

St. Petersburg University
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RELATIONSHIP BETWEEN ENTREPRENEURIAL ORIENTATION AND FIRM
PERFORMANCE DURING CRISIS: EVIDENCE FROM RUSSIAN FIRMS

Master's Thesis by the 2nd year student
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ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ

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Master Thesis Title	Relationship between entrepreneurial orientation and firm performance during crisis evidence from Russian firms Я, Патютко Дарья Ивановна, студент второго курса магистратуры направления «Менеджмент», заявляю, что данная работа выполнена на тему
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Description of the goal, tasks and main results	The main aim of the study is to investigate the relationship between EO and performance indicators in context of economic crisis in Russian market and understand whether EO helps the company to overcome the crisis. The aim is achieved through investigation of how EO is related to the performance indicators under the influence of different factors, analyzing the influence of the crisis on the development of each EO dimension and understanding the role of EO and each of its dimensions in overcoming the crisis by companies. Подпись студента) 25.05.2016
STATEMENT	Entrepreneurial Orientation is understood as a concept with three dimensions: innovativeness, risk-taking and proactiveness. Crisis is pursued as a characteristic of external environment, influencing the role of EO and development of its dimensions. The design of research is based on a qualitative case study of four Russian companies from different industries. The main source of data – semi-structured interviews. Additional sources: documentation, open internet resources. Results: The combination of all three dimensions developed on the high level has led firms to implementation of large innovative projects, allowing them to achieve highly successful performance during the crisis. Entrepreneurial orientation plays important positive role in overcoming the crisis by firms, studied in current research.
Keywords	Entrepreneurial orientation, Crisis, Emerging market, Performance, Strategic orientations, Innovativeness, Risk-taking, Proactiveness

ABSTRACT

АННОТАЦИЯ

Автор	Дарья Ивановна Патютько
Название магистерской диссертации	Взаимосвязь между предпринимательской ориентацией и результатами деятельности фирмы во время кризиса на примере российских фирм
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Научный руководитель	Доктор наук, профессор Галина Викторовна Широкова
Описание цели, задач и основных результатов	<p>Цель работы – исследовать взаимосвязь между предпринимательской ориентацией и результатами деятельности компании в условиях экономического кризиса на российском рынке для того, чтобы выяснить, является ли развитие ПО выгодной стратегией в процессе преодоления компанией последствий экономического кризиса в стране. Обозначенная цель достигнута через исследование взаимосвязи между ПО и результатами деятельности фирм под влиянием различных факторов; через анализ влияния кризиса на развитие каждого из измерений ПО и понимание роли ПО и каждого из её измерений в преодолении последствий кризиса компаниями.</p> <p>ПО в данной работе изучается как понятие, включающее три измерения: инновационность компании, её способность брать на себя риск и проактивность. Кризис рассматривается как характеристика внешней среды, влияющая на роль ПО и его измерений. Исследовательский дизайн представляет собой сравнительное кейс-стади 4 российских компаний из различных индустрий. Основной источник данных для анализа – интервью с представителями компаний. Дополнительные источники – документация и данные с открытых ресурсов Интернет.</p> <p>Результаты исследования: сочетание всех трех измерений ПО, развитых на высоком уровне, послужило базой для развития компаниями крупных инновационных проектов, позволивших впоследствии достичь успехов даже в период кризиса в стране. ПО играет важную позитивную роль в преодолении кризиса компаниями, которые были изучены в данной работе.</p>
Ключевые слова	Предпринимательская ориентация, Кризис, Развивающиеся рынки, Результаты компании, Стратегические ориентации, Инновационность, Рисковость, Проактивность

TABLE OF CONTENTS

Introduction.....	6
1. Entrepreneurial orientation: main research directions.....	9
1.1 The concept of entrepreneurial orientation.....	9
1.1.1 Definitions of entrepreneurial orientation.....	9
1.1.2 Evolution of EO studies.....	12
1.1.3 Measurement approaches of Entrepreneurial Orientation.....	14
1.2 Analysis of the main directions of studies of the relationship between Entrepreneurial Orientation and performance indicators of the firm.....	16
1.2.1 Analysis of studies of the direct relationship between entrepreneurial orientation and performance indicators.....	19
1.3 Summary of Chapter 1.....	30
2. Crisis in the economy and its impact on the companies.....	31
2.1 Business performance in crisis.....	31
2.2 Crisis in Russia and its impact on Russian companies.....	36
2.3 Theoretical model of the study.....	38
3. The role of entrepreneurial orientation in firm's ability to overcome the economic crisis: results of empirical analysis.....	41
3.1 Research design.....	41
3.1.1 Description of the data sources.....	42
3.1.2 Choice of the research sample.....	44
3.1.3 Process of the empirical study.....	45
3.2 General information about the cases.....	47
3.3 Cross-case analysis.....	51
3.4 Discussion of the findings.....	74
Conclusions and Implications.....	81
List of References.....	85
Appendix. Interview guide.....	91

INTRODUCTION

Topic area

Nowadays the focus of global economic development and therefore the focus of academic interest are moving towards emerging economies. Some experts claim that emerging markets became the engines of global economic development (Maxwell, 2015). Emerging markets have been researched separately from the developed ones because of the economic, political and cultural differences. Due to these differences emerging countries create a suitable environment to test and improve existing theories in different contexts.

In recent research works areas of entrepreneurship and emerging markets development are frequently intercrossed, because entrepreneurship is a necessary factor of growth and modernization through the wide spectrum of innovations, increased competitiveness and unique combination of resources, including both facilities and people resources (Alon, Rottig, 2013).

Businesses in emerging markets perform in a highly uncertain and unpredictable environment. Rapid growth of emerging markets drive businesses to use not only extensive methods of development, increasing their capabilities, but also implementation of innovative approaches to achieve competitive advantages, get increased long-term value, maximize the profit and face growing requirements of the market (Alon, Jiao, Kwong, Cui, 2013).

The development of effective business strategies becomes crucial in order to achieve all these goals. Entrepreneurially oriented strategy is based on building opportunity-seeking behavior, gaining value and creating competitive advantages of the business across the long-term period (Hitt, Ireland, Sirmon, Trahms, 2011). Entrepreneurial orientation refers to the overall strategic philosophy, which determines the features of firm's behavior on the market (Covin, Slevin, 1991). One of the earliest findings on this topic emphasizes the positive connection between acting entrepreneurially and achieving competitive advantages.

Research gaps in entrepreneurial orientation studies

Many researchers made an input to the understanding of the concept and implementation of entrepreneurial orientation. Research on this topic has existed for more than thirty years. EBSCO database search on the EO topic shows more than 2000 articles in scientific journals. The interest to the topic is increasing year by year (Miller, 2011). However, there are still some gaps in the literature, which may be filled in with future studies.

Business environment in the world is rapidly changing nowadays, at the same time the life cycles of products and businesses are shortening. However, as time goes by, the set of available tangible resources for companies is not increasing tremendously. Therefore, businesses have to rely on intangible resources and techniques to win the competition (such as anticipating consumers' demand and involving innovative techniques (Ireland, Hitt, Sirmon, 2003, p. 57). Nowadays Russian economy experiences severe crisis. Businesses face the question: how to create a strategy in crisis environment in order to survive and develop? The answer to this question may be the development of entrepreneurially oriented strategy.

There are many empirical evidences, supporting the positive relationship between the high level of entrepreneurial orientation and firm performance in certain conditions. Although it is not correct to assume that this relationship is positive by definition, because certain scholars have found empirical evidences to the presence of weak relationship or even negative nature of the relationship. The degree of the effectiveness of entrepreneurial behavior is highly dependent on different factors, both internal and external (Shepherd, Wiklund, 2005).

Under an influence of different factors the strength and nature of relationship is different. In some cases scholars reveal positive relationship, in some cases they are negative, sometimes they are even non-linear (Shirokova, Bogatyreva, Beliaeva 2015). Different shocks in economy may also shape this relationship somehow. Among the external factors, influencing the EO-performance relationship, scholars studied hostility of the environment, organizational structure of the firm, industry lifecycle, age and size of the firms and many other conditions. However, the effect of crisis was considered by scholars as a factor, which may influence this relationship in the only one study, investigating the role of EO in mitigating the crisis on Finnish market (Soininen, et al., 2012). Crisis is defined as an unexpected, dramatic and unprecedented event that forces any system into chaos (Seeger, Sellnow, Ulmer, 1998). Not every context suggests the scholar suitable environment for studying the crisis.

The implementation of entrepreneurially oriented strategy requires part of scarce resources of the firm to be spent and the effect of crisis on the relationship between entrepreneurial orientation and firm performance and role of entrepreneurial orientation in overcoming the crisis on emerging market is unknown.

Current study is motivated with the necessity to find empirical evidences to the effect of crisis on the relationship between entrepreneurially oriented strategy and the performance of the

firm on emerging market. The result of the study will give business insights on whether entrepreneurial orientation may help firm to overcome the crisis and in which way it does it. The contribution of entrepreneurial orientation into firm's ability to overcome the crisis is evaluated on the base of model EO-performance relationship.

Research question and methodology

Entrepreneurial behavior of the company may transform the paradigm of crisis for the firm from negative perspective to the environment of brilliant opportunities, promising high performance and development to the company. On the other hand, resource-based view suggests an organization to be perceived as a set of unique resources. The implementation of EO requires part of these recourses to be spent on development of innovations, taking risky decisions and pursuing opportunities. During crisis in the economy it's especially important to allocate the recourses wisely.

Study of the chosen topic will bring evidences to business whether EO is a suitable strategic orientation to develop on times of crisis. With the existing level of uncertainty if the outcomes of implication of EO strategy in crisis in the specific context of Russia brings increased performance, business owners miss the opportunity to improve the performance of their firms. Therefore, business implications of the study are closely related to realities of nowadays situation.

The thesis aims to answer the following research question: "How does entrepreneurial orientation help firms to improve their performance during the crisis in Russian market?" Therefore, the main goal is to investigate the relationship between EO and performance indicators in context of economic crisis in Russian market and understand whether EO helps the company to overcome the crisis. The research question is divided into several sub-questions:

- 1) How is EO related to the performance indicators under an influence of different factors?
- 2) How does crisis influence the development of each EO dimension?
- 3) Which role do EO and each of its dimensions take in overcoming the crisis?

The research design of the empirical part appeals to comparative multiple case-study. Multiple sources technique is implemented with the interview as primary source of the information and additional sources: documentation, open Internet resources and SPARK database. EO is perceived as multi-dimensional concept, consisting of three dimensions: innovativeness, proactiveness and risk-taking. Examined companies in the case study are Russian enterprises from four different industries, experiencing the effect of crisis on their activity.

Chapter 1 ENTREPRENEURIAL ORIENTATION: MAIN RESEARCH DIRECTIONS

1.1 The concept of entrepreneurial orientation

1.1.1 Definitions of entrepreneurial orientation

Nowadays the topic of entrepreneurial orientation is a subject of interest for many scholars, working on the field of managerial and business science. Large number of researchers has published works, investigating the concept of entrepreneurial orientation from different perspectives and in different contexts. There are numerous studies devoted to the researching of applied nature of the entrepreneurial orientation, evidence of relationship between the features of entrepreneurial behavior and company performance, sources and antecedents of it, influence of each of the dimensions and of all dimensions as a single construct in one culture or in multicultural context, relationship between entrepreneurial orientation and various factors of external and internal environment. Classical works on the topic of entrepreneurial orientation belong to Miller (1983), Covin and Slevin (1991), Zahra (1991), Miller and Friesen (1982), Lumpkin and Dess (1996).

For the development of any broad concept it is very important to organize an existing knowledge in a unified system and create a theoretical framework, consistent with collected theoretical ideas about the studied domain. The description and measurement of the concept in universally approved terms is a way to construct a frame for the existing knowledge. The agreed clear definition of key elements of the concept leads to its successful development (George, Marino, 2011). Therefore, to create a sufficient ground for the current study it is necessary to conduct an analysis of existing course of works, dedicated to entrepreneurial orientation domain and as a first step of it to bring together the most frequently used definitions of entrepreneurial orientation and shortly analyze main differences and similarities among them.

Because of the growing popularity of the studied concept, from the moment entrepreneurial orientation has been first recognized by the scientific world a wide variety of entrepreneurial orientation definitions, developed by numerous scholars, has been collected (Anderson, Covin, Slevin, 2009). Researchers in their articles express their individual perception of the entrepreneurial orientation, highlighting particular features of the concept depending on the purpose of their study.

Most popular definitions, recognized by scholars, are collected in the Table 1.

Table 1 Definitions and dimensions of the entrepreneurial orientation

Author (s)	Definition	Dimensions of EO
(Mintzberg, 1973, p. 45)	“In the entrepreneurial mode, strategy-making is dominated by the active search for new opportunities; power is centralized in the hands of the chief executive; strategy moves forward by taking bold decisions in the face of uncertainty; growth is the dominant goal”	Risk-taking, proactiveness, growth
(Miller, 1983, p.771)	“An entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with "proactive" innovations, beating competitors to the punch.”	Innovativeness, risk-taking, proactiveness
(Covin, Slevin, 1991, p.7-8)	“EO is a strategic construct that reflects the extent to which firms are innovative, proactive and risk taking in their behavior and philosophies; entrepreneurial in their strategic posture”	Innovativeness proactiveness, risk taking
(Merz, Sauber, 1995, p.554)	“EO is defined as the firm’s degree of <i>proactiveness</i> (aggressiveness) in its chosen product-market unit and its willingness to <i>innovate</i> and create new offerings	Proactiveness, innovativeness
(Lumpkin, Dess, 1996, p.136)	“EO refers to the processes, practices and decision-making activities that managers use to act entrepreneurially: new technologies, new product-market opportunities, undertaking risky ventures”	Innovativeness, risk-taking, proactiveness, autonomy, competitive aggressiveness
(Zahra, Neubaum, 1998, p.124)	“EO is defined as the sum total of a firm’s radical innovations, proactive strategic action, and risk taking activities that are manifested in its support of projects with uncertain outcomes”	Radical innovativeness, proactiveness, risk taking

(Anderson, Covin, Slevin, 2009, p.220)	“Strategy-making practices, management philosophies and firm-level behaviors that are entrepreneurial in nature... high-EO firm is expected to exhibit certain strategic behaviors including taking risks, being proactive in entering new market arenas, and focusing heavily on product and process innovation”	Innovativeness, proactiveness, risk-taking
(Rauch, Wikluind, Lumpkin, Frese, 2009, p.762)	“EO represents the policies and practices that provide a basis for entrepreneurial decisions and actions. Entrepreneurial strategy-making processes that key decision makers use to enact their firm’s organizational purpose, sustain its vision and create competitive advantage”	Innovativeness, risk-taking, proactiveness, competitive aggressiveness, autonomy
(Vij, Bedi, Singh, 2012, p.18)	“EO refers to a firm’s strategic orientation and it is usually seen as the extent to which a firm innovates, takes risks to compete aggressively and acts autonomously and proactively”	Innovativeness, risk-taking, proactiveness, aggressiveness, autonomy

The first formal definition of the Entrepreneurial orientation concept belongs to Mintzberg. Although the scholar did not use the term “entrepreneurial orientation”, he expressed this concept as the way of making strategy in the company. Most researchers recognize that EO is a construct, consisting of certain dimensions. Mintzberg described main features of the dimensions, which later has been used by Miller, pioneer of the entrepreneurial orientation studies, in his definition of the entrepreneurial firm. The scholar named risk taking, innovativeness and proactiveness as main inherent features of EO.

