finance system to be set up amongst a family, as Commercial Enterprise 19 states,

> *"In Cambodia too, they have a family socialist system. Everybody works, and then they put all their money together and then their aunt or uncle or grandmother rolls out the cash. So if someone doesn't have a job, they know that they will be taken care of to an extent" (Commercial Entrepreneur 19).*

Furthermore, irregular spending usually takes places around the Khmer New Year. It is expected that workers return to their provinces during the holiday, bearing gifts and money for their family living outside the city.

> *"Everyone goes back to their province and nobody wants to go back as poor people. People will take loans before the New Year. Criminality rates increase and police work more to give more fines. You see the scramble to get more money before the New Year. The government instructs us to, if possible, give at least 50 percent advance salary to the people. They have travel expenses and must give gifts to the family" (Social Entrepreneur 9).*

To deal with these recognized fiscal concerns, 25 percent of interviewed social enterprises have implemented financial education and literacy programs. The programs are aimed toward identifying barriers and helping beneficiaries make changes toward their financial behaviours. Furthermore, these employers are offering 13 months salary, with the 13th month paid to employees right before the Khmer New Year. Finally, two of the social enterprises interviewed offer zero-interest loans to their employees, provided that the loan amount is no more than one of their monthly wages. Steps like these additionally help to battle the recognized challenge of (formal or informal) microfinancers lending money to Cambodia's poor at exceedingly high interest rates of 20 percent or more.

> *"Our goal is to allow our team to become financially independent. I have introduced financial management classes. What we have found is that the quality of life has increased incrementally but the employees are still short of money every single month. Because [anonymous NGO] kept budgets, I have seen the budgets of what they needed to live, and they are making more than that, and they should have a surplus but they are still running a deficit every month. It is the same thing lots of us do. The more we make, the more we spend. But poverty is the inability to save money and plan for unforeseen circumstances. We want to create a situation where they can understand that and plan for the future and start thinking about finding ways to manage their money property to alleviate their own situation. As a social enterprise, our goal is not to solve the problem of poverty directly, but rather to give them the tools so and encourage them so that they can solve it themselves" (Social Entrepreneur 9).*

Making employees shareholders is also a social enterprise technique that helps to build beneficiary financial knowledge and access to resources. This tactic was introduced by a social enterprise aiming to eventually transfer ownership to beneficiaries. In the current structure, employees own 51 percent of the enterprise, while the founders own 49 percent. Upon working at the enterprises for one year, an employee becomes a part owner. By paying out dividends to employees, employees are incentivized to push the success of the enterprise. If, however, the employee leaves, they are not bought out, but rather, their share is passed on to a new employee or divided between other employees in the scheme.

Rules and regulations pertaining to beneficiaries are an interesting area of innovativeness in Cambodian SEs that diverge from norms and expectations of SEs operating in Western contexts. Multilateral monitoring regimes, such as the International Labour Organization, are leaders in setting labour standards and developing policies and programs aimed to create decent work. Differing perspectives towards these policies often exist, creating a 'let the market do it' or 'let the ILO do it' dispute that cannot be explored in depth within the scope of this paper (Elliott & Freeman, 2003). However, two of the twelve social enterprises discussed potential conflicts of interest with the organization and its policies. For example, according to the ILO's 'Holidays with Pay Convention', every individual should have at minimum three weeks of paid holiday per year. In the context of Cambodia, a country with a comparatively high number of public holidays (approximately 28 per year), rules like this may instead be an undue burden to enterprise owners and to the employees themselves. In dealing with the conundrum, Social Enterprise 8 is in the process of bringing on a provocative policy of unlimited leave for staff, explaining that,

> *"We have one change that is very controversial at the moment. We are talking about staff leave and how it is managed. The big thing is, in Cambodia, we have 27 days of public holiday. We give everyone 20 days of leave and their public holidays, because that is what is says in the labour law. It is too much and now we are having discussion about what we are going to do and how we are going to move it to something that is more sustainable for the business as a whole. It's really interesting because we don't have tons of higher paid staff, our staff are on nice wages but they aren't on massive salaries. They don't have tons of money. I know they are saving, but they don't always want to go to a week-long holiday. That can be expensive, so I understand why they don't take their holidays. Currently we are discussing these issues, how we can remain in our legal requirements but perhaps change the liability for the company, so we are not liable for all this holiday all the time. That's the thing, the company is stuck with liability because we have staff that have 15 days of leave just sitting there, and obviously we have to pay them out. They don't take their holidays because the other holidays are enough. We are looking at doing an unlimited leave, saying you can take as much leave as you want. It fits the bill, but there is no liability because you are saying, have whatever you like. That is our current thinking, but our business manager is doubting it. He said it could be difficult, so now we are looking at the issues of changing it, and how we will manage it" (Social Entrepreneur 8).*

Another interesting policy was introduced by a WISE social enterprise that disapproved of certain behaviours of the beneficiary group. The entrepreneur observed the tendency of beneficiaries to withdraw their children from school once they reached an age that they could work. In response to this, Social Enterprise 9 introduced a stipulation that would in fact go against labour laws;

> *"I put one thing in the contract- you are allowed to work here only if, whatever you do, you must send your child to school. If you do not send your child to school, you will be fired. That is our policy… We had an evaluator come from the UN and check for gender values and do a social evaluation, and she told me, 'You know that this law is probably against the International Labour rights since it involves the job of the worker with what they do with their children.' I said, 'What about the rights of the children?' She said that they are separate. There*

are the children's' rights and then the workers' rights. They are separate. Regardless, I chose to keep the policy" (Social Entrepreneur 9).

Another interesting program has been created by Social Enterprise 3 in which the enterprise provides assistance to beneficiaries in obtaining their official government-recognized identification. According to the entrepreneur, it is of interest for the Cambodian government to withhold official identification from the BoP, knowing that this prevents the group from having a say in any political election. Obtaining a birth certificate in Cambodia is made difficult by laws, and obtaining an ID after it is lost is equally as problematic.

"The child, born in Phnom Penh, technically the child has to go to the place where the mother was born and they have to have a family book. But the problem is that many people don't have family books now due to the war. If you don't have a family book, you don't exist, you are a noncitizen because you don't have proof" (Social Entrepreneur 3).

Restricting identification is essentially a strategy used to 'keep the poor in poverty', and keep the elite in power. This also has effects on enterprises that aim to hire the BoP, but legally cannot because the employees lack the right to work. Legally speaking n Cambodia, only NGOs have the right to work with non-registered persons. In this particular case, the social enterprise chose not to register at all with the government to circumvent this problem. The case in point has innovated a beneficiary assistance program that works with their employees to gain their ID cards, and essentially re-claim their political voice and ability to legally work.

Policies like those illustrated above demonstrate a special realm of innovativeness dedicated toward treatment and management of beneficiaries, a concern that is particularly relevant for social enterprises. Furthermore, they also show the need for an entrepreneur to consider the contextual environment within which the enterprise is operating. This is not to say that these policies would necessarily be favourable in other developing economies, however, it is likely that social entrepreneurs in other developing areas likely seek innovation unique to the needs and demands of their beneficiaries.

Data from this study indicate that technological innovation is an area that is less pursued in both social and commercial enterprises. Tangible examples of technological innovations included the use of new financial management systems (2 respondents), and the use of a document management system (1 respondent). Part of the issue with some forms of technological innovation in WISE social enterprises is the fundamental goal of the enterprise to employ as many beneficiaries as possible; technological innovation aimed to cut labour cost and reduce employment positions is superfluous to the enterprise ambition. Furthermore, at least 33 percent of the participating social enterprises aim to use low-tech hand-made approaches to product development, placing their added value in the skill and craftsmanship behind this production. Hence, some manufacturing technology does not align with the goals and ambitions of the company. That being said, technological innovation extends far beyond manufacturing machinery, and into software optimization for product design, probing and inspection, product lifecycle management, information sharing, and much more.

Implementation of technological innovation can enable a company to engage in detailed knowledge exchange and integration, improve competitiveness, boost performance and retain sustainability. With little evidence of technological innovation occurring within social and commercial enterprises in Cambodia, this area of innovation perhaps should be looked at as a future focus for developing enterprises.

5.4.2 Proactiveness

Proactiveness is an EO construct that must be redefined in terms of social enterprise in development contexts. The dual characteristics of the focal group, social missions paired with developing economies, work to impact the basic understanding of proactiveness in unique ways. As evaluated in the study, proactiveness encompassed a forward-looking perspective, the ability to act in anticipation of future demand, and the introduction of new products and services ahead of competition. As discovered by the in-depth interviews, development contexts familiar to Cambodia severely limit the ability to forecast, as demonstrated by both social and commercial entrepreneurs. The shifting political landscape was discussed in depth in 6 of the 20 interviews, with enterprises' quick to highlight the possibility for business to collapse at any point in response to a political shift in the upcoming elections.

> *"Cambodia in my opinion is full of surprises. For example, next year we have elections again and we actually cannot prepare at all, we don't know what is happening. You have to solve the problems and handle the risks when they are here, you cannot start now to prepare for the elections next year because you have no idea what will happen then. You have to be ready all the time, and be really good in troubleshooting"(Social Entrepreneur 6).*

This is further exacerbated by the tourism dependency that is familiar to many of the sectors in Cambodia, meaning that political problems in nearby regions (and in particular Bangkok, the primary travel hub of the region) could cut off the tourism flow into Cambodia. The 2013-2014 Thai crisis served as an example of just how linked the economies are. The external threats, in part discussed in Section 5.2, prove to be a factor that truly hinders any enterprise's ability to plan their future activities. This is of particular concern for foreign entrepreneurs who are unable to forecast their position within the Cambodian economy in the future, as political decisions could sever international relationships and the ability for foreign nationals to create business within the country.

The secondary characteristic of the focal group is the adherence to a social mission. This has strong effects on both the understanding of what compromises 'future demand' and the relationship with competition. Business-as-usual would consider market demand to be an aggregate of the demands of potential customers for a specific product over a specific period in a specific market (Market Demand, n.d.). Dependent on the social enterprise model, demand can take on further dimensions. Under the WISE model, the business-as-usual conception of demand remains in terms of monitoring what your customers are looking for, and how you can meet these demands within your enterprise through use of your employees (beneficiaries). Demand takes on an additional dimension, however, when evaluating the demands of your beneficiaries and how they will transform and change over time. Under the WISE Typology 1 in which an enterprise aims to provide stable employment for the same group of people, the enterprise must consider how this group of people will change over time, and what internal enterprise changes will need to take place to meet the shifting needs of the beneficiary group. Under the WISE Typology 2, an enterprise would be looking to proactively fulfil the demands of their customers and their beneficiaries, while also paying particular attention to the demands of potential employers for beneficiary placement.

Under almost all models of social enterprise, 'beneficiary demand' adds a unique dimension that reworks current understandings of proactiveness. Respondents in a sense have reconceptualised 'proactiveness' through the eyes of the beneficiary, yet must strike a certain balance between acting in the now and acting for the future. On one hand it is important to have a forward-looking perspective regarding beneficiary needs, however priority must be placed on meeting the current needs of the beneficiary group. Furthermore, there becomes the question of if or when the group of beneficiaries will outgrow the need for the social enterprise. Essentially any true social entrepreneur would want their group of beneficiaries to escape the cycle of dependency, and no longer have a need (demand) for the enterprise. The former suggests that while operating a social enterprise, an entrepreneur would have to exhibit heightened proactiveness to meet numerous groups of demand, yet upon fulfilling the demands of the beneficiary group in their entirety (assuming this is conceivable), they would be willing to exit the field or drastically alter their business model.

Furthermore, a social entrepreneur with a strictly mission-centric business model should view other enterprises working with the same beneficiary group in a positive light, rather than look at them as undesirable competition. Research from this study confirms that social missions re-shape common understandings of entrepreneurial and business competition, and thus, warp the competitive nature of proactiveness. This stands in support of Lumpkin et al.'s (2011) theoretical supposition that both the EO constructs of autonomy and competitive aggressiveness deteriorate under social contexts. Social Enterprise 2 confirms the former below;

> *"In 3 years, if [anonymous enterprise] becomes a massive company and then the Khmer guy is sitting on me, saying that we did good but not they will now produce [environmentally- friendly product x] here and kick us out, that would be fine, I would be good. At the end of history, the first [environmentally-friendly product x] in this country was introduced by my enterprise. I can get kicked out, I can go somewhere else to do something else, I am cool with that because what we want is a change. I would like my company to at least remain for 2 or 3 years, but if I get kicked out it will be okay. We also might face aggressive competition one day, but once again, if we shut down because someone from here is doing it better for his or her land, then I am okay. If I shut down because the king of the [non-environmentally friendly product] kicks me out, who is producing the same thing as me but in plastic, just for the pleasure of coming to kick me out, that sucks! That would be an issue" (Social Entrepreneur 2).*

Proactiveness in terms of competition encompasses bringing new products and services to the table prior to competitors. However, as demonstrated above, an unusual aspect of the research demonstrated that many of the participating social and commercial enterprises identify as first-movers of a given product or service. Considering the relatively young market of Cambodia, it is not too surprising that 60 percent of enterprises expressed the fact that they were the first enterprise on the market to either a) provide a certain good or a service or b) target a specific beneficiary market. This demonstrates a very strong aspect of proactiveness upon creation of the enterprise, and many respondents stated that currently no competitors exist within their specific market. Hence, proactiveness may be a robust characteristic of many entrepreneurs in the area, but the steady introduction of new goods and services *ahead of competition* may be less relevant in understanding the EO construct. Other respondents expressed the fact that more competition was now coming into Cambodia, however, no respondents suggested that they aggressively monitor their competition. Instead a more laissez-faire attitude is adopted.

Moreover, results from the study showed that foreigners who introduce businesses in Cambodia somehow also favour cooperation over competition, as network alliances are formed between 'outsiders' who share similar experiences and 'insiders' that can provide assistance. Data also suggests that the cooperation over competition attitude is further pushed by the tourism dependencies of many sectors.

> *"Cambodia is awesome, the kingdom of wonders. It is not like we are back home where it is cutthroat or anything like that. We have a community. If we all do good, it makes everyone's experience of Cambodia good. If someone has a good experience here, they will go home and tell their friends about it. When I get more set up here, I want to go down and start helping them out down the street and start working on ideas to make them better. If we can make this street great, if we can make Street [number] famous, everybody has to contribute to make that happen" (Commercial Entrepreneur 19).*

5.4.3 Risk Taking

Research suggests that risk taking is an aspect of Entrepreneurial Orientation that is enhanced when an individual attempts to fulfil both an economic and a social mission within the developing economy context of Cambodia. This finding supports Kreiser et al.'s (2010) assessment that "risk-taking levels are higher in countries with smaller gross domestic products (GDP), moderate levels of technological sophistication and political risk, and higher levels of economic risk" (n.p). Commercial Enterprise 19 contextualizes how the operational environment of Cambodia affects risk taking:

> *"The next big risk is the elections. That is something we have to think about; what are we going to do when the elections start kicking off. Protests will start happening. There could be a coup or anything like that could happen. There could be bombings, grenades, streets shut down, a lack of tourism, Bangkok had all their issues and we had it during the last elections too" (Commercial*

Entrepreneur 19).

While the former takes into account the general operational environment of Cambodia, this study also finds that risk taking is further demonstrated in social contexts, in part due to a choice of SE business model. As discussed earlier, a social enterprise can be naturally pushed into a higher financial risk zone, particularly in regard to the WISE typology that is subjected to substantially high fixed costs.

Diverging from the external pressures that push risk taking, social and commercial entrepreneurs alike expressed strong internal inclinations toward heavy financial and personal risk taking, particularly so at the onset of enterprise development. The majority of entrepreneurs described their experiences in Cambodia as diving headfirst into the market with complete investment of personal finances. However, upon taking this initial risk and succeeding, a tendency to slow and curb financial risk emerges. This was also demonstrated throughout the survey when entrepreneurs asked the interviewer if the survey questions pertaining to risk referred to their *current behaviours* or *behaviours during the enterprise start-up period*. Personal risk was also demonstrated in terms of sacrificing time and relationships with family and friends to pursue business goals. Cambodian locals mentioned how norms in Cambodia favour taking more economically stable job opportunities with large corporations. Accordingly, local entrepreneurs lacked familial support when establishing their enterprise. Foreign entrepreneurs, on the other hand, often sacrifice the ability to visit family and friends in their homes due to the demands of their enterprise in Cambodia. Moreover, they faced shock and disbelief from family and friends regarding their choice to make long-term life commitments within the developing economy.

Social risks, on the other hand, were not largely discussed by social entrepreneurs in the study, despite the fact that scholarly accounts of risk-taking emphasised their particular presence in social contexts. The greatest social risk discussed was one social entrepreneur's experience with using social media to survey end-customers about their experience with and inclination toward the product. Rather than gaining insightful information, Facebook expatriate forums delivered harsh criticism of the intention to "profit out of some niche", misconceiving the non-NGO affiliated enterprise for "some NGO with their eco-dollars", and also wrongly associating the enterprise's logo with a chemical company in another region of the world (Social Entrepreneur 2). Aside from this, no mention was made of any enterprise being criticized for their ability to properly serve their beneficiaries.

5.4.4 Persistence

The assessment of EO persistence in part evaluates how entrepreneurs deal with difficulties and uncertainties. In particular, persistence implies that an entrepreneur will stick to a course of action despite problematic encounters or experiences. Under this definition, adversity and time are viewed as important features of persistence. Results from the study, however, do not suggest that the majority of entrepreneurs faced extremely high levels of adversity. Furthermore, as discussed in Section 5.1, 75 percent of the sample enterprises had been in operation for 5 years or less. Hence, it is difficult to make conclusions about how persistent these young enterprises are. This is not to say that they do not have high levels of persistence, but instead to suggest that the specific conditions and surroundings of the sample have not required the entrepreneurs to demonstrate long-term levels of persistence.

The concept of persistence did become relevant in some interviews, and when asked about the single most important attribute for the success and development of the enterprise one social entrepreneur cited 'persistence' by name. Though this did not give a descriptive understanding to how persistence had been demonstrated and the reasoning behind its importance, a few of the founders of social enterprises did discuss the high levels of personal sacrifice they had put into certain projects to make it succeed. More specifically, at least 25 percent of social entrepreneurs mentioned that they had not received salaries for extended periods of time, or had taken a fraction of the amount that they paid their staff.

> *"I got my first salary in here, not even a year ago. For 3.5 years I had to sustain myself with other consulting jobs, working nights. You need a big motivation and vision of what you are doing. That motivates you and gives you energy to go forward" (Social Entrepreneur 9).*

Persistence is also demonstrated on personal time spent with the project.

> *"We make ourselves ill from doing so much, this is just what it takes. Yesterday was a 17-hour day, with a 3-hour break in the middle. It is not everyday, but it happens and I am willing to do it" (Social Entrepreneur 19).*

Statements of a similar nature to those above were common throughout the interviews, and it certainly can be said that the levels of personal commitment within the sample of entrepreneurs were undoubtedly high. However, it cannot be determined if the commitment was specifically in response to concrete setbacks or bad performance, as suggested by Wu and Dagher's (2007) definition of persistence.

Results from the study also suggest that persistence becomes of particular importance in social enterprises aimed toward employing the lowest levels of the BoP, or reaching the BoP as consumers. As quoted earlier in this paper, Social Entrepreneur 9's mission of employing very BoP trash-pickers contributed towards heightened problems with staff behaviour and lower efficiency. Despite these difficulties, the entrepreneur resolved to continue this practice due to its importance to the enterprise's mission and vision, hence substantial persistence is shown despite setbacks. Reaching the BoP as consumers also comes with difficulties, ranging from geographical location to creating affordable products.

Although the enterprises that target BoP provide citable examples of persistence, the lens can probably be widened to encompass social enterprises that have embedded some sort of innate challenge into their vision; and consequently persistence is required to fulfil the SE mission. While some might argue that all social enterprises are designed to tackle social ills, the degree to which the enterprise targets a specific 'problem' and subsequently experiences difficulties varies hugely. Also, there are SE business models that may not specifically encompass a 'problem-solving' mission; social enterprises designed to enrich the community or create social wealth may not encounter adversity to the level where persistence naturally becomes a prerequisite.

5.4.5 Additional Dimensions

Research from the study suggests that a few additional dimensions contribute to understanding the EO of social entrepreneurs in developing economies. Due to the contextual atmosphere of Cambodia, entrepreneurs must exhibit new characteristics to actualize their business ideas and succeed in maintaining them. In the sections above, cooperation and collaboration were suggested to override competitive aggressiveness as traits underpinning entrepreneurial behaviour and success in Cambodia. This particularly relates to the establishment of local connections. Below two additional dimensions are suggested along with the entrepreneurial group that embodies the given dimension (social, commercial, local, foreign).

5.4.5.1 Agility

Agility can be thought of as "an approach to organizing that provides for rapid system reconfiguration in the face of unforeseeable changes" (Bernardes & Hanna, 2009). This differs from the commonly cited need for enterprise 'flexibility' within both a) social enterprises and b) enterprises operating in developing economies. Flexibility relates to an "inherent property of a system that allows it to change within pre-established parameters" (Bernardes & Hanna, 2009). Agility is a two-fold concept; it incorporates 1) responding to anticipated **and unanticipated** changes in due time and 2) exploiting and taking advantages of changes as opportunity (Sharifi & Zhang, 2001). Agility in this sense is paramount to flexibility for EO of *social and commercial enterprises* in developing economies because it represents a strategic focus to thrive within a capricious environment, and react to complexities that emerge from constant change (Sanchez & Nagi, 2001). Flexibility, on the other hand, represents responses to known situations through use of existing procedures designed to cope with change (Wadhwa & Rao, 2003).

As discussed before, the ruthlessly unpredictable atmosphere of Cambodia takes effect on entrepreneurial risk-taking behaviour. Interview respondents suggest that agility must be in evidence for enterprise survival and success. Some respondents dealt with possible changes by informal and formal contingency planning. As Social Enterprise 3 states,

> *"We look ahead and we plan, but for every decision that I make, there is a contingency to that decision because we don't know what is going to happen…. Every single scenario I feel like I have to think until its end point. I've thought of 3 potential relocation areas, which offer more stability. How will it impact business, what do we do with the existing operation, and how can these people [beneficiaries] be taken care of as best as possible. My retail in Canada won't care if there is a coup in Cambodia; they care about having the product. I am making a promise to deliver on that end also. We need contingencies with that as well" (Social Entrepreneur 3).*

On the other hand, however, the external atmosphere of Cambodia only allows for a certain degree of planning, and the ability to react to unexpected events becomes essential. As Social Enterprise 6 states,

> *"We believe 100 percent in our whole system [social enterprise] but the risks of something, especially in a 3rd world country, you mainly have to handle risks that you don't even know. The point is, on one side you must earn enough money by doing a good job everyday. But the risks you normally handle are completely different, because Cambodia is very corrupt. Risk about corruption- you cannot plan, you cannot handle, you cannot do anything…You have to be ready all the time and you have you be really good at troubleshooting" (Social Entrepreneur 6).*

Agility was also demonstrated though exploitation of opportunities and taking advantage of changes as opportunity. This was especially apparent in relation to real estate and property in Cambodia. Due to the inflated costs of land in Cambodia, particularly in the regions of Phnom Penh and Siem Reap, entrepreneurs must be willing to capitalize on real estate rapidly. Many respondents in the study mentioned that they had had 'stored ideas' for expansion, change, or initial start-up, and were forced to act quickly due to real-estate opportunity.

> *"Quite often you have to keep your eyes open and you also have to decide very fast. If you have a project in mind and you have a property and the project is a budget of 4 million USD, in Switzerland you would have to get in contact with the owner and make the budget. Here, you have to decide in 2 days otherwise it is gone. That is the point, I think it is, if you have the idea normally, we take these with us for a long time and we talk with each other. As soon as your feel it could work, then we keep our eyes open because you cannot plan ahead. It is the same, you cannot plan a project for the next 5 years, we have the elections, so everything can change" (Social Entrepreneur 6).*

> *"We had to act immediately. I had 4 days to mull it over before the deadline. We found our money last minute, we made the decision last minute, and we had to sign the contract last minute" (Commercial Entrepreneur 19).*

Agility as an EO construct for social and commercial enterprises in developing economies encompasses reactivity, which perhaps overshadows the importance of proactiveness. In this study, a vital element of business success proved to be the ability to quickly react to a stimulus and reconfigure quickly and skilfully. Understanding the role of agility as a firm-level dimension of EO in developing economies, and considering its difference in social and commercial enterprises, represents a fascinating area for future entrepreneurial research.

5.4.5.2 Cultural Sagacity

While perhaps natural to locals, foreign social and commercial entrepreneurs must build cultural sagacity prior to starting business in Cambodia. With 50 percent of the participating enterprises made up of entirely foreign top decision-making groups, and a high population of social enterprises in Cambodia being introduced by foreigners, cultural sagacity becomes an essential characteristic of successful non-local entrepreneurs. This is particularly amplified in social businesses that are committed to creating business with positive impacts in the community. Sagacity refers to the quality of being wise, or having an acuteness of mental discernment and soundness of judgement. It exemplifies the ability to understand difficult (and in this case unfamiliar) or challenging ideas and situations, and to respond with good decisions. The definition of 'good' however may also be relative to culture, and consequently, understanding how to act in a 'good' way may differ from place to place.

Sixty percent of interviews with foreign decision-makers resulted in discussions about a grace period that an entrepreneur must live within and experience the local culture prior to starting business in Cambodia. Moreover, one respondent from a mixed local-foreigner enterprise described a misstep that had happened due to the new (foreign) CEO's misunderstanding of the culture, resulting in a failed project. Approximately 50 percent of the foreign entrepreneurs had moved to Cambodia with the intention of starting a particular business, while the other half had been living in Cambodia and decided to start a business after observing the market opportunity and/or need. Regardless of intention, both groups expressed the strong need for any individual to gain a solid cultural knowledge base prior to executing business activity. Two commonly cited reasons for building cultural sagacity is network building, which ties into the importance of cooperation, and understanding how to deal with the endemic corruption within the country.

Coping with corruption, in particular, illuminates a subset of cultural sagacity- the ability to break Western norms and the acceptance of doing so. Committing to the operation of either a social or a commercial enterprise in Cambodia means understanding the fact that one must partake in behaviours that may go against one's own beliefs, morals, or principles. Such examples include paying bribes, committing to illegitimate licencing, delaying company registration to evade undue tax, or creating regulations for staff that may not be internationally acceptable (although perhaps more socially beneficial). Due to the external nature of Cambodia, foreign entrepreneurs must redefine their personal understanding of 'normal' or 'acceptable', as illustrated by Commercial Enterprise 15,

> *"With things like corruption, you can't pay a bribe in America, that is a big no-no. Realistically here, if you need something, they won't just do it for you unless you give them 5 dollars. Realistically you are going to have to pay 5 or 10 dollars to a guy eventually. Also, everything takes a longer time here. If you are like, 'Ugh these people are lazy and this and that.'… I don't know, I think it is very hard to get anything done, so you have to approach it with an understanding that it is just a different way to do things. Restructure of the mind happens naturally" (Commercial Entrepreneur 15).*

In regard to corruption, entrepreneurs must not only accept paying bribes, but also understand the balance and necessity of who to pay, how much to pay, when to pay, etc. The consequences of misstepping in this sense could cause enterprise failure, or "death by a million paper-cuts" as one social entrepreneur puts it.