Covin and Slevin extended the definition of Miller in 1988 by incorporation of features, named by Miller, into three main dimensions scholars use nowadays. The result of work of these scholars was widely accepted by the scientists and is used commonly to describe the nature of entrepreneurial orientation.

Lumpkin and Dess in their article add two more dimensions to the classical view, which, they believe, are also crucial for the completed picture of EO. Scholars add competitive aggressiveness and independence, autonomy of the actions, proving the importance of these dimensions in their article of 1996.

In opposite, Merz and Sauber in their research define EO as a concept with only two dimensions, associating proactiveness with aggressiveness in the chosen product market and eliminating the risk-taking ability (Merz, Sauber, 1995). The extended definition of Rauch, Wiklind, Lumpkin and Frese of 2009 defines specific goals, which may be achieved by implementing the entrepreneurially oriented strategy. In their article scholars recognize all five dimensions of entrepreneurial orientation.

Besides these differences, there is also a disagreement in a question of a nature of EO: whether it is an attitude of a CEO, a set of personal characteristics, a behavior of the whole company or the combination of these conditions (Miller, 2011). Some researchers argue that EO represents the extent to which the firm develops EO dimensions (Vij, Singh Bedi, 2012). Zahra and Neubaum are radical and specific in their definition, claiming that EO is simply a sum of its dimensions (1998).

The analysis has shown that there is still no unified definition of EO created. Depending on the aim of the research, on the construct of the study, there is a variation in a definition of EO, concerning the number of dimensions, nature of the concept and other features. For the purposes of this research the classical definition of Covin and Slevin is used. In this definition EO has three dimensions: innovativeness, risk-taking and proactiveness. Every author, working in the field of entrepreneurial orientation, recognizes these three dimensions.

1.1.2 Evolution of EO studies

The starting point of the development of Entrepreneurial Orientation concept by scholars is the article of Danny Miller (1983). However, the origins of this field of study can be found in the earlier publications of different authors. The tendency of searching for factors, which influence entrepreneurship and antecedents, which formulate entrepreneurial behavior, has appeared during 1960s and 1970s. Features of future fundamental theories originate in the studies of these years. The roots of exploring dimensionality of EO lay in articles of this period. Gustav Papanek in his article argues about the importance of the entrepreneur as a determinant of economic growth, thinking about the entrepreneurs as about decision-making innovators (1962). Henry Schloss names three subfunctions of entrepreneurship, discussing risk-taking ability and seeing and spotting opportunities (1969). Researchers define different factors, influencing entrepreneurial behavior: ability to make decisions, the need for achievement, economic development (Papanek, 1962).

Henry Mintzberg, the founder of the three modes of making strategy, already in 1973 notices that the entrepreneurial mode is working not only in the process of creating new ventures, but also during managing the enterprises, which are already functioning. The scholar describes four main features of the entrepreneurial mode, which will later be used by Miller in his article. Mintzberg puts together major features of the entrepreneurial approach; he describes the entrepreneurial mode as behavior aimed to search new opportunities in the highly uncertain circumstances with the focus on growth (Mintzberg, 1973).

Minkes and Foxall in their work describe entrepreneur as innovator, risk-taking person, who has a strategic mindset. They discuss the role of the entrepreneur in the economy, pointing out that the idea of entrepreneurial mindset is applicable not only to new ventures, but also to business corporations (1980). Later, in 1981, Lawler and Drexler raise a question of possibility to implement entrepreneurship in the big company. On the base of their qualitative research, authors draw the conclusion, that the degree of entrepreneurial behavior is highly dependent on the organizational climate in the company. They highlight five main areas, which may influence entrepreneurial activity in the company (1981). The search of mediators, influencing the utility of entrepreneurial orientation will be continued later in the studies of Covin and Slevin (1988).

Understanding the entrepreneurship rather as a behavior and attitude than as a process leads to the development of the concept in the work of Miller. The initial idea of the author was to discuss the broad measure of entrepreneurship in order to show its role and drivers in different business models and configurations. The scholar comes up with the idea of entrepreneurship, suggesting such type of behavior, which includes taking a risk, involving the innovation into business process and practicing proactiveness. He was the first to define entrepreneurship as a multidimensional concept and to divide entrepreneurial organization and the “nonentrepreneurial” one (Miller., 1983, p. 771).

Miller opposed entrepreneurial firm to the nonentrepreneurial one, suggesting that the entrepreneurial one has got three dimensions developed and non-entrepreneurial one develops none of them. If at least one of the components is missing, the firm may not be considered entrepreneurial: Miller notices “Theorists would not call a firm entrepreneurial if it changed its technology or product-line ... simply by directly imitating competitors while refusing to take any risks. Some proactiveness would be essential as well” (Miller, 1983, p. 780). The first attempt to measure entrepreneurship level was by weighting these three dimensions (Miller D., 1983).

Later studies refer to three dimensions of EO, described in the work of Miller. In 1988 Covin and Slevin examine the influence of organization structure on the result of entrepreneurial behavior of the management.

The next decade of the studies was devoted to deeper understanding the concept of EO and its dimensions. Lumpkin and Dess start their article from the statement: functioning on the basis of spotting business opportunities works for both new ventures and existing companies, bringing them wealth and progress (1996). Numerous scholars made an effort to explain differences in entrepreneurship in different ventures with the proportions of factors that construct the individual portrait of entrepreneurship in each company.

In their article Lumpkin and Dess make the first attempt to formulate the difference between the idea of entrepreneurship and entrepreneurial orientation, comparing the difference between these two concept with the difference between the sense of content and process. Scholars connect the idea of entrepreneurship with the necessary condition – new entry. Entrepreneurial orientation, in contrast, is the way in which this entry is undertaken (Lumpkin, Dess, 1996).

From the year of 2000 studies become more sophisticated. The scale of researches and amount of works increase (Kreiser et al., 2002). Scholars pay their attention to development of studies devoted to EO-performance relationship in different levels and considering different size of companies. The researchers move further, to studying of data on international level, scholars on the field claimed, that the next step of development of EO domain comparative works that use datasets from multiple countries and cultures (Zahra, Jennings, Kuratko, 1999).

Nowadays there are more than 2000 articles, discovering Entrepreneurial orientation (according to EBSCO database, using the search of articles with “Entrepreneurial orientation” mentioned in title). The number of articles issued annually increases as time goes by. In his article, published 28 years after introducing the concept of EO, Miller concludes, that there continue to be arguments about EO, its drivers, nature, antecedents and its relationship with performance. The topic is still needs to be developed further (Miller, 2011). The more complicated the world becomes, the more open questions for future research rise.

1.1.3 Measurement approaches of Entrepreneurial Orientation

The initial studies of EO in the early works have introduced three dimensions: innovativeness, proactiveness and risk-taking ability. Innovativeness is defined as an ability of the firm to implement creativity despite of the challenges appearing during the course of improving

processes, procedures and products (Mbizi et al., 2013). Innovativeness of entrepreneurs is measured by the propensity by which they innovate their business (Miller and Friesen, 1982).

Proactiveness represents the kind of behavior, which is aimed on looking for new opportunities. Proactiveness is intended to meet future demand to shape the environment and create changes (Lumpkin et al., 2009). It is expressed in aggressive behavior in relation to rivals and striving business opportunities (Vij, S., Singh Bedi, H., 2012).

Risk-taking is a tendency to take bold decisions with high level of risk and at the same time high outcomes (Lumpkin et al., 2009). It is remarkable, that early definitions of entrepreneurship include the ability of the firms to engage in calculated business-related risks (Brockhaus, 1980). In 1996 Lumpkin and Dess published an article with introduction of two more sub-dimensions: competitive aggressiveness and autonomy. Lumpkin and Dess describe autonomy as a key dimension of EO. They link the independency of the enterprise with independently minded people, who are not afraid of discussing bold ideas, acting strongly and refusing ordinary way of doing things, realizing fresh approaches instead. Scholars discuss the indicators of autonomy: management style, size, and right of the ownership, explaining which factors may influence the level of autonomy in a different way (Lumpkin, Dess, 1996).

Competitive aggressiveness is an ability of an enterprise to "...directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals" (Lumpkin, Dess, 1996, p.148).

There are two main approaches to measuring entrepreneurial orientation: unidimensional, which recognizes the interdependence of each dimension and does not suggest the individual impact of each of them and multidimensional, which considers the individual input of innovativeness, risk-taking and proactiveness to entrepreneurial orientation of the firm.

Supporters of multidimensional approach take into account the idea that each dimension may have different degree of influence on the final variable, therefore, they tent to measure each of them separately (Lumpkin and Dess, 1996). In contrast, scholars, using unidimensional approach, suggest the idea that entrepreneurial orientation appears as a result of synergy of all three factors' combination (Covin and Slevin, 1989).

The crucial difference between these two approaches lies in a fact that multidimensional approach, considering different levels of influence of each dimension, allows the suggestion that firm may be entrepreneurial with one or more dimensions developed weaker than others due to the

different circumstances, if their impact is not high (Lumpkin and Dess, 1996). Unidimensional approach considers the presence of entrepreneurial orientation of the firm is only all three dimensions are developed on a sufficiently high level (Covin and Slevin, 2009). If one of the dimensions is not developed, the firm cannot be defined as entrepreneurial one (Miller, 1983). The choice of approach is determined with the aims of study. Unidimensional approach allows focusing on the whole picture, it is applicable in the studies where EO represents the solid construct and it is easier to notice pattern in this relationship. Multidimensional approach looks at the concept of EO in more sophisticated way, allowing following wider variation of relationship and getting more trends in relationship because of the increased amount of combinations of characteristics.

Figure 1 represents two kinds of measurement approaches, which are used in studies of entrepreneurial orientation

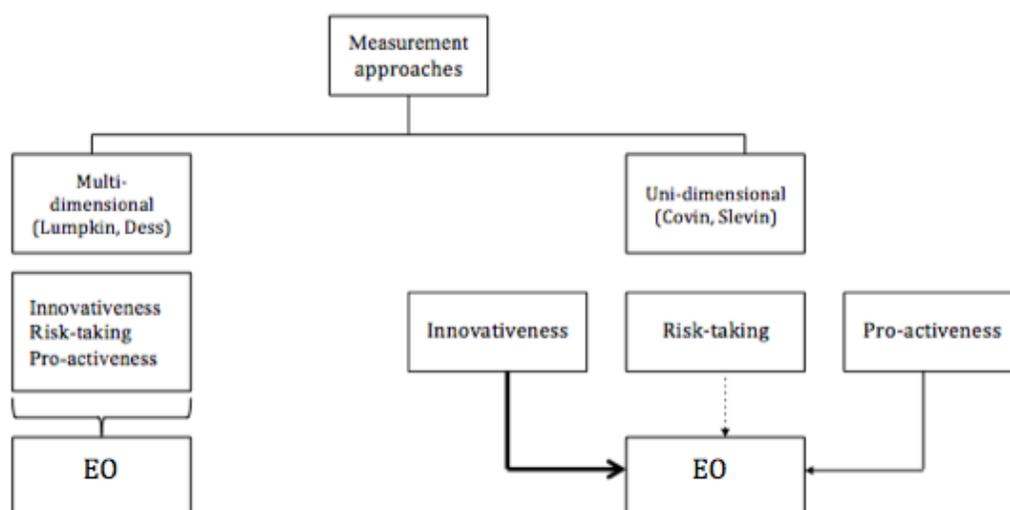


Figure 1 Approaches to measure entrepreneurial orientation (created by the author)

1.2 Analysis of the main directions of studies of the relationship between Entrepreneurial Orientation and performance indicators of the firm

In 1970s, the concept of entrepreneurial orientation has been separated from the whole field of strategic orientations and has been studied as an independent domain. Scholars researched EO from different sides and in different context. And nowadays the whole construct of empirical studies may be divided into three most important directions (Vij, S., Singh Bedi, H., 2012, p.19):

1) Study of entrepreneurial orientation domain with the construct model approach. In such type of model scholars study EO as a dependent variable. The influence of EO antecedents, both

internal and external, is the topic of these researches. The main research question for studies of this group is "how different factors are driving the development of EO on the firm level?".

2) Study of entrepreneurial orientation with respect to strategy of the firm. Scholars determine the level of EO in different types of overall firm strategy.

3) Study of relationship of entrepreneurial orientation with different indicators of firm performance. These studies include not only relationship of these two domains, but also the impact of moderating and mediating variables of external and internal environment.

The topic of the current study is particularly concerned with the relationship between EO and performance indicators of the firms, therefore, the following analysis is dedicated to the third direction of the studies in order to achieve deep theoretical understanding of the domain and get additional insights and suggestions on the research question.

In general, the design of studies, evaluating the relationship between EO and performance refers to four main steps: identify the level of EO, collect chosen performance indicators, identify the level of other factors influencing relationship, check whether there are relationship and what is the nature and magnitude of it.

Operationalization of entrepreneurial orientation level

The most frequently used operationalization of EO, which was introduced by Covin and Slevin in 1989, was firstly checked in conditions of US market. Later different authors aimed on the checking of the instrument in other countries. The scale has been applied in numerous studies in different contexts and has shown its validity and reliability (Kreiser et al., 2002). It is the nine-items scale, containing three items measuring innovativeness, three items measuring proactiveness and three items measuring risk-taking. According to unidimensional view, Covin and Slevin measured entrepreneurial orientation as synergy from sum of these three dimensions. The methodology offers respondents to evaluate their firm on each of the item on 7-points Likert scale.