> *"Our friends with a guest house and had 3 different fire departments come by in one month telling them they didn't have the right fire extinguishers. It is all little scams, sometimes they are not real. Sometimes people just dress up as officials and extort money and people pay because they don't know any better. It is small money, but death by a million paper-cuts, it all adds up" (Social Entrepreneur 3).*

> *"A business owner in Kampot was paying taxes to somebody for a year, then the real tax man came and told him that he hadn't paid taxes in a year. He said he had been paying every month, but the official said he had been paying to the wrong person, a guy that had been dressed up in a uniform…My mate had to pay back tax money for the last year. So you have to make sure you are paying the right person, or you will end up paying double. If the little guy comes in and he is not paying up top, if the money isn't travelling up the chain, the big guy will come and make you pay again. You have to spend enough time here in Cambodia, and make enough decent contacts, you have to start and learn your surroundings and whom you should be dealing with" (Commercial Entrepreneur 19)*

Understanding and measuring cultural sagacity as a dimension of EO for entrepreneurs operating in foreign environments, and particularly in developing economies, represents an area for future entrepreneurial research. Capturing cultural sagacity means not only capturing and measuring one's 'cultural understanding' and 'understanding of challenging ideas', but also determining the ability to respond with suitable and culturally acceptable actions.

5.5 Quantitative Data Results

Quantitative results pertaining to the EO survey itself, including reliability of the survey, are discussed below. This must be taken into consideration when considering the quantitative aspects of the following Section 5.6 Comparative Findings between Social and Commercial Entrepreneurs, and Section 5.7 The Role of Cultural and Organizational Characteristics.

The study attempted to create an EO survey that would be appropriate for the use in both social and commercial enterprises in developing economies. To do so, the scale modified the popular Covin and Slevin (1989) scale to incorporate some of the suggestions of other EO scholars who researched EO in social contexts. Furthermore, three survey questions were designed to measure persistence as a fourth dimension of EO in the same likert-scale manner as the three former constructs. Refer to Section 4.5 for specifics on development of the scale, and Appendix C for the scale itself. As mentioned before, 24 individual surveys were collected from a total of 20 different enterprises. Double-responses for a single enterprise (with 2 top decision-makers participating) were averaged to create a single EO score for the enterprise, as the study aimed to evaluate firm-level EO. Refer to Section 5.1 for characteristics of the sample population.

Cronbach's Alpha was calculated as a test of the construct's internal reliability and to confirm that the dimensions sufficiently compare to those measured in prior research in which EO was treated as a unidimensional construct. Results relating to scale reliability can be found in Appendix F. As suggested by Covin and Wales (2011), Cronbach's Alpha can be used to measure internal consistency for the overall EO construct, as well as each of the subscale component variables (innovativeness, proactiveness, risk-taking propensity, persistence). In the former, individual scores of each of the four constructs were used as input to compute the overall construct's alpha coefficient. The 4-factor, 12-item Entrepreneurial Orientation aggregate scale obtained an overall Cronbach's alpha coefficient of 0.733. Santos (1999) alleges that for research purposes, as a general principle, reliability should be at least .70. Results were comparable to other EO scholars such as Wiklund and Shepherd's (2005) Cronbach's alpha of 0.64 and Morris and Paul's (1987) .765.

While many scholars do not take into account sub-scale interrelatedness in EO, following the mainstream view that EO is a unidimensional construct, this study takes into account the former for exploratory purposes. In particular, with the design of new scale measures for 'persistence' and the modification of popular EO scale measures to better suit social enterprises, sub-scale interrelatedness proves interesting to investigate. Information relating to such may provide future scholars a basis for future research into EO scale design, and also may provide interesting information about respondents in Cambodia. Unfortunately, without any use of scale purification techniques, sub-scale interrelatedness was quite low with Cronbach's Alpha coefficients as follows: innovativeness (.281), proactiveness (.712), risk taking propensity (.521), and persistence (.228). Essentially, the former suggests that there is not a high level of inter-relatedness between the items used to evaluate the dimensions of Innovativeness (I1, I2, I3), Risk Taking (R1, R2, R3), or Persistence (Per1, Per2, Per3). Due to the fact that only a few questions were devised for each EO dimension however, these results may suggest that the survey questions target distinct aspects of Innovativeness, Risk Taking, and Persistence.

Inter-item correlations matrices and the Item Total Statistics were used to see if any scale items within each EO dimension particularly stood out, and what this could mean about the social and commercial entrepreneurs in Cambodia. Innovativeness Q2, regarding the level of changes to products and services (minimal or dramatic), resulted in the lowest item-total correlation. This perhaps suggests that a) entrepreneurs who are introducing many new products and services (I1) and emphasising R&D (I3) are tending to introduce minimally-changed products or b) entrepreneurs with less focus on new products, services, and less R&D emphasis have in fact presented dramatic changes to current product lines. Risk Q3 displayed the lowest item-total correlation. This question targeted the preference for cautious lines of action even if some opportunity may be lost, or the willingness to take risks to seize and exploit opportunity. Considering the high consistency these measures have had in previous EO studies using the popular Covin & Slevin (1989) scale, these results seem somewhat confounding. Additional research and a larger sample would be needed to understand why these inconsistencies exist and confirm if these results represent entrepreneurial activity in Cambodia at large.

The measure of persistence, on the other hand, was entirely self-designed based on academic accounts of entrepreneurial persistence, and used for the first time in this study. Due to its novelty, it is less surprising that the Cronbach's alpha was low. Persistence Q2 resulted in the lowest inter-item total correlation, which questioned if the enterprise has changed or maintained the course of action, despite risks and difficulties. Throughout the qualitative portions of the interview, many participants expressed the fact that they had not faced a vast amount of adversity. Furthermore, the sample of organizations was quite 'young', and consequently has had less time to change. Perhaps these factors influenced how participants responded to this likert-item. Nevertheless, it would be interesting to test this measure on different populations, or explore how the measure of persistence could be modified for higher internal reliability.

5.6 RQ2: Comparative Findings: Social Entrepreneurs vs. Commercial Entrepreneurs

To answer research question two, the following section first evaluates quantitative information gathered via the survey. This is followed by overall findings that incorporate qualitative information gathered via in-depth interviews. Before interpreting comparative findings, however, an important discussion regarding the comparative nature of the subgroups is vital.

Interpreting how Entrepreneurial Orientation of non-NGO affiliated social entrepreneurs in Cambodia compared to the EO of commercial entrepreneurs in Cambodia was extremely challenging. When research first commenced, it was assumed that studying commercial entrepreneurs would provide a baseline to understand how social entrepreneurs differed in regard to EO. The objective of comparative analysis is to search for similarity and variance, and thus be able to draw definitive conclusions. The sample taken into account in this research, however, shed light on just how insignificant the official label may be.

As discussed earlier, non-response bias and participation bias led to a group of 'commercial' entrepreneurs that for the most part, appeared to have very strong social motivations. Avoidance of this error, however, proved to be problematic, as there is no definitive business model or registration of social enterprises in Cambodia. Furthermore, a researcher spending only a few hours with an enterprise respondent cannot re-define or manipulate the categorization that an entrepreneur has self-identified with, when specifically asked in the beginning of an interview. It is assumed that the respondents have a more in-depth knowledge of all the business proceedings, and thus have selected their (commercial or social) classification with intention. Despite these critical considerations, quantitative and qualitative findings comparing the two focal groups are presented below.

5.6.1 Survey Results

As discussed in the Analysis section, use of the EO scale places the highest summative EO total score at 84 points and the lowest at 12 points. Results for the study show that the social enterprise group demonstrated slightly higher Entrepreneurial Orientation on the survey, with a mean score of 59.13 as compared with commercial enterprises with a mean score of 54.81. To understand if this difference was statistically significant, an Independent Samples t Test was carried out.

T-Test

Group Statistics

	Social Or Commercial Enterprise	N	Mean	Std. Deviation	Std. Error Mean
EOsum	Social Enterprise	12	59.13	8.786	2.536
	Commercial Enterprise	8	54.81	12.939	4.575

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
EOsum	Equal variances assumed	1.091	.310	.892	18	.384	4.313	4.836	-5.849	14.474
	Equal variances not assumed			.824	11.286	.427	4.313	5.231	-7.165	15.790

Tables 5 a & b, Independent Samples T Test Comparing Social & Commercial Enterprise

Homogeneity in variance is confirmed by Levine's test for equality of variances. When evaluating statistical significance between social and commercial enterprises, results show that there is not a statistically significant difference between the two conditions (Sig 2-tailed value of 0.384). The differences between the summative EO score achieved by social enterprises versus commercial enterprises was likely due to chance and not due to the presence of a social/ environmental core mission. In consideration of the blurred lines between social enterprises and socially-oriented commercial enterprises as previously discussed, non-significant differences between the two groups is not of great surprise.

In terms of each of the sub-dimensions of EO, medians, frequencies, and chi-square analyses were calculated and compared for both entrepreneurial groups. Subdimensions are composed of the summative score of 3 likert-items, and hence, treated as ordinal measurements. The minimum score for each subdimension is 3 points, while the maximum is 21 points. The box and whisker plots and frequency tables for each subdimension are presented below, showing that commercial enterprises demonstrate lower medians on all of the summative EO sub-dimensions than their social enterprise counterparts.

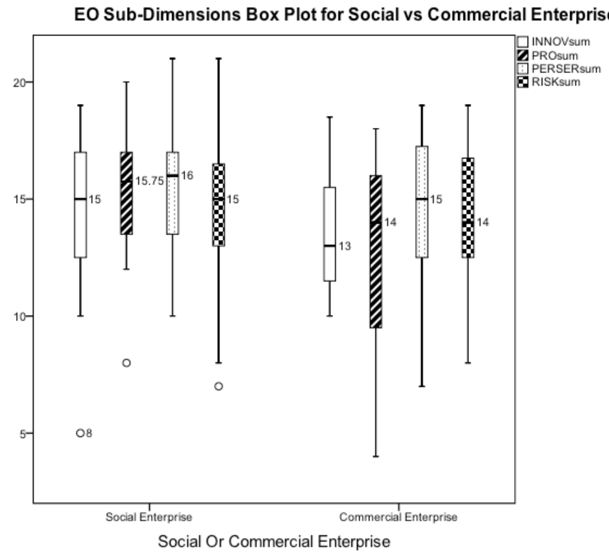

Figure 19, Boxplot of EO Subdimensions in Social & Commercial Enterprises

Crosstab

Count

		Social Or Commercial Enterprise: Social Enterprise	Social Or Commercial Enterprise: Commercial Enterprise	Total
INNOVsum	5	1	0	1
	10	1	1	2
	11	1	1	2
	12	0	1	1
	13	0	2	2
	14	2	1	3
	15	2	0	2
	16	1	0	1
	17	3	1	4
	19	0	1	1
	19	1	0	1
Total		12	8	20

Table 6a: Innovativeness

Crosstab

Count

		Social Or Commercial Enterprise: Social Enterprise	Social Or Commercial Enterprise: Commercial Enterprise	Total
PROsum	4	0	1	1
	6	0	1	1
	8	1	0	1
	12	1	0	1
	13	1	1	2
	14	2	3	5
	16	1	0	1
	16	3	0	3
	18	1	2	3
	19	1	0	1
	20	1	0	1
Total		12	8	20

Table 6b: Proactiveness

Crosstab

Count

		Social Or Commercial Enterprise		
		Social Enterprise	Commercial Enterprise	Total
RISKsum	7	1	0	1
	8	1	1	2
	12	0	1	1
	13	2	2	4
	14	1	0	1
	15	3	1	4
	16	1	0	1
	17	0	1	1
	17	0	1	1
	18	1	0	1
	18	1	0	1
	19	0	1	1
	21	1	0	1
Total		12	8	20

Table 6c: Risk

Crosstab

Count

		Social Or Commercial Enterprise		
		Social Enterprise	Commercial Enterprise	Total
PERSERsum	7	0	1	1
	10	1	0	1
	12	1	1	2
	13	1	1	2
	14	1	0	1
	15	1	2	3
	16	2	1	3
	17	3	0	3
	19	1	1	2
	19	0	1	1
	21	1	0	1
Total		12	8	20

Table 6d: Persistence

Tables 6 a-d, Frequencies of EO Subdimensions for Social & Commercial Enterprises

Chi-square tests were carried out between the dichotomous variable (social and commercial enterprises) and summative scores of innovativeness, proactiveness, risk, and persistence. Results show that there are no statistically significant differences between the two groups in any of the EO sub-dimensions. These results can be found in Appendix G. Qualitative findings help to further elucidate the comparative differences in EO between the social and commercial entrepreneurs in Cambodia.

5.6.2 Overall Findings

In regard to entrepreneurial orientation, qualitative findings do not differ significantly from those of the survey; social and commercial entrepreneurs within this sample compete equally on EO and its subdimensions. Results showed that some cases in each group act in profoundly entrepreneurial ways. As discussed earlier, prescribing to a social or environmental bottom line, or in some cases both, pushes the need for EO. An enterprise must maintain its financial sustainability, and has made the commitment to do so without cutting corners. This essentially makes a social enterprise the same as any other enterprise, but with additional obligations. When enterprises have subscribed to a model that has a different group of customers versus beneficiaries, the enterprise is inherently provided with an additional forum to innovate within, be proactive toward, and demonstrate persistence with. Furthermore, they have additional risks to consider. On the other hand, if a social enterprise's beneficiaries are their customers, the enterprise must be proactive in accessing this group and innovative in making products that are suitable for the group, attractive to the group, and affordable enough for the group. If the beneficiary and customer group is from the BoP, the social enterprise must work overtime to achieve its objectives.

In regard to the overlap between socially-oriented commercial enterprises and social enterprises, one of the most interesting qualitative findings that emerged from the study pertains to the reasons why certain respondents have disregarded the title 'social enterprise'. In comparison to many Western countries where 'social entrepreneurship' and 'social enterprise' has become a hype to attract more business (despite the existent or non-existent social impact), the specific context of Cambodia may be playing a role in the strategic decision to evade this title.

The long standing NGO-dependency of Cambodia has opened the floodgates to ample criticism of the NGO sector and their activities in the country. With social enterprise in Cambodia now becoming a common NGO tactic for diversified revenue streams, as discussed in Section 2.4, some entrepreneurs in the study expressed their aversion to the title because of the NGO- connotation the word now carries. Defining one's business operation as a social enterprise gives the impression that the operation is run by an NGO and thus attracts unwanted attention and exaggerated criticism of the realized social or environmental impacts. In fact, some of the enterprises in the study do not advertise themselves as socially-oriented at all on their advertising mediums, although, after participating in the in-depth interviews, it is quite clear that they are acting in heavily socially-motivated ways. On the other hand, other participating enterprises chose to market themselves as commercial enterprises which are "socially responsible", "environmentally considerate", and "contribute locally" (Commercial Enterprise 16, Website).

5.7 RQ3: The Role of Cultural & Organizational Characteristics

To provide an understanding of research question three, the following section first evaluates quantitative information gathered via the survey. This is followed by overall findings that incorporate qualitative information gathered via in-depth interviews.

5.7.1 Survey Results

Quantitative results pertaining to the effect of different cultural and enterprise-based conditions are summarized in Table 7. For the purposes of this study, social and commercial entrepreneurs were grouped together in terms of EO scores, rather than separated into the cultural and organizational factors affecting a) the EO of social entrepreneurs and b) the EO of commercial entrepreneurs. This was done so for a variety of reasons. As discussed in the previous section, no significant difference was found between the two groups in terms of EO. Furthermore, quantitative findings are already restricted by the small sample size of 20 enterprises; further splitting the group into subpopulations would result in further complications. Accordingly, firm-level cultural and organizational characteristics will be tested as predictor variables, with summative EO scores treated as the dependent variable.

For scale data, univariate analysis was first carried out to find outliers in the data set, using a z core of (+/1) 3.29 to recognize these data points. A single outlier was found in the number of decision-makers and the number of years of operation. Due to the small sample size, analysis was carried out both with and without these points to assess if they significantly changed results and assumptions. Results are summarised on the following page.

Predictor Variable	**Categories**	**Mean EO Score**	**Analytical Test**	**Significance (Sig.)**
Number of Top Decision-Makers	Actual Number Inputted (See Section 5.1 for Frequencies)		Pearson's R	**No Significant Dependency between Variables** *Without outlier removed* (.755) *With outlier removed* (.927)
Budget	$ 0-40,000 (N=4)	62.25	Kendall Tau b	**No Significant Dependency between Variables** (.550)
	$ 40,001 - 80,000 (N=2)	74.25		
	$ 80,001 – 120,000 (N=4)	45.50		
	$ 120,001 – 160,000 (N=3)	53.17		
	$ 160,001- 200,000 (N=2)	60.50		
	$ 200,000 + (N=5)	57.60		
Number of Years of Operation	Actual Number Inputted (See Appendix Table 3 for Frequencies)		Pearson's R	**No Significant Dependency between Variables** *Without outlier removed* Total EO: (.272) *With outlier removed* (.271)
Number of Employees	0 – 20 (N=10)	60.15	Kendall Tau b	**No Significant Dependency between Variables** (.214)
	21 – 40(N=6)	53.42		
	41 – 60 (N=1)	51.0		
	61 – 8 (N=0)	62.0		
	81 – 100 (N=1)	56.50		
	100+ (N=2)	57.40		
Ethnic Composition of Top Decision-Makers	100% Foreign (N=10)	59.10	ANOVA	**No Significant Difference** (.751)
	100% Local (N=5)	54.4		
	Mixed Ethnicity (N=4)	57.75		
Gender of Top Decision-Makers	Entirely Male Group (N=13)	58.35	ANOVA	**No Significant Difference** (.500)
	Entirely Female Group (N=1)	45.0		
	Mixed Gender Group (N=6)	57.42		
Educational Composition of Top Decision-Makers	No Decision-Makers with Higher Education (N=2)	58.25	ANOVA	**No Significant Difference** (.721)
	1+ Decision-Maker with an Associate's or Bachelor's Degree (N=7)	60.14		
	1+ Decision-Maker with a Master's Degree or PhD (N=10)	55.65		
Official Registration	Registered as a Business (N=13)	58.77	ANOVA	**No Significant Difference** (.463)
	Registered as an NGO (N=1)	45.0		
	Not Registered (N=6)	56.5		

Table 7, Statistical Results Pertaining to Descriptive Enterprise Characteristics

Based on the results above, there is no credible evidence that any of these cultural or enterprise-based conditions have a significant effect on entrepreneurial orientation in social and commercial enterprises operating in Cambodia. It is likely that many of the groups above differ in significant ways that could not be controlled for in this study. Quantitatively speaking, meaningful conclusions cannot be made regarding the influence of these cultural and enterprise-based conditions on the EO of the enterprises. Descriptive statistics generated from the results, however, do indeed provide some interesting insights and bases for further research.

In regard to total mean EO, enterprises with a mid-level education (associate's or bachelor's degree) displayed the highest mean value of total EO, while those with the lowest level of education (no decision-makers with higher education) followed. The lowest mean value pertained to enterprises with at least one decision-maker with a Master's or a PhD. This may suggest that enterprises with highly educated top decision-makers take more calculated risks. Enterprises with entirely foreign groups of decision-makers displayed the highest mean value of EO, followed by mixed foreign/local groups, and lastly, entirely local groups. Interestingly, however, the single case with the highest summative EO score came from a social enterprise composed entirely of local top decision-makers. Enterprises that were formally registered as a business with the Cambodian government displayed the highest mean EO value, which was followed by non-registered businesses, and finally, by those registered as NGOs. In regard to gender, entirely male groups achieved the highest mean EO, followed by mixed gender groups, and entirely female groups. It must be noted, however, that only one case was composed of entirely female top decision-makers and was NGO registered.

5.7.2 Overall Findings

5.7.2.1 Cultural Background

	100% Foreign Group of Top Decision-Makers	**100% Local Group of Top Decision-Makers**	**Mixed Local/ Foreign Group of Top Decision-Makers**
Social Enterprise	7	2	2
Commercial Enterprise	3	3	2

Table 8, Cultural Background of Social & Commercial Enterprises

When assessing cultural characteristics of entrepreneurs and their relationship to EO, one of the most profound observations throughout the in-depth interviews relates to the difference between local and non-local entrepreneurs. Results from this study confirm Lyne et al.'s (2015) observation that the social enterprise sector is characterized primarily by expatriate leadership. In a rudimentary assessment of EO, one might assume that non-local entrepreneurs in Cambodia would exhibit higher entrepreneurial orientation, which was indeed demonstrated by the slightly higher EO mean in the quantitative survey presented above. This perception may stem from a number of other characteristics of the group, such as the likelihood of having higher education levels or higher income levels. It must be questioned, however, if these external factors instead boost *the ability to demonstrate* entrepreneurship rather than EO itself. Via enhanced access to capital or external resources, the capacity to build an enterprise and 'show' entrepreneurial capacity is certainly increased.

In terms of entrepreneurial orientation, however, the converse must be assessed- if it is 'easier' for a certain group to instigate business, then their counterparts may be composed of those who risk more and exhibit higher EO to succeed. From this perspective, knowingly entering into a more competitive environment with what would be deemed a lesser aptitude, suggests higher EO would be found in local Cambodian entrepreneurs. Research from qualitative interviews points toward a complex amalgamation of the former perceptions. Understanding the relationship between cultural background and EO in Cambodia is challenging in that cultural background helps to develop the contextual environment in which an enterprise and its decision-makers will operate. This then has secondary effects on how decision-makers exhibit EO.

Interviews with both locals and non-locals describe extreme disparities between the two groups and their business proceedings in Cambodia, although neither condition appears to be substantially advantageous. The most obvious difference of the two groups is economic circumstance, and the distinctions between the financial risks that locals and non-locals are taking. According to interviews, foreign entrepreneurs likely earned higher income either in Cambodia or elsewhere, and used it for their start-up. Locals interviewed, on the other hand, likely had to invest money that was earned at (substantially) lower wages within their own country. Hence, it is probable that locals had to save income for longer time periods (increased time investment) or pool cash with family members to fund their start-ups. This represents a greater personal risk, and the risk of becoming indebted to others. Access to credit also favours non-local entrepreneurs.

That being said, it would be misguided to believe that local and non-local entrepreneurs are 'playing on the same playing field' when it comes to expenses in the country. The two-fold pricing strategy that was discussed earlier as a form of innovativeness mimics a widespread phenomenon that has penetrated Cambodia- what one respondent describes as a two-tiered system that was first introduced by UNTAC, the United Nations Transitional Authority in Cambodia established in 1992.

> *"Unfortunately, living here as a foreigner, it naturally costs us more than it does for a local. That is part of the 2-tiered system at UNTAC started when they first came here and brought all this money into the system. This is when the ridiculous salaries started, and they started paying tuktuk drivers 5 dollars when most people made below 2 dollars a day. They distorted society here, and it never really recovered. There is now a mindset that as foreigner we should pay more, that we are rich, even though the rich people here are richer than I am. Locals will pay less for everything" (Social Entrepreneur 3).*

Although non-local entrepreneurs in Cambodia may (or may not) be better equipped financially, their business activity is already pushed into a new strata in which everything from rent to raw materials will be sold to them at higher price points. Non-locals also will face enhanced effects from corruption, and perhaps a reduced ability to establish themselves locally within the community. Consequently, on-going business expenses, higher taxes, etc. substantially mitigate the financial advantage that non-local entrepreneurs have.

Essentially, the EO dimension of risk-taking propensity in terms of finances presents itself in unparalleled ways for local and non-local entrepreneurs. Interviews revealed that one strategy to conquer this issue is to establish partnerships between locals and foreigners as top decision-makers. Of the twenty organizations taken into consideration, two social enterprises and two commercial enterprises were composed of mixed foreign/local top decision-makers. Information obtained from the interviews did not reveal if these partnerships were formed organically, strategically, or for both reasons, however, respondents did discuss advantages to the collaboration. Some of the benefits of these alliances that were discussed included increased market access, enhanced language and communication capacities, and a stronger knowledge of local and non-local needs. In terms of EO, collaboration does not necessarily reduce the propensity toward taking risks, but rather the financial risk itself via enhanced access to local pricing, foreign capital etc.

Beyond finances, the personal risks that local and non-local entrepreneurs take on are of a different nature. Entrepreneurs often sacrifice familial relationships and friendships, as start-up businesses consume ample time and energy. This sacrifice is amplified for foreigners, who live in geographically different regions than their families. Many respondents expressed distress regarding their inability to visit their homes due to their entrepreneurial commitments. On the other hand, Khmer respondents acknowledged a lack of support from family and friends in their decision to start a business. Though many local Khmer people partake in small business, the decision to choose corporate employment is viewed as the safe route and has become trendy, much as consumerism has within the country. Working for a big company and particularly a 'brand' company is favoured. Economically speaking, choosing the 'reduced risk, with small but certain return' is seen as more favourable than the alternative, entrepreneurship with 'high risk but chances for high return'. Negative sentiments regarding entrepreneurship are further enhanced if the entrepreneur does not prioritize profit, which is commonplace in social enterprises that forego monetary gain for social impact.

5.7.2.2 Education

	No Decision-Makers with University	**1+ Decision-Maker with Bachelors Degree**	**1+ Decision-Maker with Masters or PhD**
Social Enterprise	1	4	6
Commercial Enterprise	1	3	4

Table 9, Educational Composition of Social & Commercial Enterprises

Another factor that seems to weigh into EO of social and commercial entrepreneurs regards education level. Similar ratios of education distribution can be seen in both social and commercial enterprises. From the results above, it can be seen that there is a higher proportion of social and commercial enterprises with higher levels of education than lower levels of education. This may signal agreement with Hanley et al.'s (2015) supposition that investors use educational background and prior work experience as a signal to invest.