Some authors during the history of EO concept development made an attempt to introduce new instruments of EO assessment. In the article of Brown, Davidsson and Wiklund (2001), scholars describe new instrument, developed from the point of opportunity-based view. Authors suggest the evaluation of six parameters, which reflect the opportunity-based view of Stevenson (1983): strategic orientation, management structure, reward philosophy, growth orientation, management structure, and entrepreneurial culture. Authors follow the recommendations of Stevenson for scale construction. However, scholars make a conclusion that these dimensions only partly overlap with

Entrepreneurial orientation. Therefore, nowadays, still the most reliable instrument of assessment is the scale of Covin and Slevin.

Knight in 1997 evaluated EO of Canadian firms, interviewing both French-speaking and English-speaking owners of the business (Knight, 1997). The scale proved to be valid and reliable in that research, although the perception of certain dimensions may vary in different cultures. In 2002 Kreiser conducted a study of 1307 different firms in 8 countries: Australia, European countries, Indonesia. Scholars made a conclusion, that environmental conditions have a direct impact on the level of EO (Kreiser et al., 2002).

The methodology was also implemented to Asian market firms. Keh, Ngu and Ng in 2007 published an article with investigation of effect of EO on performance of Singaporean SMEs, where the scale also demonstrated high level of reliability (Keh, Ngu, Ng, 2007).

Studies of the influence of entrepreneurial orientation on the different aspects of performance of the firm originate from the assumption that firms, acting entrepreneurially, are different from those which don't implement entrepreneurial orientation in their strategy (Kreiser et al., 2002, p.73). Scholars, studying the entrepreneurial orientation domain, are working on the assessment of relationship between entrepreneurial orientation and performance because this link has a lot of managerial implications.

The task of finding out whether entrepreneurial orientation of firm's strategy may be considered as a factor, positively related to the performance outcomes of the firm and how is it connected with the external and internal factors has been the goal of many researches from the beginning of EO concept development. One of the issues of the topic is the possibility of biased views on the empirical data. Dess, Lumpkin and Covin are highlighting this issue in their article of 1997. Scholars see the problem in inherent intention of some authors to prove positive impact of entrepreneurially oriented behavior on certain results of the firm, such as profitability or growth. The tendency is caused by overall positive opportunistic attitude to bold, entrepreneurial mindset, developed and encouraged by popular press (Dess, Lumpkin, Covin, 1997). Therefore, searching the empirical evidences of presence of such relationship and their nature in various contexts and in variety of organizational designs has become the objective for many studies.

1.2.1 Analysis of studies of the relationship between entrepreneurial orientation and performance indicators

The discussion of relationship between entrepreneurial orientation and performance of the firm has provided some arguments on the nature of this relationship. Theoretical rationale suggests that firms, implementing entrepreneurially oriented strategy, have a first-mover advantage, respond quickly to market trends, thus catching opportunities and gaining competitive advantages, which result in an increased performance. Innovativeness allows them to be the first to implement new techniques and products in response to growing requirements of the consumers (Wiklund, 1999). Risk-taking ability provides increased value (including the financial value) from the undertaken projects, because the high level of risk is approved with the higher outcomes. Therefore, there is a reason to believe that in theory this relationship is positive in nature.

The number of authors has provided the empirical confirmation of this statement (Covin, Slevin, 1991; Zahra, 1993; Hult, Snow, Kandemir, 2003). However, other studies suggest that the relationship is not statistically significant or even find evidences of the negative relationship between these two constructs (Lumpkin, Dess, 2001; Arbaugh et al., 2009).

Besides the variation in results of the relationship nature studies, there is also a variation in reported magnitude of such relationship. Some scholars identify strong link, some of them argue that the relationship is not so evident.

The examples of different studies, assessing relationship between EO and performance along with the results and characteristic of the context of the research, are given in the Table 2.

Table 2 Examples of empirical studies of EO-performance relationship

Authors	Research method	Nature and magnitude of relationship	Context
Covin, Slevin, 1989	Data obtained from the questionnaire, received from 161 American small manufacturing firms	Positive direct relationship, increased with the influence of hostile environment	Hostile, developed market
Naman, Slevin, 1993	Sample of 82 USA respondent firms provided measures of the entrepreneurial style, environmental turbulence, organizational structure, strategy	Under the right fit EO has positive relationship with the performance	Stable, developed market

Lee, et al., 2001	Questionnaire data, (analysis of correlation of variables), received from 137 Korean technological SME	Positive direct relationship, statistically significant effect on performance (sales growth).	Stable, developed market
Lumpkin, Dess, 2001	Multidimensional approach, heterogeneous sample. Data from 321 USA firms, obtained with questionnaire	Proactiveness has strong positive relationship with performance. Competitive aggressiveness, in contrast, is not significantly related to performance.	Stable, developed market
Hult, Snow, Kandemir, 2003	Questionnaire data (analysis of correlation of variables in different combinations), received from 764 USA SBU of different age and size	Positive direct relationship. The magnitude depends on the size and age of the firm	Stable, developed market
Wiklund, Shepherd, 2003	Telephone interview with 3 years lag. Analysis of correlation between variables from 384 Swedish SME	Positive significant direct relationship, relationship is more complex than main-effect	Stable, developed market
Dimitratos et al., 2004	Data obtained from the survey of 152 various internalized Greek firms. Performance indicator: perceived satisfaction of the manager	Positive direct relationship between EO and perceived satisfaction with the medium magnitude	Stable, developed market
Tan g , J . , Tan g , Z . , Marino, Zhang, Li, 2008	Analysis of the data obtained from questionnaire, filled in by 185 Chinese enterprises. Level of EO and perceived performance indicators evaluated	Curvilinear relationship of EO and performance with highest level of performance indicators related with medium levels of EO	Stable, developed market
Stam, Elfring, 2008	Survey of 125 Netherland software firms. Measurement of multidimensional performance, EO (Covin and Slevin scale), network centrality (roster method)	High network centrality strengthens the relationship between EO and performance.	Stable, developed market
Arbaugh, Cox, Camp, 2009	Data obtained from International Survey of Entrepreneurs of 1045 multicultural respondents. Regression analysis of variables	Negative direct relationship between EO and return on sales, no statistically significant relationship between EO and sales growth, positive relationship between EO and net worth.	Stable, developed markets

Rauch et al., 2009	Meta-analysis of 53 samples from 51 studies	Moderately large magnitude of positive relationship between EO and performance	Various markets
Bucktowar, Kocak, Padachi, 2015	Multiple case-study of 7 Mauritius SMEs operating in different sectors. In-depth interviews	Positive relationship of entrepreneurially oriented strategy and growth indicator	Stable, emerging market

The review of articles, devoted to the EO-performance relationship has shown that the absolute majority of the researches are conducted in stable environment of developed markets. The issue is explained with the fact that the most popular instruments of EO operationalization were developed in the United States. The big number of scholars also originates from the developed countries. The majority of scholars are especially interested in the development of the studied domains in the context of their country, because their area of expertise lies on the field of their country of origin.

Most studies are focused on data from firms of certain industry, culture, size, age, country (or several countries). Such approach allows making individual conclusions about the nature of relationship in certain industry or inside the firms of certain age. Among the studies, revealing strong positive relationship between EO and performance in the context of Korean firms, there is a work of scholars Lee C., Lee K and Pennings J., which evaluate the relationship of certain characteristics of Korean technological start-up companies with their performance, using the data from firms with large investments into R&D and with the number of employees fewer than 300, working in the technological sphere. Among the factors researchers evaluated was EO of the firms, measured with Covin and Slevin approach. The results suggest that EO has a positive and statistically significant effect on sales growth. However, scholars also highlight that it may take two years for entrepreneurially oriented strategy to enhance performance of the firm significantly (Lee et al., 2001).

Some authors, in contrast, tend to use the heterogeneous sample in order to obtain highly generalizable results. Lumpkin and Dess in 2001 publish the study of the sample with big variety of respondents. Among the other outcomes of their multidimensional study, scholars report the results of testing the relationship between Competitive aggressiveness and Performance along with the relationship between Proactiveness and Performance. The study without considering the moderating effect of the environment shows that these two dimensions have separate unique effect on the performance, suggesting that Proactiveness shows strong positive relationship with performance,

while Competitive aggressiveness, in turn, has negative relation to growth of sales and weak positive relation to profitability (Lumpkin, Dess, 2001).

Studies of main effect of EO on the performance by Wiklund and Shepherd revealed the strong positive relationship between EO and performance. Scholars have evaluated the relationship between the dependent and independent variables, getting the dependent variables data three years after they collected independent variables data to consider possibility of the time needed for the effect to materialize. Results demonstrate the complexity of relationship and the necessity to consider moderate effect of other variables.

As it was said, some authors, in contrast to the most of other research, supporting positive relationship between studied constructs, have found out that EO has no relationship with certain indicators of firm's performance or is even related negatively with some of them. Arbaugh, Cox and Camp in their study of 2009 research the EO construct and its relationship with performance in the context of six countries to find out whether the construct is generalizable outside the United States, find evidences on the dimensionality of entrepreneurial orientation and find more empirical evidences on the question of relationship between EO and performance. Scholars measured EO on the base of Covin and Slevin scale and evaluated the relationship of EO with three performance indicators: net worth, return on sales and sales growth. The results indicate that EO in chosen sample has not relation to sales growth and is a negative predictor of return on sales. Authors indicate the fact, that further studies of relationship should consider rather the effect of moderating variables, than focusing on studying of the direct relationship (Arbaugh et al., 2009).

Studies of the relationship of entrepreneurial orientation and perceived by the owners performance of the firm also give important insights on the topic. Sometimes financial performance indicators are either not available for the scholars or may be not the best evidences of the performance. In particular, Lumpkin and Dess highlight that satisfaction of managers with the performance may give more valuable information in estimation of the performance of the firm (Lumpkin, Dess, 1996). Dimitratos, Liokas and Carter in their article of 2003 studied the international performance of companies. The study is based on a survey of Greek firms, which perform international activities, estimating the EO as an average of three dimensions. Scholars report, that the relationship between EO and perceived satisfaction is positive, however, not very strong. Again, they point on such advantage of this performance indicator: it may capture the longitudinal effect of entrepreneurially oriented behavior, while financial indicators may reflect the

results of other factors. In the conclusion authors note, that entrepreneurial behavior should be considered as a long-run measure, rather than a short-term activity.

Qualitative studies are also used on the field of assessing EO relationship with performance. They mostly consider the cases when authors are working with the research question, which was not widely studied before. Bucktowar et al. in 2015 published an article, revealing the influence of several factors on the performance of Mauritanian SMEs, suggesting the study of both direct effect of certain orientations and indirect relationship with the mediating activity of innovations inside the firms. Scholars perceived Entrepreneurial orientation as the combination of four dimensions, including questions about each of them into the interview. They highlight that in consistency with many other researches, supporting the positive relationship, firm adopting entrepreneurially oriented behavior, survive and grow. In particularly, authors argue that the firm, demonstrating innovativeness, grew 6% yearly, while the firm, started up with radical innovation, but later kept with the same type of product, grew 3% annually (Bucktowar et al., 2015).

The arguments on the sustaining moderate level of EO for the best performance of the firm were developed in some articles. Supporters of such view claim that maximized level of entrepreneurial orientation in certain cases may become an obstacle for the firm's growth. Tang et al. study the curvilinear relationship between entrepreneurial orientation and performance. Sample of 185 Chinese firms filled in the questionnaire, evaluating the level of EO with 8-item scale and four performance indicators, including perceived performance. The regression analysis revealed curvilinear relationship. Scholars report that the result is applicable to Chinese market and it gives the idea of possible negative outcomes from too high level of EO.

In many studies, revealing the direct relationship between entrepreneurial orientation and performance the issue of the necessity to study the influence of other variables appear. Both theoretical evidences and empirical experience insist that studied relationship may be dependent on various factors of external and internal environments. Therefore, studying of EO-performance relationship with consideration of other factors making an impact to this relationship, gives additional insights to existing findings.

Moderating variables

The big range of results, obtained from analyses of relationship, is explained with the consideration that this relationship is context specific (Lumpkin, Dess, 1996). The nature and strength of relationship is suggested to be highly dependent on the various environmental and

internal factors, which moderate the existing relationship between EO and performance. These factors appear in research models as moderators. The choice of moderator in particular study is based on the theoretical assumption that the nature of certain factor may in some way shape the relationship between EO and performance due to its special characteristics. Some features of external and internal environment may be an appropriate fit for EO implementation, strengthening the positive relationship with performance. Some features may not be beneficial to EO strategy and may weaken the relationship or even cause additional negative consequences for the company. The role of moderating variables in relationship between EO and performance has been extensively researched by scholars (Wales et al., 2013).

The place of moderating variable in the model of EO-performance relationship is reflected on Figure 2.

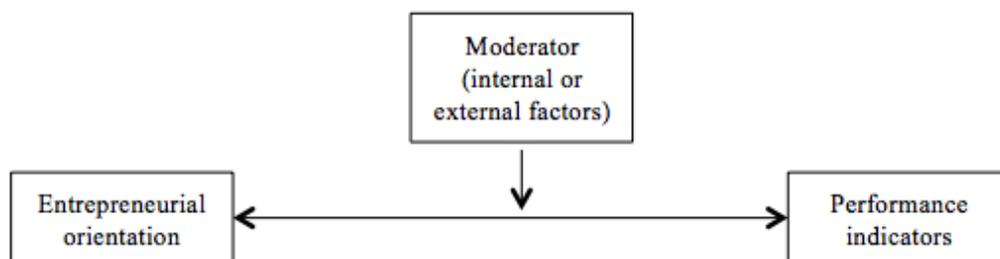


Figure 2 Moderating factor in EO-performance relationship model

The analysis of existing works has shown, that both internal and external factors may play a role of moderators in this relationship.

Factors of the internal environment

Internal moderators include different factors, related to the company characteristics. Hult et al. studied the relationship of entrepreneurial orientation with performance in the firms of different age and size. Scholars evaluated 10 possible models of relationship including direct and indirect effects and created a matrix of results, divided according to the combination of the two parameters: size of the firm and the number of years it's functioning. They report that EO plays important role relative to performance, but the level of this relation depends on the place company takes in this matrix and the moderating role of firm's age and size is significant. Results of the research suggest that focus on entrepreneurial behavior gives the most significant impact for Large and Young organizations, allowing them faster development. Large and Old organizations should take the entrepreneurially oriented strategy as complementary one. The results for Small and Young

organizations demonstrate strong significant relationship between EO and performance and Small and Old organizations' performance, in turn, tend to be less strongly related (Hult et al., 2003).