That being said, the survey scores and in-depth interviews do not show that enterprises with more-educated decision-makers are necessarily more entrepreneurially oriented than their counterparts. Put simply, this study shows that decision-makers or decision-making groups with higher education are more likely to be establishing business in Cambodia, but less-educated decision-makers or decision-making groups *that do* establish business in Cambodia compete equally on innovativeness, risk-taking propensity, proactiveness, and persistence. Part of this ties into formal education versus informal education, which the survey does not account for. Results show that those who have the drive, determination, and internal aptitude to build an enterprise are able to recognize their deficits and find means to conquer them. Examples of this can be seen below;

> *"The first thing we saw on YouTube, and at that time, we tried to create that thing by ourselves. We made one machine by just watching from YouTube and we changed one part so it matched our enterprise needs" (Social Entrepreneur 10).*

> *"We also don't have good knowledge of technology. We do the things that we need to do… we started from the beginning and then talked with several people to understand and listen. And also other knowledge, like talking with people. I am very very shy and I'm not talking much. So I learned at least some skills and basic knowledge on finances and talking to the investors" (Social Entrepreneur 10).*

5.7.2.3 Gender

	100% Male Group of Top Decision-Makers	**100% Female Group of Top Decision-Makers**	**Mixed Gender Group of Top Decision-Makers**
Social Enterprise	6	1	5
Commercial Enterprise	7	0	1

Table 10, Gender Composition of Social & Commercial Enterprises

In regard to gender, the sample of enterprises interviewed showed that there are significantly more entirely male-based start-up (13) than entirely female-based start ups (1). Furthermore, the entirely female enterprise had actually been transferred from an NGO to the group of female decision-makers as a freestanding social enterprise. The gender compositions of the original founders are unknown. Due to the small sample size of female entrepreneurs, no significant comparative conclusions can be made regarding gender-based differences in EO in Cambodia. On the other hand, results suggest that efforts should be made to engage both local and non-local women as business leaders in Cambodia.

5.7.2.4 Enterprise-based Characteristics

In terms of enterprise characteristics, the majority of enterprises ranged from having 1-7 top decision-makers, with one enterprise having 12 top decision-makers. Five enterprises (25%) had only one top decision-maker while 6 enterprises were composed of 2 top decision-makers. Mean EO scores were highest in enterprises with 2 top decision-makers (60.42), which was shortly followed by enterprises with 3 top decision-makers (60.63). Though no significant differences were found between these groups, qualitative findings support the idea that greater numbers of decision-makers mitigates some aspects of EO. In regard to risk-taking, Commercial Enterprise 16 quotes,

> *"From day 1 we have been cognizant that we are taking a risk, but we have been high conviction in everything that we have done. Unless we have high conviction across all of our main leaders, the 4 of us, unless we all agree on something, then we wont do it" (Commercial Entrepreneur 16).*

It is somewhat expected that having a greater number of top decision-makers would reduce the propensity to take risks, however, it may also assist with the likelihood of taking calculated, well-thought-out risks. Having only one decision-maker, on the other hand, can limit the ability for the central entrepreneur to be proactive or innovative, as the figurehead may be consumed with ensuring the smooth and effective operation in the current time, and less able to assess future opportunity, develop new ideas, network in the community, monitor competition, etc.

For the most part, the majority of enterprises interviewed (55%) were still under 100 percent founder ownership and decision making control. Alternatively, 5 enterprises had complete founder ownership but had employed additional decision-makers, usually in the form of a board of directors. One enterprise had partially transferred ownership and decision-making control to employees, with an 'employees own 51 percent, founders own 49 percent' scheme. Three enterprises had entirely transferred ownership from the founders, and therefore, interviews were conducted with new owners or top decision-makers. All of these enterprises identified as social enterprises.

Both in the quantitative survey results and qualitative interviews, it appeared that enterprises that had fully transferred ownership from founders to a new group of decision-makers exhibited lesser EO than their counterparts. This is not of great surprise, as essentially the enterprise no longer has *the entrepreneur* behind the business, and subsequently firm-level EO no longer mimics the individual EO of the founding entrepreneur(s). This issue, however, requires discussion in Section 5.8.4, as it proves to be of particular concern for social enterprises operating in developing economies.

5.8 RQ4: Contextual Qualities Found to Affect the Proposed Model of EO & Its Adoption in Cambodia

Based on the previous findings, it is understood that the proposed model of EO does not necessarily fit into the contexts of Cambodia. This has been seen in relation to both social enterprises and commercial enterprises operating in the area. Proactivity was seen to manifest itself in unique ways in both social and commercial enterprises operating in Cambodia, with the role of cooperation and the establishment of local-connections playing a strong role in enterprise success. Furthermore, agility and cultural sagacity were found to be highly relevant additional dimensions of EO. Some reasons for these differences have already been discussed in Section 3.2 The Socio-Economic and Business Situation in Cambodia, Section 3.3 Positioning Cambodia, and Section 5.2 Contextual Considerations. The following section uses qualitative research from interviews to present some challenges unique to Cambodia that affect the uptake of certain EO dimensions. These are presented to show that the one-size-fits-all model of EO used in developing economies does not take into account some distinctive qualities of developing economies. Developing economies embody unique contextual qualities, and accordingly, entrepreneurship cannot be evaluated in the same way as it is in Western contexts. Furthermore, proposed EO dimensions may not hold the same advantage as they do in developed countries.

5.8.1 Challenges to Innovativeness

Innovation as it is understood in Western contexts cannot necessarily be achieved in the same way in Cambodia. Furthermore, being particularly innovative in one's firm may not result in the same advantages as it does in Western regions. One potential challenge is the lack of Cambodian laws and regulation pertaining to Intellectual Property. Though Cambodia joined the World Trade Organization (WTO) in September 2004, the agreement to implement a number of intellectual property related laws and regulations has lacked momentum and remains an unfulfilled obligation (Cambodia Intellectual Property Laws, 2015). Consequently, innovation in low-tech fields, like that of handicrafts, face issues with maintaining their competitive advantage;

> *"There is also the risk of intellectual property. Because, here it does not exist, in Cambodia, or in the beginning, it is very basic. We can see because we are an arts and crafts company, we have a department which is dedicated to creating new things so the products that people, buyers, potential customers, see in our shop are different than things that they can see everywhere at the market. We want to have our added value placed in these innovative designs. The problem is, that if there is no intellectual property, people come to your shop, they measure, they have a look and then they do the same, and it is happening a lot" (Social Entrepreneur 7).*

Innovativeness in high-tech fields, on the other hand, is restricted by market readiness in Cambodia. Consequently, being too innovative may instead be a disadvantage for enterprises. As the Phnom Penh newspaper stated earlier this year, "start-up market for digital innovation was barely more than a haltingly growing seedling" (Halim, 2016). Commercial Enterprise 15 substantiates this claim, quoting,

> *"We know we are first, and we know we are early in the market, but we don't know if we are too early. If we are too early, we kind of screwed up. We are trying to stay as the first mover, so far it is alright, when the technology moves up" (Commercial Entrepreneur 15).*

Market acceptance of innovations also proves to be a substantial barrier for enterprises in Cambodia. For social enterprises, the demand for sustainably produced products or environmentally friendly products has not penetrated Cambodia yet. Consequently, many of the social enterprises have their hands ties in regard to their markets within Cambodia; they must keep their price points high enough to maintain education programs, eco-friendly sourcing, adequate wages, etc., and accordingly, they restrict their market to foreigners living within Cambodia, or to international markets. As one of the world's least developed countries, most Khmer locals must focus on earning enough income to sustain their own lives, and hence, sustainability is not a core concern in terms of purchasing power. In this sense, many social enterprises in the area are limited and unable to lower their price point enough to capture a Cambodian segment. On the other hand, some social entrepreneurs expressed that there is a strong preference for brand in Cambodia, which is likely due to the strong Western influences in the area. Social Enterprise 9, with environmentally-friendly products marketed toward Khmer locals, expressed other aversions to the product;

> *"They are against innovation if it does not come from Korea, from TV, or from a superstar, or if it doesn't have an apple on it. They are always going to think the Cambodian way is better. To convince them, we give lots and lots of free samples. A big barriers is acceptance of our product, and we overcome this by giving free samples" (Social Entrepreneur 9).*

5.8.2 Nongovernmental Organizations (NGOs) in the Social Enterprise Arena

Unlike in developed economies, the infiltration of NGOs into the social enterprise sector of Cambodia is a unique challenge within the area. NGOs claiming the title of 'social enterprise' or setting up social enterprise affiliates places an undue burden on freestanding social enterprises in a variety of ways.

> *"There are so many NGOs that say they are social enterprises, but they are not. They are all subsidized. They are subsidizing, not paying taxes and producing things that nobody needs. They are paying salaries that are so out of reach of a normal business that it is distorting and damaging everybody else. It is even damaging the people, that is how it has happened here. They hire them, they give them a nice job, then say it doesn't work after 2 years" (Social Entrepreneur 9).*

On the one hand, competition is skewed when non-NGO affiliated social enterprises are forced to compete with NGO-affiliates that have access to subsidies and philanthropic funding. Moreover, NGO's publicly call for regulations, such as increases in wage, which potentially harm the free market. On the other hand, this slanted competition reinforces the EO of freestanding social enterprises in that they must be creative and proactive in conquering this hurdle. The perceptions that emerged from non-NGO affiliated social enterprises about NGO-affiliated social enterprises in part relates to the specific methodological decision to not study this group, as discussed in Section 2.4. Research regarding the differences between these groups and their relationship with EO would be an interesting area for further research.

5.8.3 Evasion of Formal Registration

The ability to not register as a business with the government in Cambodia is a double-edged sword that can modify an enterprise's ability to manifest certain EO competencies. The fact that enterprises are able to evade formal registration with the government, unlike in Western contexts, can be positive in that it can work as an incubator for new firms. Launching headfirst into the tax world can put financial pressure on businesses and cause failure. On the other hand, an enterprise's choice to 'fly under the radar' particularly limits the ability for the enterprise to advertise and present themselves outright to potential customers. Notably, failure to register limits enterprise proactivity. Furthermore, with a quickly changing government system, evading formalities may prove to be risky and compromise the future sustainability of an enterprise. Opinions regarding the importance of registration differed dramatically within the sample, with the only agreement being that there are pros and cons in both choices. In terms of EO, it seems that registered enterprises are better able to express all of these entrepreneurial dimensions. Equally so, registration may *demand* these higher levels of EO. That being said, some respondents believe that a young enterprise might be wise to 'get its feet in the ground' and establish its EO competencies prior to entering the onerous domain of formality.

5.8.4 Successions in Leadership

Many social enterprises in Cambodia have a common goal- to create a successful, sustainable, and economically profitable business, and eventually, have this enterprise controlled entirely by a selected group of beneficiaries. Social enterprises in other developing economies likely have the same target. This strategy perhaps emerges due to a combination of factors. The SE sector in Cambodia is dominated by expatriate leadership, and not all expatriates view aspire to have a lifelong commitment to the enterprise, or see it as their lifelong employment mechanism. There is also a perception of altruism in 'giving back to the community', starting a fruitful enterprise and handing the reigns over to locals to continue to prosper from the enterprise. This 'empowerment' strategy was discussed by many of the social entrepreneurs taken into account in this study. In consideration of the strong linkages between EO and business survival, growth, and enhanced performance (Covin & Slevin, 1991; Wiklund, 1999; Kraus et al., 2005; Al Swidi & Mahmood, 2011), it is vital to keep EO intact throughout these successions of leadership. Unfortunately, however, results from this study demonstrated that successions in leadership are associated with lower levels of EO.

Within this study, a number of potential succession plans were discussed, with some fully realized. One case represented the succession from an NGO to a freestanding social enterprise operated by locals. Some quotes from this enterprise demonstrate the shaky position of the enterprise:

> *"We earn very small so we cannot support salary or rental fees. For 2 years already we cannot earn, the business is going down and down" (Successor to Social Entrepreneur, 11).*
>
> *"Some of our products are very old, meaning that we reuse old products" (Successor to Social Entrepreneur, 11).*

It is all too common that success stories are claimed by social enterprises or nonprofits that have transferred ownership, and thus created 'meaningful employment' and 'economic opportunity' for a given group of beneficiaries. Successors, however, must have the proficiencies *not only to operate* the business, but to also *transform the enterprise over time according to external and internal needs*. Without entrepreneurial competencies, subsequent success is diminished. Smooth and thoughtful transitions in leadership must consider more than whether or not the beneficiary group ends up with enterprise control.

> *"The founders own 49 percent and they would like to give it all to the local employees when we are strong enough to take care of the business. They were supposed to transfer at the end of 2015, but some of the key staff are in Norway for 1 year receiving training as a part of the Change program. They want everybody ready when they make that transfer" (Social Entrepreneur 6).*

> *"If I want to achieve what I was telling you about, and have my backpack again, and have the business managed by Cambodians, I have a lot to achieve to reach that point and I don't have a plan or answer for that on the really short term. I'm just knowing that maybe by building the community, maybe one day a young entrepreneur will come and see me and be like 'I want to do the same thing.' Organically. That's the only thing I can do- I can try. If I overthink or make a strategy to find someone to make this conceivable, I may find the wrong candidate. I want this to be organic and to find someone with passion that wants to do the same thing" (Social Entrepreneur 5).*

Successions of leadership are a characteristic of the SE sector in developing economies that must be considered in regard to the manifestation of EO. They contribute to difficulty in maintaining entrepreneurial proficiencies over time, whether it be EO proficiencies taken from the proposed model of EO or newly-recognized dimensions of EO that better-suit developing economies. Although transitions of leadership from social enterprises may be considered a positive aim for social entrepreneurs in Cambodia, tactless succession plans are a risk that cannot be ignored. More research should be considered in regard to how social enterprises can find and train successors with entrepreneurial tenacity as strong as their predecessors.