Organizational structure has also been an important moderating factor utilized in the studies of EO-performance relationship. The structure of the company varies on the scale from organic to mechanic. These two opposite characteristics include the combination of certain levels of centralization, formalization and flexibility (Kreiser, Davis, 2010). Mechanic structures are those that implicate high level of formalization of all processes, bureaucracy and centralization. Communication is provided through formal channels, job is formalized through instructions, and autonomy is limited. The organization is not flexible and it often resists changes. Organic structures, in contrast, are highly decentralized, formalization is low, and communication is flexible (Slevin, Covin, 1990).

Covin and Slevin argue that entrepreneurially oriented strategy may be most positively related to the performance when it is managed by an appropriate organizational structure. Scholars associate the appropriate structure with decentralization, flexible and transparent communication, minimum hierarchy. Authors make a proposition about more positive relation of EO to firm performance in firms with organic structure in comparison with the mechanic one (Covin, Slevin, 1991).

Khandwalla (1977) also indicates that organic orientation of the company enables all three dimensions to relate with performance on an increased way, explaining it with the fact the inflexible organization is not able to adapt fast to the situation. The increased ability to take risks requires the company to be able to act before full understanding of all actions, which have to be taken (Khandwalla, 1977).

Covin and Slevin in 1988 got empirical evidences of the propositions stated above. The scholars studied moderating effect of organization structure on the relationship between entrepreneurially oriented strategy and organizational performance, collecting the data by survey from 80 randomly selected US firms from different industries. Authors measured organization structure with 5-item scale, developed by Khandwalla. The study has provided strong support for the argument that organically-structured entrepreneurial firms are the high-performers. The study also gives an emphasis to contingent approach, which claims that the highest performance may be achieved through the fit among elements in the organizational system and context. The theory of contingent relationship applies to the study of the way EO dimensions are configured under the

influence of different factors. Covin and Slevin notice that mechanically-structured conservative firms are also the high-performers in the sample. The main finding of the study suggests that entrepreneurially-oriented strategy requires the firm to be organically structured for the best performance. (Covin, Slevin, 1988).

Other internal variables, studied by the scholars, are: strategies (Tang, Tang, 2012); family involvement (Casillas, Moreno, 2010); firm life cycle (Si, 2013); managerial power (Davis, et al., 2010) and other factors.

Factors of the external environment

External moderators include factors, which construct the environment company is functioning in and which are taken into consideration when making the decision in the organization. Environmental dynamism and munificence (which refers to the big amount of resources and opportunities available) have played a fundamental role in the understanding of EO-performance relationship (Kreiser, Davis, 2010). In many works authors focus their attention on the relationship of EO and performance of the firm in hostile environment in comparison to the same relationship in benign environment. The rationale of such interest is the fact that hostile environment gives fewer opportunities to the players of the market and it may be supposed that the behavior, directed on aggressive pursuing opportunities and competitive advantage, allows getting more of these opportunities in comparison with passive behavior of classic firms. In turn, the benign environment may result in weaker relationship between EO and performance, because entrepreneurial behavior involves higher level of the risk, which may be not necessary in the market with the high level of munificence.

Many studies have aligned positive impact of entrepreneurial strategic posture in hostile environments. Covin and Slevin in their study of 1989 compared the level of EO and subjective performance indicators of small firms in hostile environment. 161 small manufacturing firms, functioning for at least five years were included in the study. Scholars evaluated the level of environmental hostility for each firm with three-item scale, developed by Khandwalla; strategic posture with their own scale and financial performance of the firms with five-point Likert scale. The results claim that small firm with higher level of entrepreneurial orientation perform better in hostile environment.

Some studies claim, in turn, that EO is positively related with the performance of the firm in benign environment, rather than in the hostile one. Kreiser et al. in their work of 2002 evaluated the

impact of environmental hostility on each dimension of EO, concluding that the environment has significant impact on the process of creation of the strategy inside the firm. Scholars claim that proactiveness and innovativeness are negatively related with the environmental hostility, while the risk-taking ability demonstrates curvilinear relationship. These findings explain complex relationship between EO and firm performance in hostile environment (Kreiser et al., 2002).

Some authors evaluate separate relationship of each of the dimensions with the performance considering moderating effect of environmental dynamism and hostility. Kreiser and Davis in their article of 2010 evaluate individual impact of each sub-dimensions of the EO in the model. In particular, scholars highlight that innovativeness may be beneficial in dynamic and munificent environments, because hostile environment suggests limited financial resources, which should not be spent on radical innovations. Proactiveness dimension's positive relationship with performance is strengthening in dynamic environment, where anticipation of rapidly changing consumer needs is crucial. The same logic is applicable for the risk-taking dimension: environmental dynamism results in stronger relationship between risk-taking and performance. However, taking too much risk is not beneficial in hostile environment with lack of opportunities and resources, which make additional risk non-affordable (Kreiser, Davis, 2010).

The study of moderating effect of the environment by Lumpkin and Dess, which was mentioned above, gives more insights than considering the same relationship without appealing to the context. Authors claim that, according to the contingency approach, the results are dependent on combination of different circumstances, namely, industry life cycle in a way that in more mature industries constant search for the new opportunities is associated with increased costs, which are not likely to be always paid off. Furthermore, scholars study the moderating effect of environment, proving empirically that Proactiveness indeed has strong positive relation to performance in both dynamic and hostile environment (Lumpkin, Dess, 2001).

Another variable, which may be affecting EO-performance relationship, is an industry company is operating in. Highly technological industry with frequently changing technology and consumer preferences may be a pre-condition for the entrepreneurially oriented strategy to be positively related to performance. Meta-analysis of Rauch et al. (2009) confirmed statistically significant difference in relationship strength between companies, working in high-tech industries and the ones that work in other industries. Scholars conclude that business in high-tech industry benefit more from EO strategy.

Another external factor, considered by the scholars as influential in EO-performance relationship, is social capital, which is defined as the resources, available to firm through its net of relationships. One of the works on this topic was developed by Stam and Elfring in 2008. Scholars claim, that wide access to network allows firm quick identifying and mobilizing external resources, which are necessary to attract in process of developing EO strategy. By analyzing the sample of software companies of Netherlands, authors found empirical evidences to the hypotheses that network centrality strengthens the relationship between EO and performance of the firm.

Some studies combine the influence of moderating effect of both external and internal factors. The configurational approach, in contrast to the theory of contingency, suggests studying multivariate configurations of strategy and environment with organizational processes (Dess, Lumpkin, Covin, 1997). Both contingency and configurational approaches were used in the article of Dess, Lumpkin and Covin, where scholars study moderating effects of environmental uncertainty, heterogeneity and strategy of the firm on relationship between EO and performance. Authors find the empirical evidence to the fact that EO has the strongest relationship with performance when it is combined with both an appropriate strategy and appropriate environmental conditions. The results claim that entrepreneurial strategy making is associated with high performance when the environment is uncertain and when the company postures low cost strategy.

Naman and Slevin in their work of 1993 study the fit of entrepreneurially oriented strategy with combinations of various factors of external and internal environment, evaluating the influence of organicity of the internal structure, turbulence of the external conditions, EO and the mission of the strategy. Scholars put together the scales of different authors, creating the instrument of assessment of each of the variables. Authors claim that the fit among all these variables matters in achieving an overall success (Naman, J., Slevin, D, 1993).

Considering the presence of moderating factors gives researcher deeper insights on the nature of the studied relationship. This fact is especially important for the case study, which is intended to gain detailed understanding of the main conditions, able to change the paradigm of relationship between the components of entrepreneurially oriented strategy and performance of the firm. Taking into account the number of studies, devoted to the organizational structure of the firm and its impact on studied relationship, which prove the presence of moderating effect of organizational structure; the questions on the organicity of the firm are included into the interview.

Mediating variables

Mediating variables, in contrast to the moderating ones, serve as condition, revealing the relationship between EO and performance. Mediating variable refers to the reason of why the relationship takes place. Researches on the influence of mediating variables aim to evaluate the conditions, under which entrepreneurial orientation influences performance of the firm (Wales et al., 2013). The place of mediating variable is reflected on Figure 3.

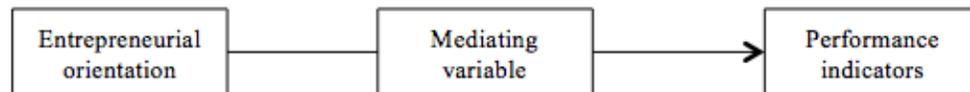


Figure 3 Mediating factor in EO-performance relationship model

The range of works devoted to the role of moderating variables in the relationship of EO and performance of the firms is wider compared to the field of mediating variables studies. One of the examples of the works, evaluating mediating effect of certain factor is a work of Kollmann and Stöckmann, addressing the issue of innovation as mediating variable. Scholars have divided the definitions of exploratory and exploitative innovation and studied the sample of 228 German technological companies and compared the direct model of EO-performance relationship with the indirect one, considering mediating effect of innovations. Scholars suggest that dimensions of EO are acting as antecedents to the entrepreneurial behavior and innovations are mediating the studied relationship (Kollmann, Stöckmann, 2014).

Wang in 2008 has published an article, where she reports on result of 213 UK SMEs analysis, evaluating the mediating effect of learning orientation on the studied relationship. The scholar suggests that there is a number of studies, evolving positive effect of both EO and LO on the performance of the firm. However, the interaction of these two orientations has not been studied before. Along with the studying of EO-LO relationship, the author is also considering the moderating effect of firm's strategy. Wang concludes that the studied relationship is mediated by the learning orientation with innovativeness having the most significant relationship with LO (Wang, 2008).

Other factors, considered as mediators, include: market orientation (Todorovic, 2008), quality management (Al-Dhaafri et al., 2016), network, knowledge management and other variables.

1.3 Summary of Chapter 1

Entrepreneurial orientation refers to the strategic policies and practices that provide a basis for entrepreneurial decisions and actions of the firm. Entrepreneurial orientation construct has been developing since the second half of 20 century and got its conceptualization in 1983 with the work of Denny Miller.

Entrepreneurial orientation has been widely acknowledged as a construct, consisting of three dimensions: innovativeness, proactiveness and risk-taking. Alternative view suggests also presence of two additional dimensions: autonomy and competitive aggressiveness. The range of studies, devoted to EO domain, may be divided into two groups according to the measurement approach: uni-dimensional, which suggests EO to be a solid construct, consisting of three highly developed dimensions and multi-dimensional, which studies EO as a combination of three or more separate dimensions.

Three main directions may be identified among the articles, studying EO concept: construct model approach, which is devoted to the influence of EO antecedents; study of EO with respect to strategy of the firm and study of relationship of EO with different indicators of firm performance.

Current research implies to the third stream of works. Studies of relationship between the EO and performance indicators consider EO to be an independent variable, having a relationship with different performance indicators of the firm. Studies of direct relationship between two variables report different results, including positive relationship of different magnitude, negative relationship, absence of significant relationship and curvilinear relationship. However, most of the studies recognize positive direct relationship between two variables.

Studies of moderating and mediating effects of different variables of external and internal environment on the relationship between EO and performance prove that this relationship is context-dependent. Moderating variables, which are used in articles, may be external and internal for the company. The most frequently-studied factors of internal environment are: organizational structure, age of the firm, size of the firm. Studies of moderating effect of external environment consider such factors as: industry life-cycle, hostility and dynamism of the environment, social capital. Studies of mediating effect of environment evolve the influence of strategic orientations, innovation, network and other factors. Current study considers the effect of crisis in Russian economy, expressed in the increased hostility of the environment, turbulence, dynamism and overall impact of the crisis on the business

Chapter 2 CRISIS IN THE ECONOMY AND ITS IMPACT ON THE COMPANIES

The following chapter is evolving the influence of crisis on businesses in the world, the main directions of studies of the crisis environment, characteristics of crisis as and external environment for the firms and peculiarities of current crisis in Russia. Different results of the studies of businesses in crisis are discussed.

2.1 Business performance in crisis

Crisis is defined as a time of unexpected and undesired shock in the external environment, which impacts economy in general and organizations in particular (Vaaler, McNamara, 2004). The shock in the environment, caused by crisis, may have different impact on economic agents. The influence is hard to predict and manage. Since the crisis impacts different firms in a different way, in the studies, devoted to its conceptualization, it is necessary to estimate crisis influence in the context of certain firm. The basic principle of crisis operationalization is to control for firm's performance before crisis events occur and during the crisis to customize the individual effect of crisis events on the particular company (Grewal, Tansuhaj, 2001).

The question of whether businesses are affected by crisis in negative way, or are they fostered by it, is revealed by number of scholars, because at the certain point any economy experiences cyclical crisis (Bartz et al., 2015). Many articles are devoted to the study of the global financial crisis of 2009, because it influenced most of the world economies. Results of these studies are differentiated; some scholars claim that the crisis is a trigger for aggressive strategy, which allows companies not only surviving, but also developing on increased pace, others disagree, highlighting that stability is a necessary condition for entrepreneurship development.

Different companies approach crisis environment differently. For some companies it may play a positive role in their development due to their inner features, for some of them crisis environment may represent the source of difficulties. And if the effect for the big, well-developed companies is relatively predictable due to their access to wide range of resources, required for surviving in such environment, the influence of the crisis on small and medium businesses still seem unclear. On the one hand, small firms may maintain high level of flexibility; on the other hand, they don't have enough strength to face severe crisis events. The examples of studies of businesses in crisis are discussed in the table 3.