6 DISCUSSION

Attention toward social entrepreneurship and its importance as a self-sufficient and sustainable solution toward global social problems has risen dramatically within the past 30 years since Bill Drayton, Akosha founder, devised the term (Lumpkin et al. 2011). Consideration of social enterprise as a topic of research has followed suit. Scholars have deliberated the differences between social and commercial entrepreneurship along a variety of magnitudes, proposing ultimately that entrepreneurial precursors and products differ within social contexts. Studies of entrepreneurial processes, such as those of Entrepreneurial Orientation (EO), however, have remained relatively untouched in terms of empirical analysis within social contexts. Theoretical perspectives on the matter have recently begun to emerge, reasoning that three salient dimensions of EO exist in social contexts- *innovativeness, proactiveness, and risk taking*. Lumpkin et al. (2011) suggest that amid complex social problems, limited access to resources and opportunities calls for greater levels of innovativeness and proactiveness. Through the use of one of the first empirical studies, Syrjä et al. (2013) confirm the former and suggest an additional dimension of *persistence* in social enterprises operating in Western contexts. Building upon these results, this study tests EO as a firm-level strategic orientation made up of four dimensions: *innovativeness, proactiveness, risk taking,* and *persistence.*

A specific uniqueness of this study comes in its effort to take the Western EO construct, with its proposed social context modifications, and test the degree to which it is applicable in a non-Western environment. While numerous studies have used the EO construct in developing economies, rarely has the construct itself been examined critically as to whether its dimensions do comprehensively underpin business strategy and success in these areas. Essentially the purpose of this study was to contribute to the knowledge arena by making two critical contributions; the study enhanced the current understandings of EO in *social contexts in developing economies* and the study aimed to better fit the proposed EO model to the unique contexts of developing economies.

The case study region of Cambodia represents one of the world’s least developed countries;

Cambodia is an area characterized by low levels of socio-economic development and weak human and institutional capacities. Marked by high levels of dependency, Cambodia is currently seeing social enterprises gain traction in the effort to tackle various social and environmental issues. This mimics international trends in the rise of social enterprises worldwide, and in particular, within developing economies. With strong linkages between EO and firm-level performance, understanding how this firm-level strategic orientation manifests itself within social and development contexts is relevant to academics and practitioners alike.

Lumpkin et al. (2011) theorize that the EO dimensions of autonomy and competitive aggressiveness are seriously impacted by the unique characteristics of social contexts. In-depth interviews from this study confirm that these dimensions do not play a principal role in social enterprises operating in Cambodia. However, these dimensions also do not prove to be relevant for *non-local* entrepreneurs, whether it be within commercial or social enterprises, or those *dependent upon the tourism industry*. Non-local entrepreneurs are highly dependent upon networking, and hence, less competitive toward their counterparts. Expatriate communities and support systems are commonplace throughout the Kingdom of Cambodia, which strengthens cooperative relationships between non-local entrepreneurs. Furthermore, non-local entrepreneurs gain by establishing local ties, and thus, are highly cooperative with their local counterparts. Social and commercial entrepreneurs operating within tourism-based industries, which are hugely present within Cambodia, also profit from bettering tourist experiences as a whole in the area. This means cooperation with competitors, forming networks and alliances, and creating an overall positive experience that will boost tourism in the area. Hence, future studies of EO *in developing economies* should take into consideration the role of collaboration for *social and commercial* entrepreneurs over and above autonomy and competitive aggressiveness.

The three salient dimensions of EO, innovativeness, proactiveness, and risk taking proved to be relevant in non-NGO affiliated social enterprises in Cambodia, although each of these constructs did not appear in quite the same ways as depicted in current Western-based EO literature. Quantitatively speaking, findings of the study support the assertion that non-NGO affiliated social enterprises compete equally on all dimensions of entrepreneurial orientation with their commercial enterprise counterparts. Statistically speaking, no significant difference was found between the two groups, meaning that there is no evidence to support the idea that commercial entrepreneurs in Cambodia are any more innovative, proactive, persistent, or willing to take risks than social entrepreneurs. In fact, the mean of the summative EO score and the medians from all summative sub-dimension scores show that social enterprises demonstrate higher levels of EO than commercial entrepreneurs in the area.

While social entrepreneurs in Cambodia were able to demonstrate innovativeness on all of the same fronts as commercial entrepreneurs, due to their social missions, they were exposed to additional realms in which to innovate. Examples of this can be found in regard to innovative labour and labour-related strategies for beneficiary management. Furthermore, depending on the organizational structure of the social enterprise, reaching the BoP was achieved by forging innovating partnerships to find and hire BoP employees, and price points were lowered through product innovation to reach the BoP as consumers. Formal innovation processes and techniques were lacking in both social and commercial enterprises; entrepreneurs seemed to act in innovative ways, yet avoid the formal commitment to research and development or formalized approaches to creative idea development. Technological innovation also proved to be an area that lacked momentum in both social and commercial entrepreneurial groups. Some of the advantages of innovating, however, perhaps are weakened by contextual considerations in Cambodia, such as the feeble existence of intellectual property laws and regulations or delays in market readiness.

Social entrepreneurs in the study displayed the willingness to take substantial personal and financial risks, particularly at the onset of enterprise development. However, research from the study agrees with Syrjä et al. (2013) in that social enterprises in Cambodia are risk-averse in regard to their social impact. This perhaps explains why propensity for risk-taking diminishes over time; once a social entrepreneur sees their social impacts being realized, they are less willing to take any chances that could compromise their beneficiaries. Social risks, such as harm to an enterprise's reputation or loss in achieving social impact, were mentioned in scholarly literature (Morris et al., 2011), but were not particularly emphasized by social entrepreneurs in the study. Perhaps this is due to the fact that social impact metrics are lacking in the social enterprise sector as a whole, and particularly in developing economies like Cambodia (Hanley et al., 2015). Hence, it is often difficult to measure and evaluate the social impacts that are fulfilled, and consequently, difficult to gauge 'missed opportunities' or losses in achieving desired results. Moreover, damage to reputation may be of lesser concern for social enterprises in Cambodia, as attention and criticism seems to have taken a focus on the longstanding and more prominent NGO sector operating in the area.

The dimension of proactivity is somewhat transformed in the highly unpredictable environmental of Cambodia. Typically, proactivity is thought to encompass an opportunity-seeking and forward-looking perspective, the ability to anticipate future demand, and the introduction of products and services ahead of competition. Cambodia is marked by political instability and a diminished capacity to cope with natural disasters, much like many other developing economies. Capricious external factors hamper efforts by entrepreneurs to plan for the future. Furthermore, the concept of demand becomes binary in some social enterprise settings; demand can exist from beneficiary groups as well as from customers. Social entrepreneurs exhibit proactivity in both regards, however, striking a balance between current beneficiary demands and future beneficiary demands can prove difficult with pressing social issues. As discussed earlier, competitive aggressiveness is modified in social enterprise and development settings, so proactivity in this regard is also somewhat altered. Social enterprises in Cambodia expressed the desire to be competitive in the production of goods and services, yet also were very supportive of competitors and other ventures in the area. Negative sentiments toward competition were not noted.

In terms of persistence, Syrjä et al. (2013) conclude, "the commitment to the social mission causes the social entrepreneurs to be very persistent in pursuing the goals of the firm" (p. 5). This definition is made more complex by Wu et al. (2007) in their understanding of persistence as the adherence to a course of action, despite risks and difficulties. Results of the study are inconclusive in this regard because social and commercial entrepreneurs in the area did not emphasize high amounts of adversity, and thus, persistence *against adversity* is difficult to conclude. In terms of entrepreneurial persistence in testing new ideas and deciding to keep (persist) or discard them, an alternative perspective of persistence presented by Wu et al. (2007), social entrepreneurs seemed particular determined in regard to programs and services that facilitate beneficiary betterment, such as financial literacy and education programs. On the other hand, products and services for (non-beneficiary) consumers were more likely to be discarded if they presented little profit or success.

As results from this study show that current understanding of proactivity do not adequately fit within the context of Cambodia, this study suggests that *Agility* may prove to be a better-suited EO dimension for developmental contexts. Bernardes et al. (2009) define agility as "an approach to organizing that provides for rapid system reconfiguration in the face of unforeseeable changes". Agility in this sense is thought to trump flexibility, which relates to the use of existing procedures to cope with foreseeable changes (Wadhwa & Rao, 2003). Interviews from this study suggest that Cambodia is a highly unpredictable environment, and that enterprises are continuously facing unanticipated changes. Likely, developing economies elsewhere are equally unpredictable. Due to these circumstances, this study proposes that social and commercial entrepreneurs operating in developing economies demonstrate agility as a survival mechanism in capricious contexts. Questions remain as to whether agility would be better suited to replace proactivity as an EO dimension, or to supplement it as an additional dimension. More research would be needed in this regard.

Results from this study also suggest that *Cultural Sagacity* is a relevant dimension for *non-local* social and commercial entrepreneurs operating in developing economies. In-depth interviews with non-local entrepreneurs emphasize the need for local awareness and knowledge to survive as an enterprise. The ability to break Western norms can be thought of an additional sub-dimension of cultural sagacity. Cultural sagacity as a dimension of EO acknowledges Asheim and Isaksen's (2002) conclusion that "regional resources include place-specific, contextual knowledge of both tacit and codified nature, that, in combination, is rather geographically immobile" (para. 1). In terms of measurement on an EO scale, 'length of time spent in the culture prior to commencing business' or 'comfort with breaking Western norms' may be useful measurements. Additional research is suggested on this front.

In addition to exploring the dimensions of EO and their manifestation in social enterprises, this study represents the first of its kind to begin to consider social enterprise organizational structure and business model in relation to EO. Observations in this regard emerged entirely from in-depth interviews, in which it was clear that, although broad generalizations could be made regarding how social contexts affect EO dimensions, a one-size-fits-all approach does not accurately depict the nuances within social enterprises and their effect on EO. In an effort to account for the differences within social enterprise structure, social enterprises were paired with Grassl's (2012) social enterprises business model. Social enterprises within this study were allocated to the following groups: Work Integration Social Enterprises (WISE), Market Intermediary Model, Entrepreneur Support Model, and Low-Income Clients Model. Each of these organizational structures of social enterprises was found to have profound effects on the way in which the dimensions of EO can be exhibited and are exhibited.

6.1 Suggested Pathways for Further Research

6.1.1 Incorporating Social Enterprise Organizational Structure into EO Studies

Through a new lens of analysis, this study argues that different social enterprise business models demand different levels of risk-taking, innovativeness, proactivity, and persistence. Studies from EO scholars Lumpkin et al. (2011), Morris (2011), Hu and Pang (2013), and Syrjä et al. (2013) have provided a fundamental knowledge base for understanding EO in social contexts. Of the small sample taken into consideration in this study, diverse motivations, operating models, and value creation strategies were found. In turn, diverse objectives, missions, marketplace dynamics, client and beneficiary needs and capabilities presented themselves. This study only begins to scratch the surface of how social enterprise organizational structure begins to affect EO. In consideration of the former, it is suggested that future studies in this realm focus on distinctions amongst social enterprise structure and their relationship with EO. Gaining a better understanding of the former stands to assist future practitioners in the field by facilitating the selection of compatible business models, and current practitioners in recognizing their strengths and deficits, and better harnessing beneficial EO competencies.

6.1.2 Design of an Appropriate EO Scale for Social Enterprises

Results from this research demonstrated the need for a more appropriate EO scale to be designed for social enterprises, and perhaps more specifically, social enterprises operating in developing economies. Thus far, one study by Hu and Pang (2013) attempts to create a social entrepreneurial orientation scale (SEO), which was designed for use in nonprofit contexts. Syrjä et al. (2013), studying social enterprise in Finnish enterprises made use of the unchanged Covin and Slevin (1989) scale. This study attempted to adapt the popular Covin and Slevin (1989) scale to fit social development contexts of the study by incorporating insights from Hu and Pang (2013). Additionally, a measure for persistence was added to the scale, as suggested by Syrjä et al. (2013).

Despite acceptable reliability found within the summative EO scale, reliability amongst sub-dimensions was found to be low in all sub-dimensions except proactiveness. Furthermore, some written comments on the survey suggested that using likert-items adapted from the Covin and Slevin (1989) and Hu and Pang (2013) scale did not account for the complexities of social enterprises. For example, Hu and Pang's (2013) proactivity measure of 'seeking a position of leadership in the sector', led to social enterprises questioning if this meant leadership in their social mission sector or industrial sector. Another example of this can be seen with Covin and Slevin's (1989) likert-item 'preference for high-risk with chances of very high rates of return'. Respondents expressed concerns as to whether this means high rates of economic or social return.

Further questions arise when assessing the measurement of persistence. With inconclusive results in this study as to if persistence exists in the face of adversity, should the measure of persistence even be included as an EO dimension? Were Syrjä et al. (2013) correct in their suggestion of persistence as an EO dimension relevant in social contexts? If so, is there a better way to test entrepreneurial persistence? Overall, it can be said that effort can be put toward developing a more appropriate EO scale for social enterprise, as the sector mixes commercial strategies with nonprofit motives, and thus, the existing scales of EO do not suffice.

6.1.3 Analysing New Populations in Cambodia

One limitation that this research faced was the overlap between socially-motivated commercial entrepreneurs and social entrepreneurs. Exploring the research questions with a population of strict commercial entrepreneurs may result in different conclusions than what was found in this study. Another restriction came in terms of sample size. Incorporating a larger sample of non-NGO affiliated social entrepreneurs and commercial entrepreneurs in Cambodia could increase generalizability of conclusions.