Table 3 Examples of empirical studies of businesses in crisis

Author, year	Research methodology	Results
Bartz, Winkler, 2015	Study of the 29,374 German firms, revealing the relationship between crisis and growth with the influence of entrepreneurship	Entrepreneurship is mediating the relationship between crisis and firm's growth, making it negative in nature. Risk-averse firms demonstrate no significant relation between crisis and growth rate
Cowling et al., 2015	Study the effect of crisis on growth of 3,506 UK SMEs with the influence of human capital, personal characteristics of entrepreneurs and access to financing	Positive effect of entrepreneurial growth orientation on the growth of firms, although, this effect is neglected by the recession
Lettice, et al., 2014	Case study of the law firm with 25 offices worldwide to test the impact of marketing orientation on performance in crisis	Market orientation plays an important role in law firms. It is increasingly important in times of crises or market dynamism
Soininen, Puumalainen, Sjögrén, Syrjä, 2012	Multiple regression of data, achieved from sample of 200 Finnish SMEs in order to find out the role of EO in overcoming the effects of recession on the base of comparison of financial and operation indexes. The study is longitude in nature	In time of crisis events different dimensions of EO are related differently to the performance of the firm. Scholars suggest that risk-taking is detrimental for the company in crisis. In contrast, innovativeness and proactiveness provide firms the ability to mitigate crisis outcomes
Kunc, Bhandari, 2011	Study of the sample of 53 UK enterprises, evaluating the multidimensional performance and various factors of strategic success	Certain strategies reveal firm's ability to survive and develop in crisis. The strategy of cost-leadership and differentiation is applicable for highly-dynamic external conditions
Naidoo, 2010	Study of 184 Chinese SMEs, revealing the role of marketing innovation, market orientation and competitive advantages in crisis in	Marketing innovation is applicable in crisis for cost leadership strategy. Competitive advantage, developed in crisis, gives the firm more abilities to survive through the

	business performance	crisis. Innovation is moderating relationship between MO and performance of the firm
Grewal, Tansuhaj, 2001	Study of the effectiveness of market orientation and strategic flexibility in approaching the influence of crisis on the companies in the context of Thailand market	Market orientation development during the crisis is an appropriate measure if there is a high demand uncertainty. Ability to quickly predict new consumption-patterns is valuable instrument in crisis environment. Strategic flexibility is a useful feature for the company in times of crisis

Bartz and Winkler in their research of 2015 examine the tradeoff between small firms' fragility and flexibility. In theoretical review scholars argue, that crises cause financial instability and uncertainty, creating the circumstances preventing the management from seizing new opportunities. Moreover, financial crises shorten the access to financial resources, thus depriving firms of the capital to implement innovations. By studying a longitudinal German sample of 29,374 firms, scholars prove that crisis is negatively related with the growth indicators. Moreover, scholars study entrepreneurship as an additional influencing variable between crisis and growth, measuring entrepreneurship as composition of several factors. According to the research, firm tends to be more entrepreneurial if its owner is managing the company by himself, if the company is targeting international markets and if it is not risk-averse (Bartz, Winkler, 2015).

The findings of this study give additional reason to suggest that entrepreneurship is related to crisis. Scholars claim, that entrepreneurship is mediating the relationship between crisis and firm's growth, making it negative in nature. The results may be explained with the fact that entrepreneurial firms tend to take many risks in order to benefit from increased outcomes from risky projects. And crisis environment, being risky itself, increases the level of risk of all projects. Therefore, the losses from the risky projects are affecting companies' results. The logic suggests, that choosing a risk-averse strategy, entrepreneur provides safety and steady growth for the company. However, the results indicate that risk-averse firms demonstrate no significant relation between crisis and growth rate (Bartz, Winkler, 2015).

Cowling et al. studied the effect of crisis on SME growth in the context of UK market. The scholars treat growth as multidimensional concept, also considering the effect human capital, personal characteristics of entrepreneurs and access to financing. The dataset of 3506 UK SMEs was analyzed. Scholars have found out the positive effect of entrepreneurial growth orientation on the growth of firms, although, this effect is neglected by the recession (Cowling et al., 2015).

The question of creating the strategy is highly important especially in crisis time. The current study is particularly motivated with the necessity of finding the suitable strategy for the firm to survive and develop. The number of scholars has made attempts to evaluate the most important features of the strategy in crisis. Kunc and Bhandari have studied the sample of 53 UK enterprises, evaluating the multidimensional performance and various factors of strategic success. The results claim that certain strategies reveal firm's ability to survive and develop even in crisis. The strategy of cost-leadership and differentiation is applicable for highly-dynamic external conditions. Scholars also notice, that the goals should also perceive the long-term perspective in order to survive in post-crisis period. Another important conclusion suggests that the companies with proactive position are achieving significant advantages in times of crisis compared to reactive ones. Crisis environment, being highly unstable and dynamic, shrinks the opportunities for firms on the market. And proactive behavior may increase companies' chances to strive the opportunity, which would help the firm to survive

Scholars also conclude that crisis leads to such negative consequences for the company as higher costs, decreased revenues, low resources for the innovation (Kunc, Bhandari, 2011). The same idea is reflected in the work of Yu, Insead and Lester: the scholars study the possible negative impacts from the crisis. Authors particularly highlight that the resources for research and development are shortened in times of crisis (Yu et al., 2008).

This fact is explained with the prioritization in the process of strategy-creation. During the crisis events most economic agents experience the shortage of resources. Crises are perceived as times of decreases in real output. Therefore, the shortened resources of the company are mostly directed on the short-term survival goals. At the same time crisis is characterized with the technological uncertainty (Grewal, Tansuhaj, 2001). All these factors together create an assumption that crisis is influencing innovativeness of the companies, at the same time strengthening the positive magnitude between innovativeness and performance of the company.

Grewal and Tansuhaj in their work of 2001 discussed the effectiveness of market orientation and strategic flexibility in approaching the influence of crisis on the companies in the context of Thailand market. Scholars treat crisis as multi-dimensional concept, discussing different sides of this event. Authors argue that market orientation development during the crisis is an appropriate measure if only there is a high demand uncertainty. The scholars indicate that ability to quickly predict new consumption-patterns is a highly valuable instrument in crisis environment. Scholars also notice that strategic flexibility is highly useful feature for the company in times of crisis.

The impact of developed competitive advantage of the firm in crisis is revealed in the study of Chinese enterprises by Naidoo in 2010. Scholar claim that Chinese firms, which developed and retained competitive advantage of any type, are more likely to survive through the crisis. Moreover, author evaluates the role of market orientation and influence of innovations in firm's survival in crisis, arguing that marketing innovation takes crucial role, moderating relationship between market orientation and performance (Naidoo, 2010).

The special value for the current study holds a work of the Finnish authors, dedicated to the evaluation of each dimension of EO in overcoming the recession effects. In contrast with this study, the work of Soininen et al. is quantitative in nature. Authors evaluate the data from 200 Finnish firms, estimating the impact of each dimension separately, basing this strategy on the assumption, which is discussed in the work of Lumpkin and Dess (2001). The work does not consider the individual effect of the crisis on each dimension; however, it gives the evidence to the relationship of each dimension with the performance of the firm in crisis. Authors conclude, that high risk is not bearable for the companies in crisis; therefore, the results from their sample suggest that risk-taking dimension is negatively related with the performance of the firm. Scholars explain this result with the fact that firms with high risk-taking ability operate in the environment with increased risks. Crisis effect adds uncertainty to this environment, making the risk too high to bear. In contrast, innovativeness and proactiveness play positive role in the process of overcoming the crisis by companies. Authors suggest that the explanation for this conclusion is the fact that these two dimensions represent the mean of getting new business opportunities by companies. In general, according to this study, firms with the high level of EO have more chances to maintain successful during the crisis because of the mitigating effects of proactiveness and innovativeness (Soininen et al., 2012).

Different studies, conducted on the field of crisis interaction with companies, reveal different factors, making an impact on this interactions and helping to mitigate the negative consequences of

the crisis. Among the studies, dedicated to the processes of overcoming the consequences of crisis in the country by companies, the study revealing the role of EO in this process was discovered. Current study will add to this topic the features of the process in emerging market. Moreover, it will provide the estimation of the impact of crisis on development of each dimension of EO. Additional evidences to existing theories will either confirm them or demonstrate that this relationship is more complex than it was described before.

2.2 Crisis in Russia and its impact on Russian companies

Crisis in economy creates new economic agenda for economic and managerial theories (Mau, Ulyukaev, 2015).

The starting point of crisis in Russian financial market is determined as December of 2014, when the Russian ruble has collapsed. The fact that Russian economy relies on oil exports makes the economy sensitive to oil price fluctuations. Due to the overproduction in the oil market, the price of oil has declined significantly, causing the fall in revenues of export-oriented companies. It resulted in decreasing confidence of investors in the economy of the country, which caused them to sell off Russian assets, increasing capital outflow. As a combination of many factors, taken together, Russian crisis has evolved the real scale of problems in economy, which has been growing for several years (Eberhardt, Menkiszak, 2015). The study of Urbanovsky, published in 2015, proved empirically current turbulence in the economy of Russia, connecting it to the price of oil and appreciation of the dollar (Urbanovsky, 2015).

The crisis events of 2014-2015 are not likely to be similar with previous crises in Russian economy in terms of nature and mechanisms. The financial crisis of 1998 was classified as standard debt crisis. Events of 2008-2009 are linked with a global economic crisis in financial system. That years Russia faced the decrease in global demand for main items of Russian export: raw materials and their processing products.

In contrast, the crisis of 2014-2015 contains three characteristics at the same time: structural, cyclical and external. Crisis in structural growth rates has been developing for last 10 years of maintaining high unemployment rate and declining GDP growth paces. Being internal and cyclical, current crisis includes the decrease in the growth rates of investments, reduction of SMEs, slowdown in the growth of bank loans. And last, the crisis is connected with range of external factors, namely, price of the oil and tensions in political situation (Mau, Ulyukaev, 2015). The main outcomes of the crisis, which are affecting businesses in Russia, are described below.

Depreciation of the Russian currency is one of the main factors, making an impact on condition of both large and small companies. The sharp declining in the price of ruble influences negatively on import-dependent industries, which sell in the domestic market. The industry, which is concerned the most with the increasing price of importing of products for domestic market, is a technological branch. High level of dependence from imported technological products is applicable even for the raw material production in Russia. In the short term it is expected that the cost of production for many industries will become higher (Berezinskaya, Vedev, 2015).

For the companies having the foreign debt outstanding, servicing of the debt has become more expensive. Capitalization of the companies, denominated in foreign currency, has decreased. As a result of monetary policy, held by Central Bank in order to strengthen the currency, the interest rate was increased as a temporary measure to survive (www.cbr.ru/eng, 2015). Therefore, the price of foreign financing increased because of the currency fluctuation; at the same time these fluctuations caused the domestic financing to become more expensive in a way that the interest rate of credits from both commercial and retail banks increased dramatically.

Wide-ranging sanctions, imposed by foreign countries due to the complicated political situation. Foreign sanctions, imposed by US, EU, Japan and Australia are directed on limitation of certain cross-border lending to Russian companies. As a result, international credit dried up, big companies experienced difficulties with the financing, required to service debt outstanding and with the attraction of foreign capital. Capitalization of the many companies, especially energy giants, sharply fell down as a result of currency depreciation, oil price decrease and shrinking of the financing (Eberhardt, Menkiszak, 2015). All these factors cause the outflow of potential investors, which are concerned with higher risks, associated with the investing in Russian firms. Declining investments represent significant problem for Russian economy, because investments take 20 % of Russian GDP (info.minfin.ru, 2015).

Sanctions, imposed by foreign countries, caused the government to come up with counter measures, namely, embargo on import of certain categories of food commodity. The embargo, along with the growing inflation, caused many companies to increase their prices due to the growing costs (tass.ru, 2015). Taken together with the 10% decrease of consumption of commodities by the population, the pace of growth of SMEs in Russia has been significantly slowed down (The bulletin of social-economic crisis in Russia, 2015). According to the information from Russian Federal State Statistics Service, the volume of GDP in the first half of 2015 declined at roughly 4% compared to the corresponding period of 2014. The biggest decline corresponds to manufacturing, wholesale and

retail trade, financial institutions, construction. The gross domestic product, produced by household activities, declined at 10% (www.gks.ru, 2016).

As an external environment for Russian economic agents, crisis of 2014-2015 may be characterized with the following features:

- High level of uncertainty, which affect the processes of decision-making and creating a strategy. The uncertainty includes both uncertainties about future income because of the increased price sensitivity of consumers and about the cost of financing, causing businesses to concern about their future and admiring to save rather than invest the capital.
- Decreased amount of opportunities and resources, which is expressed in limited access to technology transfer from abroad, reduction in foreign investments, and limitation of possible supply channels.
- Increased intensity of competition, caused with the shrink in consumer demand and the consumption of households.

All these features change the features of external environment, therefore causing changes in the nature and magnitude of relationship between entrepreneurial orientation and performance indicators.

2.3 Theoretical model of the study

The impact of crisis on different businesses has been studied by scholars under the influence of different factors. The studies reveal that certain factors, such as market orientation, may help the firm to mitigate the effect of crisis and are especially important in turbulent environments (Grewal, Tansuhaj, 2001). Some of the studies reported, that there are certain features, which are negatively related with the performance of the firm in crisis, such as risk-tolerance (Bartz, Winkler, 2015).

Scholars have discussed the different types of strategies and strategic orientations, applicable for the crisis environment; however, the role of entrepreneurial orientation in crisis has been revealed in the only one study, which is quantitative in nature and considers the context of Finnish market. The specific of quantitative approach doesn't allow to concentrate on detailed investigation of EO role in crisis, which is necessary in order to understand the mechanism of studied relationship. Crisis of 2014-2015 in Russia combines the features of structural, cyclical and external crises. It has touched most of the businesses in the country and has provided increased level of risk, dynamism and uncertainty to the environment, decreasing the resources, available to Russian firms.

The fact that entrepreneurially oriented firms achieve different results, than the non-entrepreneurial ones, provides the rationale for the assumption that EO may play certain role in the process of Russian firms overcoming the crisis, which has to be examined. The development of EO dimensions is defined by various factors of external and internal environment. Being the important part of external environment, which gives this environment certain unique features, the crisis may influence the level of dimensions of EO, developed by Russian firms.

Finally, the overview of the theory suggests that each dimension of EO may have different relationship with performance indicators of the firms. The same way, suggestively, different dimensions of entrepreneurial orientation play different role in firm's ability to overcome the crisis being more important and worth to be invested in and less important and not worth to be invested in.

High risk-taking ability, developed in the company, leads the firm to engaging in risky projects with uncertain outcomes. Crisis impacts the level of uncertainty in the environment, making the external conditions turbulent and unstable. The influence of the crisis for each particular company is different; therefore, the level of uncertainty in the environment may be different for each firm. Thus, risky decisions may either lead to the significantly increased results due to the high profitability of risky projects or provide the unaffordable losses to the company, which in crisis may destabilize the firm and bring irrecoverable damage, decreasing the revenue and holding the growth. Moreover, the investment into risky projects may also make no significant impact for the company compared to the risk-averse strategy. Thus, it may appear that risky projects are not damaging the company, at the same time they don't bring highly successful results, therefore the company is not benefiting from the implementation of risk-tolerant strategy and risk-taking is not an important factor in overcoming the crisis.

High level of proactiveness suggests that firm would seize big number of opportunities, try to move ahead of its competitors and develop different directions of activity. Crisis decreases the amount of opportunities to the different extent in certain markets. High level of proactiveness may bring additional value for the firm due to the increased amount of projects it is engaged to, providing natural growth and increase of the financial results. On the other hand, customers in crisis may be more attracted by the decreased price or useful innovation rather than by the variety of the offered services or amount of partners of the company. In this case the efforts and investments, directed on seizing more opportunities, may appear worthless for the firm, shrinking its resources without bringing the increased performance.

High level of innovativeness is observed in the firms, implementing innovations to the products, processes or markets. For this dimension crisis may reflect positively in a way that useful innovations are attractive for the customers in certain industries, especially in time when other companies prefer to save scarce resources instead of spending them on the innovations. Innovations may also provide growth to the company, increase the number of clients and markets the company is presented in and provide cost efficiency to the firm. From the other point of view, most innovations involve high costs for the companies and, again, in certain industries may not represent the value for the customers. Thus, high level of innovativeness may possibly involve large spending of resources, limited by the crisis, which may be not influential for the growth, profitability and other results of the company. Theoretical model of the study is represented on the Figure 4.

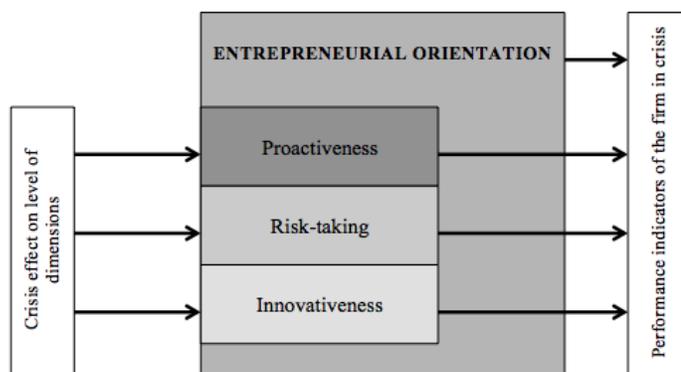


Figure 4 Theoretical model of the study

Theoretical model suggests the presence of influence of the crisis on level of development of each EO dimension. The effect of crisis may be positive, increasing the level of certain dimension; negative, decreasing it; the absence of effect may be reported. The presence of unusual relationship between each dimension of EO and performance indicators of the firm in crisis is assumed, as well as the relationship between EO of the firm and its performance. Empirical research, conducted further, must shed the light on the nature of the relationship between dimensions of EO and performance of the firm, giving the evidences on how these dimensions are related to the results in practice and providing insights on how does EO contributes to the firms' ability to overcome the crisis. As a result the role of each dimension of EO in overcoming the crisis must be evaluated. Each dimension may play important role, make no impact, moderate impact or the negative one.

Chapter 3 THE ROLE OF ENTREPRENEURIAL ORIENTATION IN FIRM'S ABILITY TO OVERCOME THE ECONOMIC CRISIS: RESULTS OF EMPIRICAL ANALYSIS

The following chapter contains the description and reasons for research design chosen, information about the cases, main steps of empirical research and outcomes of the analysis. The analysis of the cases is structured as follows: general data about all companies and their short history, analysis of companies' activity in crisis and their performance indicators, discussion of the role of each dimension in overcoming the crisis, the influence of crisis on each of the dimensions and conclusions on how entrepreneurial orientation and each of its dimensions relate to performance of the firm in crisis. The chapter is followed by cross-case comparison table, which highlights the main differences and common features of the cases.

3.1 Research design

The aim of the research is to determine whether entrepreneurial orientation helps Russian firms to overcome the economic crisis and how does it relate to firm performance during the crisis in Russian market.

The research methodology is based on the qualitative methods. The choice of research methodology is explained with the questions of research. Detailed analysis of each case and comparison of the results will help to understand the nature of relationship between the EO and performance in period of crisis and will give the evidence if this relationship is any different from the results obtained in other studies on the impact of EO.

Case study approach to phenomenon allows getting deeper information about different human behaviors, opinions, and relationships. At the same time in comparison with the survey it provides the higher level of flexibility and adaptability for the interviewer to get additional information and focus an attention of the respondent on the issues that matter for the research (Miles, Huberman, 1984). Moreover, the case study approach is highly applicable for the study of new topic areas with no publications available on the topic (Eisenhardt, 1989).

The case study is a strategy of research, which makes an emphasis on analyzing the dynamics present within single settings (Eisenhardt, 1989). According to Yin, a case study should be aimed on investigation of a contemporary phenomenon in depth and within its real-life context (Yin, 2009). Therefore, the first strong point of case study is a possibility to study phenomenon in details and with its connections with external factors.

The purpose of the case study is to generalize back to theoretical assumptions, not to the population (Yin, 2009). According to the Yin, case study method is the most appropriate research design for “How?” and “Why?” types of question.

The study uses multiple-case design. The advantage of such kind of design is represented with the fact that the evidence from multiple cases is considered to be more robust. The rationale behind the choice of multiple-case design lies in a fact that relationship between EO and performance in crisis is not a unique or rare case, it is applicable to many companies. Therefore, the evidence from several studies will give a bigger range of possible options of crisis influence of this relationship, in such way widening the practical implications of the study. The developed framework will represent an attempt to understand how crisis environment influences studied relationship.

The research uses inductive approach, which starts with collecting the data and studying of individual cases with further generalization of theories. The inductive approach mostly applies to qualitative researches, because it suggests developing a theory from the analysis of existing phenomenon. In contrast, deductive approach suggests creating hypotheses and checking them with quantitative data. Regarding the chosen research question, there is a lack of literature observed, therefore there are no existing theories of how entrepreneurial orientation will relate to the performance in the crisis time. So these theoretical assumptions must be outlined from the results of a case study.

3.1.1 Description of the data sources

Case studies may get evidences from many sources. The design may combine such sources of data collection as interviews, questionnaires, observations, archives, documents (Eisenhardt, 1989). Any of the types may represent a sole source of data collection. However, such approach is not recommended for the case study research design (Yin, 2009). The recommended principle follows the data triangulation idea. Any case study conclusion tends to be more accurate and convincing if the fact, serving as a rationale for such conclusion, is achieved from several sources. As a method of deep, detailed investigation case study approach allows getting more information from different sources than any other design. Current study uses this advantage in order to get more reliable conclusions. The study refers to multiple sources data, which allows addressing a wider range of issues.

The primary source of information is interviews with the members of the firms, which are highly involved into strategy-creating processes and competent in the details of current situation. The use of interviews applies to gathering valid data relevant to the study. The interview guideline uses open questions, directed at gaining the broad range of information, relevant for the topic of the research.

The interview is aimed to get information about four main sections: the dimensions of EO in the company, influence of external environment, influence of the crisis, and performance of the company. Open questions are directed on the construction of the dialog, revealing the situation in the company concerning three dimensions of EO, influence of the crisis, strategic moves, aimed on the prevention of crisis, performance of the company comparing to the competitors, overall influence of the external environment. The list of questions is included to the appendix.

The type of interview utilized in the current study is semi-structured. It uses the list of possible topics and questions to cover, however, the number of questions varies from interview to interview (Saunders et al., 2007). The choice of such type of interview applies to the theoretical conclusion that EO-performance relationship is dependent on the context and crisis may not be the main factor, which is influencing this relationship. The choice of questions is specified partly before the interview with the documentation investigation and partly during the interview basing on the answers to the previous questions. The semi-structured interview usage is appropriate for exploratory research category (Saunders et al., 2007).

The interviews are conducted in verbal way in order to avoid insufficiency of answers and misunderstanding. To prevent bias and inaccuracies in reported answers, all interviews are recorded on the audio with the permission of respondents. In general interviews take 60 to 90 minutes. Notes are taken along with the recording of the interviews to prevent losing of the important nonverbal signals and reactions of the respondents.

The additional sources of the information are documentation, open Internet resources and SPARK database. Different kinds of documents are available both on the Internet and on the personal request from the respondents. Prior to the interview, the web-pages of the companies are studied in order to demonstrate sufficient knowledge about the company for the useful conversation. Annual reports of the companies are utilized as sources of exact evidences of companies' activity. Articles about the most important events in companies' activities are studied to get detailed picture of described situations.

3.1.2 Choice of the research sample

The sample of cases is chosen on the basis of purposive criteria (Curtis et al., 2000). The size of companies varies from small to large. The choice of cases for the study is explained with several rationales:

- The replication logic

In multiple-cases study each case “..must be carefully selected so that it either predicts similar results or predicts contrasting results but for anticipatable reason” (Yin, 2009, p.54). The four companies, pre-selected for the interview, were all able to develop at least one of the dimensions of entrepreneurial orientation in their strategy for the previous two years. Therefore, the results obtained from the each case are expected to be more or less similar. Expected differences should be explained with the industry the company is working in and with the other factors, revealed in the process of interview.

- The industry

The choice of four different industries provides evidence from different spheres, allowing following the effect of crisis on relationship in different context. The outcomes of theoretical overview suggest that studied relationship may be different due to the special features of each industry. Case study design allows following these special features and considering the EO and its relationship with the performance within the overall situation in the industry, avoiding the utilizing of same criterions to different industries.

- The effect of crisis

Since the research question appeals to the effect of the crisis, one of the necessary conditions of the case is the presence of any influence of the crisis on the company’s activity. All chosen cases, suggestively, experience certain influence of the events occurring with the crisis. The preliminary research of documentation about these companies proved this fact, so these particular cases represent the appropriate field to study of the chosen research question.

The interviewees, chosen for the dialogue, are deeply involved into the process of the strategy creation in the company and have been inside the company either from the very beginning or long before the crisis. The speaker from Petro-Stimul Expert is Stanislav Kulikov, the founder and CEO of the company. Due to the small size and flexibility of the company, all of the processes, happening in the company, are subjects of Stanislav’s decision; therefore, the interviewee is highly

competent in the topic of the dialogue and has provided a lot of valuable information for the research. The same logic refers to the respondent from Open World Consult – Olga Bondarovets. The interviewee is an administrative director of the company and she has found the firm together with her two business partners.

The respondent from Yota is the director of marketing department Karina Kuvshinova. She has been working in Yota from the first year the company had been established. The respondent has been making all the decisions of the marketing policy basing on the overall strategic view of the company, therefore, Karina has also provided enough data for the researcher to get insights.

The respondent from TJ – Nikita Likhachev – is its editor-in-chief, which has been working in the company from the very beginning of its history, developing the strategy of the journal and implementing the experimental features together with the owners from the first day of TJ.

The companies, studied in the research, along with the names of interviewees are listed in Table 4.

Table 4 Companies, chosen for the case study

Name	Industry	Size	Name of the interviewee	Position in the company
Petro-Stimul Expert	Energetic services	Small	Stanislav Kulikov	Owner
Yota	Telecom	Large	Karina Kuvshinova	Marketing director
Open World Consult	Insurance broker	Small	Olga Bondarovets	Owner
TJournal	Internet journalism	Medium	Nikita Likhachev	Editor-in-chief

Entrepreneurial orientation has been evaluated on the base of interviewees' evidences and additional factors, evolved from the web-pages, advertising prospects, annual reports and articles about the company. The level of each dimension of EO is evaluated compared to the competitors of the firm.

3.1.3 Process of the empirical study

The overall research process consists of four parts. First part is preliminary one, its aim is to develop instruments of the research and prepare the ground for the future interviews. The interview guide is created in a way that the conversation will provide most part of the information, required to answer the research question. The process of the sample choice is based on the investigation of the cases, applicable for the requirements of the empirical research design. The search of organizations

is conducted with the assistance of GSOM career center and through the personal links of the researcher, obtained during the internship. The initial list of 10 companies is checked on the subject of replication of the industries and on the question of crisis events influence. Two companies are eliminated from the list on the base of these criterions. The successful arrangement is achieved with 4 companies, agreed to become a subject of the study. The analysis of documents is conducted to provide deeper understanding of firm's activity and features. The second part represents the process of interviewing. Examples of the main questions are sent to the interviewees prior to the interviews in order to establish the expectation from the conversation and give the respondents an opportunity to recall the brightest examples, illustrating the main issues touched by the interview. The third part is devoted to the preliminary analysis and obtaining the missing information through companies' representatives. The last part includes classification and analysis of the overall data, cross-case analysis and making theoretical conclusions.

The stages of the study are represented on the figure 5

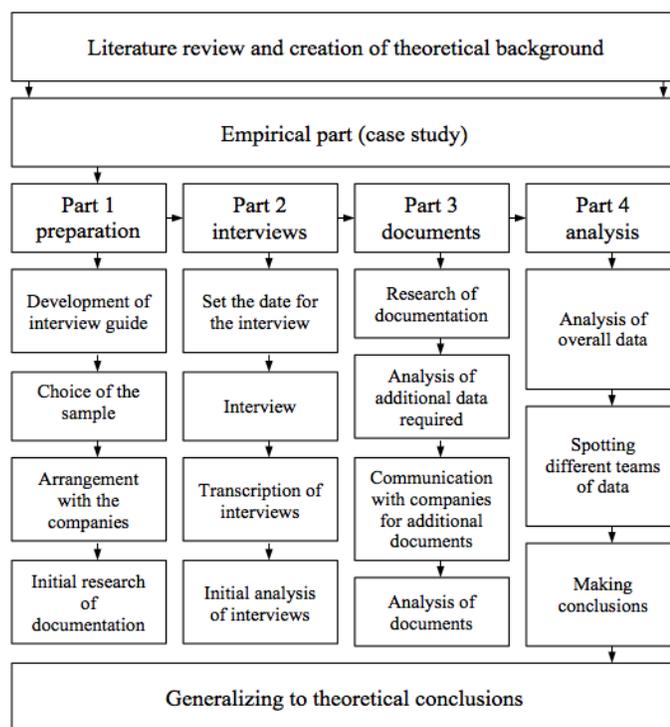


Figure 5 The stages of study of EO-performance relationship in crisis

The preliminary analysis of all collected data provided the understanding of the structure, which would reflect the results in the most representative way. In order to understand main differences and similarities among the cases, the initial cross-case table is created. In the process of comparison of all four cases the structure of initial description is developed. Then the table is

extended to include all information obtained and main conclusions achieved and the structure of empirical research is created.

The following section is presenting the main information about the cases to sum up general evidences and prepare the ground for empirical analysis. The structure of the description includes short history of the company, description of its main activities and clients and short overview of external environment.

3.2 General information about the cases

All four cases, studied in the current research, have a lot of differences from each other, providing a field for studying of the role of EO in crisis in different conditions. Sizes of the companies were determined in terms of the market and the industry, independently from each other, because each industry provides its own criteria of the size. Thus, there are 2 small, 1 medium and 1 large company in the current study.