Another interesting area to explore emerges from the background literature review in Section 2.4 regarding the decision to study non-NGO affiliated social entrepreneurs versus NGO-affiliated social entrepreneurs. In this section, it is essentially theorized that non-NGO affiliated social entrepreneurs in Cambodia would exhibit higher EO than NGO-affiliated social entrepreneurs. Furthermore, in-depth interviews revealed some negative sentiments toward NGO-affiliates, specifically in relation to the competitive advantage that comes with access to philanthropic funding and subsidies. Exploring the positionality of NGO-affiliated social enterprises in Cambodia, the qualitative differences between NGO and non-NGO affiliates, as well as distinctions in the way that EO is manifested in both groups may be a thought-provoking new area of research.

6.1.4 Exploring Additional Dimensions of EO

The uniqueness of the Cambodian developing economy led to the suggestion of additional EO dimensions of *agility* and *cultural sagacity* to be relevant. In particular, agility pertained to entrepreneurs operating in developing economies, and cultural sagacity pertained to non-local entrepreneurs operating in developing economies. This is the first research to suggest such dimensions of EO, and hence, research must be done in determining the value of these suggested constructs within Cambodia and elsewhere, how they could be operationalized, their potential role in EO as a whole and their potential significance in firm performance. It is suggested that further research regarding these additional dimensions occurs on multiple latitudes.

6.2 Conclusion

The study began by suggesting the value in understanding predominantly Western ideas of sustainability and business in the non-Western contexts. The significance in doing this allows practitioners and academics to understanding how well established theories and principles take on new identities in such circumstances. The study of entrepreneurial orientation in Cambodia represents a small step in challenging this widely practiced convention. It is hoped that practitioners operating in developing economies are better able to tackle issues, create economic or social impact, or make vital operational decisions by implementing knowledge that is grounded in their contextual realities.

Responding to calls for a better understanding of the demonstration of entrepreneurial orientation in social contexts, this research explored the manifestation of the proposed EO model in social enterprises operating in Cambodia. The developing economy of Cambodia was shown to have significant implications on modern-day conceptions of how EO is manifested in social contexts. Results from the study were shown to support current perspectives that social entrepreneurs are highly innovative in developing solutions to their social problems and finding ways to target their selected group of beneficiaries. Furthermore, research confirms that social entrepreneurs in Cambodia were willing to take on steep financial and personal risk, although averse to risk that may diminish their social impact. On the other hand, however, social motivations paired with the capricious contextual dimensions that are familiar to developing economies are shown to considerably modify the EO dimension of proactivity. Instead, it is suggested that cooperation and local connectivity plays an essential role in EO of social and commercial entrepreneurs in developing economies.

This study was the first known EO study to incorporate persistence as an additional dimension of EO. The newly explored dimension proved to be somewhat relevant to some social enterprises in the study, although persistence *through adversity* was not found to be particularly germane. When understanding how EO manifests itself within social enterprises in developing economies, two additional dimensions of EO were found to be highly relevant. Due to the unpredictable atmosphere of Cambodia, Agility was suggested as a new dimension of EO that may contribute to the success of social and commercial enterprises operating in developing economies. Cultural Sagacity was suggested as a dimension relevant to non-local social and commercial entrepreneurs operating in developing economies.

Lastly, a progressive approach was taken to the analysis of EO within social enterprises, incorporating how internal business model and organizational structure plays into the manifestation of EO. Results confirm that the Work Integration, Market Intermediary, Entrepreneurial Support, and Low Income Clients models moderate EO in distinctive ways. This provides an important basis for future EO research that will be valuable to both academics and practitioners. Cultural and enterprise-based characteristics including size and age of the enterprise were not found to significantly affect levels of EO.

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8 APPENDICES

APPENDIX A: DEMOGRAPHIC INFORMATION QUESTIONNAIRE

Is the company a commercial or social enterprise?
Social _________ Commercial _________ Other _________
Name of Company
How many years has the company been in operation?
What is the stated mission of the company?
What sector does the enterprise's social purpose relate to?
Education and training ___ Health, nutrition and HIV/AIDS ___ Child welfare and rights ___ Community development ___ Agriculture/animal health ___ Gender and women issues ___ Credit and savings ___ Environment and natural resources ___ Advocacy, democracy and human rights ___ Tourism, arts and culture ___ Humanitarian aid and disaster preparedness ___ Other _______________________________
Who is your target group(s) of beneficiaries?
Children ___ Women groups ___ General population ___ Students and youth groups ___ Disabled persons ___ Farmers ___ HIV/AIDS victims ___ CBOs/LNGOs ___ Other: _____________
Does the company have any NGO affiliation?
Yes_______ No ________ Other: ____
What is your position in the Company?
Founder & Owner: ____ Owner: ____ Manager: ____ Other: _______________
Who are currently the top decision makers in this enterprise?
The founder/ founders are still in control: _____ Control has changed to a different group of managers: _____ Other: _____________
How many individuals have top decision-making power?
Can you tell me a little bit about the top decision-makers?

	Founder or Owner Yes/ No	Age	Gender M/ F	Country of Origin	Highest Level of Education Completed ·Masters ·Bachelors ·High School Diploma ·Below High School Diploma	Relationship to Cambodia Expat or Local? ·Expat: Length of time living in Cambodia ·Local: Spent an extended period of time abroad? If yes, where? For what purpose?
1.						
2.						
3.						
4.						
5.						

What is the estimated size of your organization's annual budget? (In USD)

0-20,000		100,001-120,000	
20,001-40,000		12,001-140,000	
40,001-60,000		140,001-160,000	
60,001- 80,000		160,001-180,000	
80,001-100,000		180,001-200,000	
		200,001 +	

Including yourself, how many people are employed by your organization?

0-20	
21-40	
41-60	
61-80	
81-100	
100+	

Is your organization officially registered at an NGO in Cambodia or as a business?
Why did you choose to make this decision?

NGO _____ Business ________
Why?____

Appendix Table 1: Demographic Information Questionnaire

APPENDIX B: SEMI-STRUCTURED INTERVIEW GUIDELINE

Section 1: Risk*

1. What steps does your organization take to evaluate risk? This could encompass financial risks or social risks.

2. What kinds of risks have become apparent for your enterprise?

3. How willing is your organization to venture into the unknown?

4. Has there been an instance when you have invested a substantial amount of time, money, or resources into a particular project where the outcome was highly uncertain or unknown? What was the result?

5. Have you continued to commit resources to certain projects without yet obtaining the desired results?

6. In general, do you notice any particular risks of operating in Cambodia?

Section 2: Innovativeness*

7. How to you approach the creation of new ideas for your enterprise?

8. How often are your new ideas brought to life?

9. When you are considering changes and novel ideas, are you likely to be focusing on a certain type of change? For instance, new products, new services, new managerial or administrative processes, new markets, or new technologies? Something else?

10. Can you give an example of a new idea that you pursued, including what the new idea was and why it was introduced?

11. Are you usually coming up with new ideas and changes as a way to maintain or regain you're your position in relation to your competitors? Or, is the pursuit or new ideas a core mission of your enterprise at all times?

Section 3: Proactiveness*

12. How do you go about identifying and evaluating new opportunities and activities for your enterprise?

13. How much are you considering the future in the decisions you are making for your enterprise today? This may include future problems, future needs, futures changes to

make.

14. How far ahead are you thinking in terms of time? Days? Months? Years? Decades?

15. Are you monitoring your competition? If so, how?

16. How do you use the information about your competition?

17. Are you actively seeking to be in a particular market position? If so, how is it working out for you?

Section 4: Persistence*

18. What kind of setbacks has your organization faced and how did you conquer them?

19. In the development phase of your enterprise, how long did it take you to start up the organization/ business? Starting from the decision to create the enterprise to the actual operation of the enterprise?

20. What single attribute was most important for the development of this enterprise?

Section 5: Other*

21. Is there anything else that you feel is important for me to understand about entrepreneurship in your enterprise?

22. Is there anything else that you feel is important for me to understand about social or commercial entrepreneurship in Cambodia?

*Note: Do not mention section title to interviewee

APPENDIX C: QUANTITATIVE LIKERT-TYPE SURVEY

All information collected will be used only for my research and will be kept confidential. There will be no connection to you specifically or your organization in the results or in future publication of the results.

Informed Consent: I agree to participate in the survey: ____ Yes ____No

Please indicate the statement that is most accurate for your enterprise by circling a number below.
Explanation of Measurement:

1	2	3	4	5	6	7
Strongly Agree with Statement A			*Neutral*			*Strongly Agree with Statement B*

1. In general, top decision makers of this enterprise have…

A strong preference for low risk projects (with normal and certain rates of return).	1 2 3 4 5 6 7	A strong preference for high-risk projects (with chances of very high rates of return).

2. Lately, how many new lines of products or services has this enterprise tried?

No new lines of products or services.	1 2 3 4 5 6 7	Very many new lines of products or services.

3. In dealing with competitors, my enterprise…

Is rarely the first business in the sector to introduce new products/ services, administrative techniques, operating technologies, etc.	1 2 3 4 5 6 7	Is often the first business in the sector to introduce new products/ services, administrative techniques, operating technologies, etc.

4. In general, my enterprise…

Is primarily focused on our own activities and less on our trend-setting position.	1 2 3 4 5 6 7	Usually seeks to achieve a position of leadership in the sector.

5. In general…

Changes in products and services have been very minimal.	1 2 3 4 5 6 7	Changes in products and services have been dramatic.

6. Generally…

Decision makers at our enterprise prioritize economic efficiency when allocating time and labor to a given project.	1	2	3	4	5	6	7	Decision makers at our enterprise spend an extensive amount of time and personal dedication in efforts to make our ideas come to life, regardless of economic efficiency.

7. In general, top decision makers of this enterprise prefer…

A strong emphasis on the marketing of products and services that have proven to work for us.	1	2	3	4	5	6	7	A strong emphasis on research and development, technological leadership, and innovations.

8. When it comes to risks and difficulties…

Our enterprise has changed our original purpose and the corresponding course of action in response to risks and difficulties.	1	2	3	4	5	6	7	Our enterprise has maintained our original purpose and the corresponding course of action, despite risks and difficulties.

9. In general, top decision makers of this enterprise believe that…

Due to the nature of the environment, it is best to explore gradually through cautious and incremental behavior.	1	2	3	4	5	6	7	Due to the nature of the environment, bold and wide-ranging action is necessary to achieve our objectives.

10. In general, our enterprise…

Focuses on what our clientele need now and how to meet these current needs.	1	2	3	4	5	6	7	Thinks in depth about future demand and takes progressive action to meet these upcoming needs.

11. For the most part, new ideas, products, and services developed or thought about 3-12 months ago are…

Disregarded if they presented little profit or success.	1	2	3	4	5	6	7	Still being pursued, even if they have presented difficulties or hindered profits along the way.

12. When it comes to decision-making situations involving uncertainty in our enterprise…

We prefer the cautious line of action even if some opportunity may be lost in that way.	1	2	3	4	5	6	7	We are willing to take risks in order to seize and exploit opportunities.

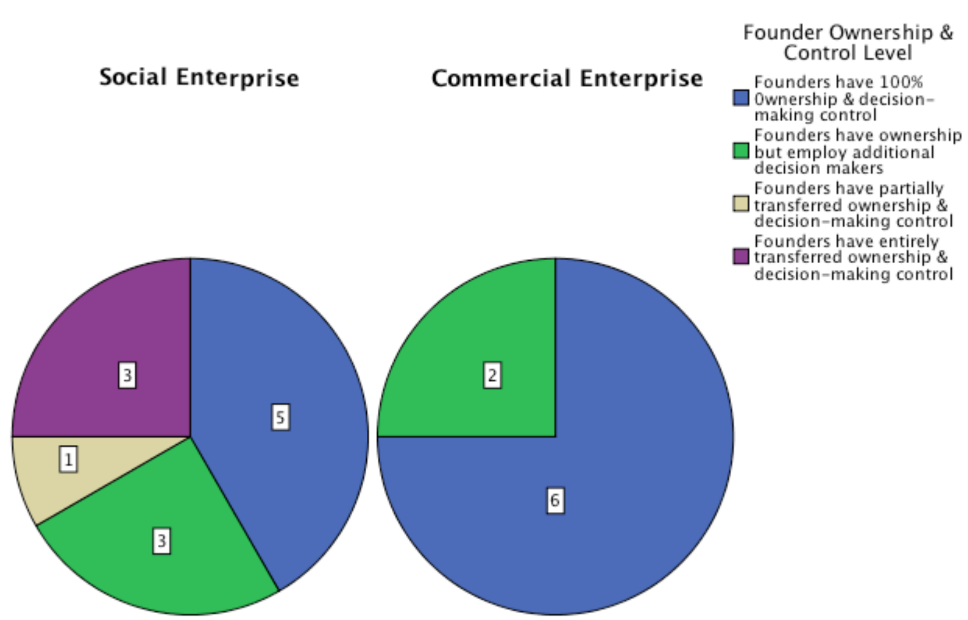
APPENDIX D: LIST OF PARTICIPATING ENTERPRISES BY SECTOR

#	Social or Commercial Enterprise	Specific Sector	Greater Industry Sector
1	SE	Handicrafts	Handicrafts
2	SE	Packaging Products & Distribution	Consumer Goods
3	SE	Coconut-Based Products	Consumer Goods
4	SE	Hotel	Hospitality
5	SE	Co-working Space	Consumer Services
6	SE	Restaurant	Hospitality
7	SE	Handicrafts	Handicrafts
8	SE	Sewing & Garment Production	Garment
9	SE	Sustainable Fuel Products	Energy & Fuel
10	SE	Home Construction Materials	Building Design & Construction
11	SE	Handicrafts	Handicrafts
12	SE	Micro financing	Finance
13	CE	Service Provision for Foreigners	Consumer Services
14	CE	Rattan Products	Consumer Goods
15	CE	Product Design & Manufacturing Technology	Information Technology
16	CE	Hostel	Hospitality
17	CE	Beauty & Health Care Product	Consumer Goods
18	CE	Medical Equipment Distributer	Medical & Healthcare Equipment
19	CE	Hostel	Hospitality
20	CE	Architecture Firm & Construction Supplies	Building Design & Construction