There is one company, providing its services to other businesses and government, one company directed on individuals and two combining both services for companies and customers. The first case - Petro-Stimul Expert - is a small Saint Petersburg based company, offering wide range of services, connected with electrical and thermal energy sphere. The clients of the company are businesses and governmental organizations. The work of the company is project-based, which suggests hiring technical specialists on the contract for single project. Such structure corresponds to the small size of the company and allows making economies on personnel. The company was founded in 2010 by the interviewee Stanislav Kulikov. The initial idea was to anticipate the demand for auditing the energy systems of the firms. According to the Russian law of 2010, all companies with total consumption of any type of natural resources higher than 10'000'000 rub have to receive energetic passport: document with description of the consumption, length of wires, etc. The main business idea of the firm was to provide such kind of service. As the result of energetic audit, there is a technical report created for the client and recommendations for optimization of the wire. However, nowadays the company has extended the list of services it provides in order to develop further.

The second company, Scartel ltd., is the part of Russian telecommunication market. It is the only large company in the study. The ownership of the company belongs to the other big Russian firm – Megafon, however, it creates its strategy independently of its mother company. Yota offers the market two products: LTE modems for computers and sim-cards for tablets and cell phones. The

main principles of the company are fast speed, simplicity and honesty. The approximate number of subscribers is 1,2 millions of people. The company allows users to create their own special career terms individually through the phone application. Each Yota career plan has unlimited Internet access for smartphones.

The company was founded as a small start-up of two entrepreneurs nine years ago in St. Petersburg. Russian market was already requiring the next generation of the internet-connection with the higher speeds and its founders were the first to see this opportunity and to launch the project - first in Europe network, working on the Wi-Max technology. After two years Yota announced reorganization of existed network for making it work on LTE standards. In 2014 Yota launched a voice-services and nowadays this product is successfully enthralling Russian market. There are two cases in the study with the geographical market reaching the whole country – Yota and TJournal.

TJournal is a company, working on the base of Internet-platform, which generates the news and articles about the latest events and trends in the focus of interest of Internet users. The company was founded in 2011 and has experienced many changes for last 4,5 years. The nature of its activity suggests that the platform serves two categories of users: individuals, reading the articles and providing visibility of the page by their attention and interaction with the platform and advertisers – companies, interested in the usage of the platform as a space to get attention from individuals. Advertisers provide around 70-80% of the revenue, and 20-30% is provided by individuals, paying for subscription. However, the main focus of the platform is to get attention from its users, because the ability to get valuable partnerships from advertisers is determined with the amount of the views of the page. This model is unique for the study, because other three cases get their revenue from their target audience.

The fourth case is also serving to both B2C and B2B segments of its market. However, the model is different from TJ. Open World Consult, founded in 2013, is providing the services of intermediary in the insurance sphere. The main direction of company's activity nowadays is corporate segment of clients. The retail sales direction is maintained to provide stable stream of small revenue. The clients' portfolio mostly consists of premium segment. Olga Bondarovets – the interviewee – and her three colleagues, founded Open World Consult Ltd in order to deal with massive employment layoffs in the big insurance company. The main asset for the company in the very beginning was the clients' portfolio established by employers of the insurance company. Due to the fact that insurance has to be renewed annually, the clients, willing to renew their contracts,

would return to their agents directly. Olga and her business partners have seized this opportunity and offered these former employees a partnership.

For all of the cases the external environment may be characterized as dynamic. Petro-Stimul Expert is working in very hostile and unpredictable environment. The market is frequently re-divided according to the objectives of new management of big clients, which is changed rapidly. The initial business idea of the company was successful at the beginning, however, due to the crisis many companies prefer to get cheaper passports, even if they are fake or hide the amount of their consumption. Nowadays there are fewer competitors on the market due to the crisis. But the competition itself became tougher, because many clients are also shrinking the amounts of orders.

Tough competition is also the case for the market of telecommunication. It is highly overloaded; the relation of mobile users to the whole population is 116%. In order to increase the revenues, companies have to increase the prices or entice subscribers from the competitors, offering better deals and better quality of the link. However, unlike two other companies in the study, Yota may predict the actions of competitors. TJ may also easily forecast the actions of competitors. Crisis has a moderate effect on the telecom market because the consumers are not ready to refuse on the connection, but at the same time they are looking for the better deals. However, the prices of equipment have increased, because the materials are ordered abroad.

OWC is also working in dynamic and unstable environment. The crisis has influenced the market, causing many companies to leave not only because of the overall decrease in consumption in this sphere, but also because the Central Bank withdrew the licenses from many insurance companies, so the risk increased a lot. Moreover, the tariffs for obligatory auto insurance increased twice for the previous year, causing many loyal clients of premium auto insurance to switch to the ordinary one. Being the big part of the market, auto insurance influenced on general profitability of insurance companies and brokers.

For TJ the crisis has changed the relationship with advertisers and affected its growth. The desires of individuals are quite visible, although they are changing rapidly. Advertisers behave more cautiously, since with the crisis they don't have an opportunity to invest a lot of resources into their advertisement, they have to sharply decrease their costs and they don't contact so easily with the unfamiliar spaces. The main features of all four cases are presented in Table 5.

Table 5 General information about the cases

Company name	Petro-Stimul Expert	Yota	Open World Consult	TJournal
Industry	Electrical and thermal energy sphere	Telecommunication	Insurance broker services	Internet journal
Main activities	Installation of electrical wires, measuring of electrical rates and indexes, auditing of the energy systems	Realization of communication services: sale of 4G modems for computers, sim-cards for smartphones and tablets	Range of services, connected with insurance: consultations and choice of the most suitable insurance company for the client to full support of transaction	Internet mass-page, providing articles about social network content, aggregating
Established in	2010	2007	2013	2011
Size and number of employees	Small, 12 employees. Contracts with the rest of required specialists for single projects; many operations realized on outsource	Large, around 1200 employees; the ownership belongs to Megafon, many operations realized on outsource	Small, 15 employees, the company works as the community of individual insurance agents	Medium, 50 employees thanks to the network of many articles and the users of the platform
Market	B2B, B2G Saint Petersburg	B2C, 74 regions of Russia	B2B, B2C, SPb and Moscow	B2C, B2B, Russia
External environment	Hostile, unpredictable, unstable due to the changing tariffs on the electricity and high dependence of the companies on the governmental orders. Crisis has a significant effect on the market	Dynamic with frequent changes of competitor's actions, although, rather predictable. The competition on the market is tough. Crisis has a moderate effect on the telecom market	Dynamic, unstable. The crisis influenced the market; many companies left it. The tariffs for primary activity - obligatory auto insurance - increased twice causing many loyal clients of premium auto insurance to switch to the ordinary one	Dynamic, but predictable on the side of users of the platform. Stable and predictable on the side of advertising. Crisis has an effect on the behavior advertising making it more difficult
Level of entrepreneurial orientation	Moderate to high. The company is undertaking risky projects to survive; striving every opportunity it gets. The company is not implementing many innovations, because the industry is traditional	High. The company is an innovator among the competitors; It is constantly innovating the product and processes, striving new directions of development and taking risky decisions	Low to moderate. It has one dimension of EO, which is not developed enough due to the features of the environment. The company is proactive, it implements innovations in its strategy, but it is avoiding risks	High. The company is implementing changes, proactive and innovative in organizing its ways of communication with users

3.3 Cross-case analysis

The chosen research design implies to the comparison and analysis of details of the cases, studied by the author. To address the sub-questions, stated in the current research, the following section contains comparison of the cases on the following structure: the factors of success for each company, the influence of crisis on each of the dimensions and the relationship between performance and each of the dimensions. The discussion is finished with cross-case table, containing the conclusions about the analyzed questions.

Factors of success and performance during the crisis

Theoretical background, developed in the current research, suggests that crisis has a different influence on different companies. Therefore, the factors, providing stability and development to the companies, are also different for each case. Moreover, the criteria of successful performance are also unique for each firm; that is why as one of the indicators of firm's performance current research utilizes perceived measures. The basis for indicator of satisfaction with firm's performance is subjective perception of the interviewee, which allows following not only financial indicators, but also the wider overview of real situation in the company. The financial indicators are included to the comparison as well in order to provide the additional evidence for the conclusions made.

For Petro-Stimul Expert the success is measured with the fact that the company survived through last two years, which were complicated for the all players of the industry. Stanislav notices: "Our revenues are growing, although the profit maintains stable, because we invest into new directions of the development. But in crisis time, I would say that the fact that we survived, is a big success already, especially comparing to our competitors". The numbers, presented by the director of PSE support this statement. The revenue for 2014 was rub 1,5 million. Although the revenue decreased from 2013, the owner of the company admits, that all in all the industry has suffered a lot from crisis, many competitors had to close their business, because small companies like Petro-Stimul Expert in their segment are highly dependent on the big clients, such as Lenenergo, which has many problems with the financial liquidity and doesn't pay out its debts to stakeholders. The owner of the company is satisfied with the profit indicator comparing to the competitors, but he notices that the crisis has influenced the growth of the company negatively, which is also reflected in the information from SPARK.

Different companies deal with crisis in different ways. Petro-Stimul Expert is relying on organizational structure, financial policy and proactiveness of the company. The organizational

structure is fully based on the outsource practice. The owner reports: “We don’t keep a big team of employees, we rather outsource most of our functions: for example, we use the system, which is popular abroad: hire the team for only one project, so our work is more project-based. The fact that at beginning of our activity we have been paying to employees even for the time they did not have any projects in current work brought us a lot of unnecessary costs”. Being of a small size, the company is making use of its flexibility. The financing of the company is based on the own resources; Petro-Stimul Expert doesn’t have any debts outstanding. Due to the currency fluctuations it has become more expensive to service the debt, therefore maintaining the activity based on the own finances provides the company higher stability.

In contrast, Scartel marketing director remarks that crisis did not influence the activity of Yota to the great extent. The management of the company is satisfied with the growth rate and revenues of the company, the latest available numbers also indicate that 2014 was highly successful for Yota business department. The latest annual report was published in July of 2015. It was the first annual report after the acquisition of Scartel by MegaFon in 2013. It was the first report after launching the mobile operator as well. Since MegaFon owns 100% shares of the company, its financial results are now available as a part of MegaFon reports. According to MegaFon annual report, revenue of Scartel in 2014 was rub 10,4 billion. Profit is 37% of the revenue – rub 3,8 billion. MegaFon reported that the revenue of Scartel makes 10% of the overall company revenue (retrieved from annual report on the web-page of Megafon). The interviewee admits, that due to the crisis, the results of 2015 are not as outstanding as it was for 2014, but in general in comparison to the competitors the profit, the growth rate and the revenue are suggested as highly satisfactory.

The key to success for the company lies in a fact that the negative effect of crisis was covered with the rapid development of the new business line. The introduction of the voice-product to the market went successfully due to the complex of reasons. Positioning itself as the new mobile operator, Yota has created the strategy, based on the analysis of competitors. The company has created its own market of active young subscribers, which use Internet on their smartphones a lot instead of targeting the same market as its three competitors, which have been dividing this market for decade. In contrast, the company set the higher price for its tariffs and allowed users to surf the Internet without limitations and use the sim-card throughout the whole country without additional fares. This strategy was implemented at the time when competitors offered 1 to 3 Gbs of the Internet and high roaming fares. This move attracted new users to get a sim-card and made a buzz around Yota. Nowadays the competitors have to adjust their offerings to compete with the company: all of

the players on the market are using the same features in their strategy, adjusting the tariffs, offering large amounts of the GBs and decreasing the roaming fees.

Another reason for the rapid growth of this business line refers to the marketing positioning of the product, which takes a niche for young, active up-to-date trendsetters. Such targeting pushed the whole group of progressive youngsters to switch to Yota in order to stay “in stream”. The interviewee suggests that the rapid development of new business line is the main factor of success of the company.

Additional factors contribute to the overall situation: as Petro-Stimul Expert, Yota is decreasing its costs with sending the part of its functions on the outsourcing. In particular, the professionals outside the company create the advertising campaigns; Megafon provides the accountant functions; part of the technical support is made outside of the company.

Unlike the two previous examples crisis has influenced the business of OWC both in negative and positive ways. The fact that the Central Bank withdrew the licenses from many insurance companies increased the overall level of risks in the industry a lot. Several big insurance companies either became bankrupts or have been closed (web-page of CBR, 2015). This fact has changed the perception of risks by the clients in a way that they became nervous about their insurance and would prefer rather to use broker services to get professional expertise and to get insurance for different objects from several companies rather than from one. Thus, the demand on the services provided by the insurance brokers has increased. On the other hand with the crisis events on the market, the risk premiums for insurance of automobiles have been increased twice.

Another feature of Russian business refers to the attitude of clients to their insurance. If the client decides to purchase the premium insurance, he has to be sure that the risky situation occurs and he will get the compensation for this insurance. If this situation did not occur, the illegal intentional damage takes place. Therefore the profit from premium auto insurance was predicted to decrease. At the beginning of OWC history the auto insurance (especially the premium one) has been the core activity of the company. The situation became dangerous for the company.

The interviewee reports that after the first year of the work the results were not satisfactory, the newly established company has not brought the profit. Reputational risk to which the company has been engaged damaged the clients’ portfolio. Narrow choice of offered services and insurance companies has limited the market segment of OWC. Based on the opinion of the interviewee, the company was not developing active strategy.

The instrument, which helped the company to stay on the market, is human resources. Olga says: “Our agents have been working in this sphere for more than 20 years already, they all are highly experienced, have a lot of knowledge about different insurance products of our partners and may immediately come up with the creative customized solution for the client, combining perfect selling abilities and deep knowledge. The company is highly evaluated among the clients particularly because of the high expertise of our agents. Sometimes they know more about the products of insurance companies we work with, than employees of these companies”.

With the crisis in Russian market, which started with the beginning of the second year of OWC history the management decided to radically change the strategy. Management of the company invested a lot into market research and anticipated the demand for new popular services and established partnerships with 12 more insurance companies during the first months of the crisis. Together with the growth of demand on the insurance brokers and development of the services for private individuals this strategy has brought the growth in client portfolio, satisfactory revenue and profit for the owners of the firm.

Therefore the second year of the company has been highly satisfactory for its owners. With the same strategy retained in the third year, Olga reports that 2015 was also successful for OWC.

TJ is the second case out of this study, which, as Yota, reports excellent performance during the crisis. The situation, observed in TJ, is similar with Yota experience. The effect from the new project, launched by the company, has doubled paces of growth during the last year compared to 2014. However, the influence of crisis is still significant for this case. Nikita admits: “With the crisis it became more complicated to achieve our main providers of income – companies willing to place their advertisement on our web page. Clearly, we would have much higher pace of growth if the crisis would not affect our partners. Advertisers behave more cautiously, since with the crisis they don’t have an opportunity to invest a lot of resources into their advertisement, they have to sharply decrease their costs and they don’t contact so easily with unfamiliar spaces. For most of the big advertisers we are still new and unknown company, because for a long time we have been out of their focus and when we offer them our partnership they refuse, saying that they have spent their entire budget on other more famous spaces for advertising. When the environment is stable, advertisers may cope with many new spaces. In crisis their budget is decreased and they prefer to go with the famous and proven partners”.