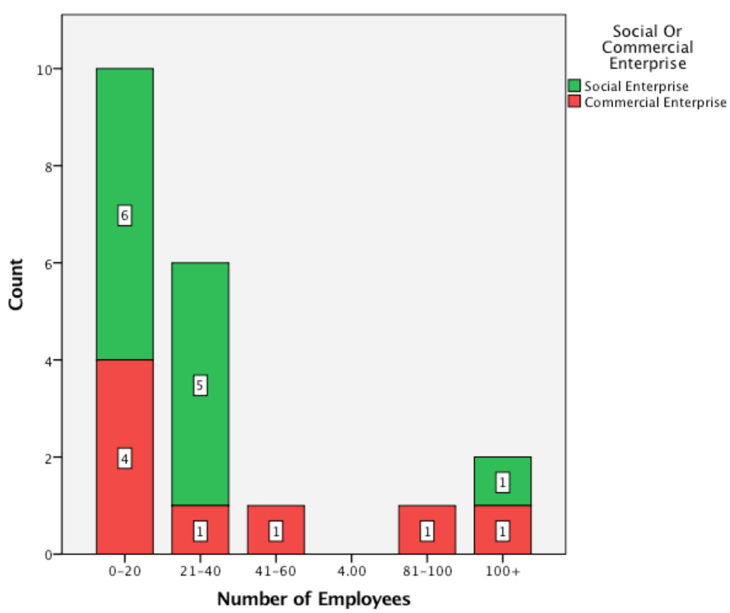
Appendix Table 2: Participating Enterprises by Sector

** For the sake of enterprise privacy and confidentiality, names of each of the enterprises are not provided. No identifying information will be made available regarding each organization and their perceptions of Entrepreneurial Orientation. Numbers do, however, correspond to quotes throughout this document.*

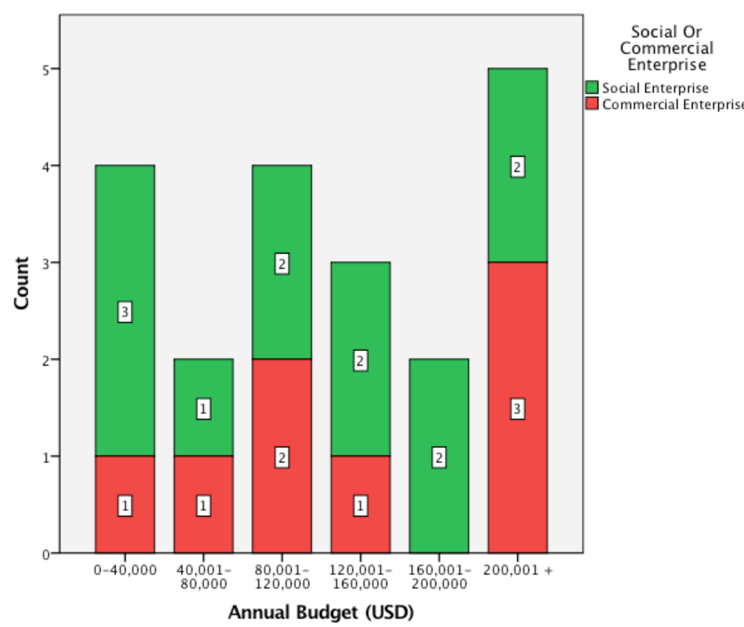
APPENDIX E: DESCRIPTIVE STATISTICS OF THE SAMPLE



Appendix Figure 1: Diagram of Enterprise Ownership



Appendix Figure 2: Number of Employees (Including Top Decision-Makers)

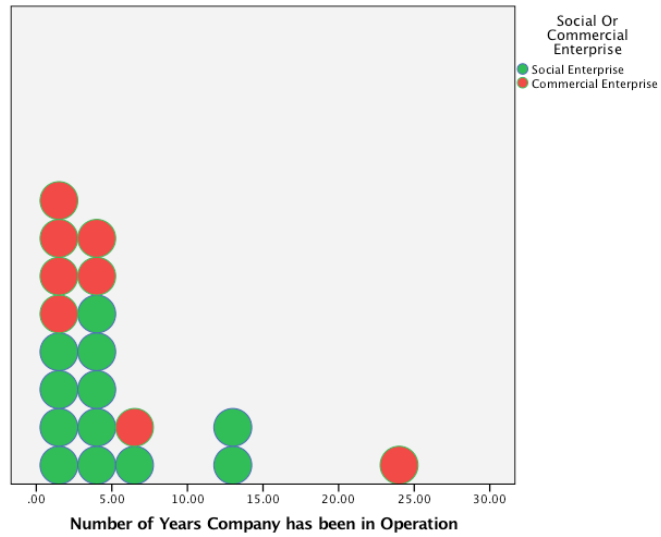


Appendix Figure 3: Organizational Annual Budgets in USD

Number of Years Company has been in Operation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.50	2	10.0	10.0	10.0
	1.00	2	10.0	10.0	20.0
	1.50	1	5.0	5.0	25.0
	2.00	1	5.0	5.0	30.0
	2.50	2	10.0	10.0	40.0
	3.00	1	5.0	5.0	45.0
	4.00	3	15.0	15.0	60.0
	5.00	3	15.0	15.0	75.0
	6.00	2	10.0	10.0	85.0
	13.00	2	10.0	10.0	95.0
	24.00	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Appendix Table 3: Frequencies of Number of Years Enterprises have been in Operation



Appendix Figure 4: Number of Years Enterprise has been in Operation

APPENDIX F: SCALE RELIABILITY TESTS

Reliability of Total EO Scale

Reliability

Scale: Total EO Scale

Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded[a]	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.733	12

Reliability of Innovativeness Measure

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.281	.251	3

Inter-Item Correlation Matrix

	I1	I2	I3
I1	1.000	-.216	.477
I2	-.216	1.000	.040
I3	.477	.040	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I1	8.7000	6.563	.212	.283	.076
I2	9.6750	9.981	-.098	.073	.645
I3	9.4250	4.665	.425	.249	-.548[a]

a. The value is negative due to a negative average covariance among items. This violates reliability model assumptions. You may want to check item codings.

Reliability of Proactiveness Measure

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.712	.724	3

Reliability of Risk Taking Propensity Measure

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.521	.520	3

Inter-Item Correlation Matrix

	R1	R2	R3
R1	1.000	.373	.301
R2	.373	1.000	.122
R3	.301	.122	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
R1	9.6000	6.279	.453	.205	.208
R2	9.9500	6.392	.323	.139	.454
R3	9.0000	9.184	.250	.091	.541

Reliability of Persistence Measure

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.228	.226	3

Inter-Item Correlation Matrix

	Per1	Per2	Per3
Per1	1.000	.019	.151
Per2	.019	1.000	.096
Per3	.151	.096	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Per1	9.6750	7.218	.117	.023	.175
Per2	10.2250	7.013	.079	.009	.261
Per3	10.3000	5.932	.171	.032	.038

Appendix Table 4: Reliability Tests of EO & EO Subdimensions

Appendix G: SPSS Results Relating to RQ2: Social vs. Commercial Entrepreneurs

Chi Square Analysis of Innovativeness in Social vs. Commercial Entrepreneurs

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.931[a]	10	.447
Likelihood Ratio	13.058	10	.220
Linear-by-Linear Association	.130	1	.719
N of Valid Cases	20		

a. 22 cells (100.0%) have expected count less than 5. The minimum expected count is .40.

Symmetric Measures

		Value	Asymptotic Standardized Error[a]	Approximate T[b]	Approximate Significance
Ordinal by Ordinal	Kendall's tau-b	-.161	.197	-.819	.413
	Gamma	-.236	.286	-.819	.413
N of Valid Cases		20			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Chi Square Analysis of Proactiveness in Social vs. Commercial Entrepreneurs

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.139[a]	10	.428
Likelihood Ratio	13.599	10	.192
Linear-by-Linear Association	1.733	1	.188
N of Valid Cases	20		

a. 22 cells (100.0%) have expected count less than 5. The minimum expected count is .40.

Symmetric Measures

		Value	Asymptotic Standardized Error[a]	Approximate T[b]	Approximate Significance
Ordinal by Ordinal	Kendall's tau-b	-.225	.186	-1.198	.231
	Gamma	-.333	.274	-1.198	.231
N of Valid Cases		20			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Chi Square Analysis of Risk in Social vs. Commercial Entrepreneurs

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.625[a]	12	.561
Likelihood Ratio	14.104	12	.294
Linear-by-Linear Association	.008	1	.930
N of Valid Cases	20		

a. 26 cells (100.0%) have expected count less than 5. The minimum expected count is .40.

Symmetric Measures

		Value	Asymptotic Standardized Error[a]	Approximate T[b]	Approximate Significance
Ordinal by Ordinal	Kendall's tau-b	-.046	.195	-.236	.813
	Gamma	-.068	.289	-.236	.813
N of Valid Cases		20			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Chi Square Analysis of Persistence in Social vs. Commercial Entrepreneurs

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.194[a]	10	.610
Likelihood Ratio	10.965	10	.360
Linear-by-Linear Association	.536	1	.464
N of Valid Cases	20		

a. 22 cells (100.0%) have expected count less than 5. The minimum expected count is .40.

Symmetric Measures

		Value	Asymptotic Standardized Error[a]	Approximate T[b]	Approximate Significance
Ordinal by Ordinal	Kendall's tau-b	-.115	.196	-.585	.558
	Gamma	-.169	.287	-.585	.558
N of Valid Cases		20			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Appendix Table 5: Chi Square Tests of Social vs. Commercial Enterprises & EO Subdimensions

APPENDIX H: SPSS RESULTS RELATING TO RQ3: CULTURAL & DEMOGRAPHIC CHARACTERISTICS

Pearson Correlation of Number of Top Decision-Makers & EO

With Outlier Included

Correlations

		Number of Top Decision Makers	EOsum
Number of Top Decision Makers	Pearson Correlation	1	-.075
	Sig. (2-tailed)		.755
	N	20	20
EOsum	Pearson Correlation	-.075	1
	Sig. (2-tailed)	.755	
	N	20	20

With Outlier Excluded

Correlations

		Number of Top Decision Makers	EOsum
Number of Top Decision Makers	Pearson Correlation	1	-.022
	Sig. (2-tailed)		.927
	N	19	19
EOsum	Pearson Correlation	-.022	1
	Sig. (2-tailed)	.927	
	N	19	20

Kendall's Tau B Correlation of Budget & EO

Nonparametric Correlations

Correlations

			EOsum	Organization Budget
Kendall's tau_b	EOsum	Correlation Coefficient	1.000	-.103
		Sig. (2-tailed)	.	.550
		N	20	20
	Organization Budget	Correlation Coefficient	-.103	1.000
		Sig. (2-tailed)	.550	.
		N	20	20

Pearson Correlation of Number of Years of Operation & EO

With Outlier Included

Correlations

Correlations

		EOsum	Number of Years Company has been in Operation
EOsum	Pearson Correlation	1	-.258
	Sig. (2-tailed)		.272
	N	20	20
Number of Years Company has been in Operation	Pearson Correlation	-.258	1
	Sig. (2-tailed)	.272	
	N	20	20

With Outlier Excluded

Correlations

Correlations

		EOsum	Number of Years Company has been in Operation
EOsum	Pearson Correlation	1	-.266
	Sig. (2-tailed)		.271
	N	20	19
Number of Years Company has been in Operation	Pearson Correlation	-.266	1
	Sig. (2-tailed)	.271	
	N	19	19

Kendall's Tau B Correlation of Number of Employees & EO

Nonparametric Correlations

Correlations

			EOsum	Number of Employees
Kendall's tau_b	EOsum	Correlation Coefficient	1.000	-.225
		Sig. (2-tailed)	.	.214
		N	20	20
	Number of Employees	Correlation Coefficient	-.225	1.000
		Sig. (2-tailed)	.214	.
		N	20	20

ANOVA analysis of Ethnic Composition of Top Decision-Makers & EO	**Oneway** **ANOVA** EOsum

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	73.782	2	36.891	.292	.751
Within Groups	2024.350	16	126.522		
Total	2098.132	18			

ANOVA analysis of Gender Composition of Top Decision-Makers & EO	**Oneway** **ANOVA** EOsum

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	165.399	2	82.700	.723	.500
Within Groups	1944.901	17	114.406		
Total	2110.300	19			

ANOVA analysis of Educational Composition of Top Decision-Makers & EO	**Oneway** **ANOVA** EOsum

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	84.124	2	42.062	.334	.721
Within Groups	2014.007	16	125.875		
Total	2098.132	18			

ANOVA analysis of Official Registration & EO	**Oneway** **ANOVA** EOsum

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	182.992	2	91.496	.807	.463
Within Groups	1927.308	17	113.371		
Total	2110.300	19			

Appendix Table 6: SPSS Tests between Various Demographic & Cultural Characteristics & EO