Therefore, the company is experiencing shortage of partners with crisis. Due to the fact that big advertisers have big budgets, each partnership with big players for TJ reflects in increased

earnings, in contract, the refuse of big companies to work with TJ makes the company spend resources on search of partnerships with small advertisers to substitute at least part of these earnings. The interviewee names several examples of competitors, which had have to leave the market because of the crisis events, however, since the market of competitors includes numerous projects of different categories, it is hard to estimate how many competitors had to close their projects. The company competes with any resource, which may take the time and attention of Internet users. The data, obtained from the from financial database SPARK, suggests that for 2014 the revenue was rub 11 million, which is several times more than the revenue of 2013.

As for the factors, helping the company to overcome the crisis, the interviewee names such features as company's willingness to experiment, its tolerance to risk, innovative approach to managing the platform, organizational changes. The commercial department was reorganized in 2015: many new people were hired in order to create strong commercial department able to show stable growing indicators of sells. Before the reorganization there were no clear plans of sales and motivational systems. The department is planning optimistic and pessimistic plans, it controls the progress and fulfillment of these plans, annual forecasts are corrected due to the external events.

Risk-taking ability

Risk-taking is described as “the degree to which managers are willing to make large and risky resource commitments – for example, those which have a reasonable chance of costly failure”. (Miller, Friesen, 1978, p. 923). High risk is associated with high level of uncertainty concerning the result of the project or its process. For Petro-Stimul Expert the examples of risky projects include the purchase of electro-laboratory for the price, relative to the company's revenue for several months. The objective for such decision was to develop the new direction of services. The company has studied the demand for such equipment, sent employees for trainings to learn how to operate it and started to offer the service of measuring and reporting different electricity indexes such as amperage and resistance of the wire. Stanislav admits: “This project was risky, because the sphere was completely new for us, the result was very unpredictable, but we hoped that the demand for this service would be growing”. The project is working nowadays and it brings good results, so the risk was approved.

Another risky project of Petro-Stimul Expert was the big package of services for one unstable company. According to the opinion of the owner, in crisis every project in this industry becomes very risky, because crisis has influenced the clients of this sphere. The clients are mainly represented with construction firms and governmental companies. For them the crisis environment

brings sharp drop of the revenues. Constructions collapse, simultaneously the energetic services are not highly demanded. Now with the crisis, the clients have problems with financing and they keep many debts to their stakeholders.

In the case of Petro-Stimul Expert crisis plays a role of antecedent to risk-taking. In stable environment companies like Petro-Stimul Expert tend to decrease the amount of risky project they take and demonstrate the high risk-averse, because there are enough certain projects with low to moderate outcomes, but less risks. But in crisis environment Petro-Stimul Expert has to take on every order they get, even the risky ones and crisis transforms it to the survival factor. Moreover, the crisis increases the level of risks associated with the projects due to the high influence on the industry.

Stanislav admits, that now they have more debtors than ever. He says: “We were not very certain about this project, because we have never worked with this company before and the sphere was very new for us. So the risk was very high, but crisis did not leave us any other chances to survive and we decided to agree on this order. Luckily, the client has paid out all the services we made and it helped us to continue working, while many of our competitors did not manage to survive. Of course, we lost a lot with this project, because there were many unexpected difficulties, but in the end we earned more on this project, so all in all I am satisfied with this result, at least for the short term”.

In this case it appears that the only way to survive and maintain profitability for Petro-Stimul Expert is to take on risky projects. The rationale for this conclusion is in the fact that company is financing itself and it doesn't have debts outstanding to serve them. In case of the negative event of risky project occur – the client does not pay off the bill – the company only loses profit for the short term, but it does not fall into the debt hole. If the company tries to avoid risks, it would not have a chance to maintain profitable, because the majority of projects in this sphere become risky in crisis. Before the crisis events occurred, the company had managed to avoid high risks, refusing highly uncertain projects and maintaining stable relationship with their loyal customers. Along with proactiveness, this strategy has led the company to the stable medium revenues and steady growth. But now crisis has changed the paradigm of the industry, providing positive relationship between risk-taking and performance of Petro-Stimul Expert.

In Yota risk-taking ability is dictated by its overall strategy of being the first-mover on the market. The strategy is demonstrating features of risk-taking both on the overall company level and on the level of each department. It is remarkable, that, according to the opinion of Karina, which is

supported by the annual reports of the company for the last four years, the company has been implemented risky strategy long before the crisis and with the beginning of the crisis events of 2014, although the perception of risk has been slightly changed. Karina says: “We are trying to create the image of the company, which is different from our competitors in every possible way. In Yota we do things with completely different attitude, we face the same problems as our competitors do, but the approach is different, creative and smart. Maintaining of this strategy is already the risk itself, because being pioneers in any sphere is associated with high level of risk”. The influence of the crisis on the relationship between risk-taking and performance of the company may be clearly followed through the fact that risky decision has helped the company to demonstrate highly satisfactory performance during the crisis. The company has decided to launch the new unusual product with the beginning of the crisis. Although the price of the tariffs was higher than the competitors’ one, the company has stated on a cast of innovativeness, which was risky in conditions of decreasing purchasing power of consumers. It was also uncertain whether the consumers would switch to Yota, attracted by the unlimited Internet access or they would prefer to stay with their carrier plans. Another example of risk-taking in process refers to the channels of distribution: the company had pioneered on the field of on-line sale of sim-cards. The product may be ordered through the Internet and transported to the client the same day by the courier. The implementation of this process cost company a lot and it was unclear whether customers would use it. According to Karina, nowadays courier transportation of the sim-card is used by roughly half of the new clients and is perceived as competitive advantage of the company. The interviewer admits, that with the escalation of crisis events, all of the risks are calculated even more precisely and accurately, however, the policy of active risk-taking is still developed in the company on each level of decision-making. In the example of Yota high risk-taking ability was achieved both before the crisis and crisis events didn’t influence this dimension of EO in the company. Risk-taking has helped the company to retain loyal customers and to launch the new business line with unusual strategy with uncertain results. All in all the outcomes of this strategy have covered the effect of crisis for the company, helping it to grow and develop even in crisis time.

Open World Consult represents the example of risk-averse company. Olga says: “In our industry the biggest risk refers to the choice of insurance companies. If we partner with unreliable company and it lets our client down, the client refuses to work with us immediately, taking away all of his transactions with the company. Due to the fact that we are working with the big clients, each loss of the client reflects in the immediate loss of revenue”. The opinion is supported by recent

article of Finn, K., revealing the process of insurance brokers' work and trends of the industry. In the article she is discussing the relationship between clients and insurance brokers, confirming that partnership with unstable insurance company damages reputation of the business a lot (Finn, 2015).

Olga brings the example of unsuccessful partnership, which was quite risky for OWC. With the launching of new strategy in 2014 management was widening the chain of contacts with insurance companies. One of the agents established good relationship with doubtful company and was offering Olga to make this company an official partner. Although Olga and her colleagues were not sure of this suggestion, they decided to go for this risk to retain their employee. However, after a few successful transactions with the clients, this company disappeared with money gained from the contracts. Deceived clients blamed OWC in their losses and refused the services of OWC immediately. The negative consequences from this evidence ensured the management of the company to choose the less risky partners, because, according to the study of 2014 one of the most important factors, influencing the choice of insurance company, is reputation and stability of the company (Mathur, Tripathi, 2014). Therefore, according to the evidences from Olga and overview of the process of choice of the partners, the company is trying to avoid risks.

The situation is worsening with the growing level of cheating on the brokers' market. The situation of illegal enrichment among brokers is very common, therefore the willingness to engage to risky projects is influencing the performance of the company in negative way. Crisis is increasing the overall risk, even more insurance companies are leaving the market. It makes the company choose its partners in even more cautious way. The high level of risk-taking is damaging the reputation of the company, affecting its revenue in negative way and it certainly is not the factor, helping the company to recover from crisis.

In contrast, TJ is evaluating risk as a necessary element of its development. Nikita claims: "We are constantly experimenting with the format of the platform and not trying to avoid risks". The employees of the company are mostly young progressive Internet-users with high level of risk-tolerance. According to the informational prospect of the company, the average age of its employees is 27 years. Every year the company re-views the model of the platform and renews the structure and principle of the strategy, which changes the concept of the project. The interviewee reports, that they can't forecast the effect from these changes, but for the moment these changes have been showing the good results, expressed in increased amounts of views and overall growth, therefore these risks have been approved.

Risk tolerance has allowed the company to implement the important feature, which further has helped it to maintain successful activity and double the growth. The company has evolved the function of paid comments for users under the articles. After this change, people, willing to share their opinion, have had to buy the subscription. For several years there was negative opinion in this sphere about the idea of paid subscription for access to commentaries of users. Interviewee brings the example of popular columnist, which wrote about the idea of paid subscription for the commentaries as something ridiculous and inconsistent. The risk to lose many users because they would not be paying for expression of their opinion was very high; therefore nobody else before has tried this system.

When the Russian government has passed the law, allowing Russian Service of Supervision to restrict web pages even for the abusive commentaries of users, the management of TJ decided that the time for paid subscription for comments has come. Eventually the idea appeared to be successful: subscription serves as filter for the undesired aggressive users and provides more value for each commentary, transforming the platform from the space for random viewers thoughts and spam to the community of interested people, willing to share their opinion. The function of commenting under the article has started to be used more than before the paid subscription, the interest to discussions, hidden under the condition of getting the subscription, has increased and total number of viewers became bigger. Nowadays there are several thousands subscribers, although it has not been widely promoted and emphasized by the platform.

This feature is one example of major risky projects company implements. TJ is facing the same kind of risks on a regular basis, since each renewal and experiment is quite risky in terms of reputation and the thread is loss of the users, therefore, loss of the partnerships with advertisers. Nevertheless, the management is implementing changes and risky moves, because it is willing to experiment. And for the moment these changes mostly bring TJ positive outcomes in terms of views, quality of content, subscribes and offerings from advertisers, according to the opinion of its editor-in-chief, which is supported with data from Yandex-metric. The crisis has not changed the perception of risk by the company, since the number of risky moves, implemented by TJ, has not been changed.

The summary of the analysis of risk-taking in four companies is presented in the table 6.

Table 6 Cross-case comparison of risk-taking dimension before and during the crisis and its role in overcoming the crisis

Case	Period	Level of Risk-taking	Level of Risk-taking and performance (in comparison with competitors)	Role of Risk-taking in overcoming the crisis
Petro-Stumil Expert	Before crisis	Low. Due to the variety and big number of orders the company could choose the less risky ones and engage to more or less certain projects	The company has chosen orders and projects with certain moderate outcomes and it led to the stable steady growth and moderate profit	The crisis has transferred risk-taking ability into the company's survival. Self-financing from the firm prevents it from falling into a debt hole if the negative outcome of a risky project occurs. During the crisis, the company's projects helped it to survive the crisis last year
	During crisis	High. The crisis has increased the level of risk of each project and caused many clients to leave the market. The company has to take risky projects in order to survive, because there are no orders with low risk	Increased outcomes from risky projects help the company to maintain stable profitability and keep development on a stable pace	
Yota	Before crisis	High. The company has been engaging in risky projects and has been developing risk-tolerance in its employees, however, the scale of risky decisions before 2014 was smaller	The performance was moderate until 2014. Right before the crisis, a highly risky project was implemented. It led to the firm's outstanding performance	Taking risky decisions helped the company overcome the negative influence of the crisis. Shortage of resources during the crisis has been filled with the outcome of risky projects that were implemented for the last year
	During crisis	High. The crisis has not influenced the attitude to risk in the company, however, the accuracy of risk calculation has been increased	New risky business lines and a variety of further projects provided the firm with increased profitability while other competitors were not so successful	
OWC	Before crisis	Low. The company has tried one risky partnership once. The whole year before the crisis, all risky and uncertain projects were rejected	Single case of risky partnership in 2013 damaged the reputation and portfolio of clients. Each client brings many products for insurance, loss of each client causes significant losses	Risk-taking is not a crucial role in overcoming the crisis. Nor is risk-averse behavior. Risk-tolerance leads to better performance. Risk-averse companies avoid an environment of increased risk of sudden downturns. Partners with the company damaged their reputation and lost clients
	During crisis	Low. The management maintained a cautious attitude to risk, because reputation is the most important asset in this sphere. The overall level of risk in the industry increased, many insurance companies have left the market, cases of cheating have become frequent	Risk-tolerance in the industry results in risky partnerships, causing more negative results than positive ones. Positive outcomes from risky decisions don't lead to significantly higher results compared to non-risky partnerships. Risk is not associated with increased performance	
TJ	Before crisis	High. The team of young progressive employees is willing to experiment and implement risky changes to the platform. Big risky changes are conducted annually, the small ones – on a regular basis	Risky projects have shown highly positive outcomes, the field is applicable for experiments. The number of views has been growing at a fast pace, the attractiveness of the platform for advertisers has increased	Highly important risk-tolerance has provided the company with the possibility to implement bold changes, which led to many new users and an overall interest to try multiplying its chances. Partnership with advertisers helped to retain growth through the crisis
	During crisis	High. The crisis has not significantly influenced the level of risk-taking. During the crisis, the company implemented highly risky changes: paid subscription for the commentaries and changed the concept of the platform. However, risks are calculated more accurately	Major risky changes have doubled the pace of the company's growth in crisis compared to previous years. The outcomes of risky projects are positive, they increase the performance of TJ	

Proactiveness

Proactiveness in literature is expressed as the ability to “act in anticipation of future problems, needs or changes” (Lumpkin, Dess, 1996, p. 146). Petro-Stimul Expert is emphasizing its willingness to establish various directions of development and policy of engagement to completely different projects as its competitive advantage. Therefore, the level of proactiveness maintained by the company is high. While talking about different directions company tries to develop, Stanislav says: “From the past summer we also started to think about other opportunities to survive, we started to install electrical wires. This sphere is rather predictable and stable, but the problem was in the fact that we’ve never done it before, although we said to the client that we offer this kind of services. So our policy may be described in one sentence: If we have an order – we do it, no matter if we’ve done it before or not. We mostly never refuse the orders and try our best to organize the project even in the completely new sphere”. The company is actively seizing the opportunities and the owner believes, that this policy allowed surviving of Petro-Stimul Expert and its steady growth comparing to the competitors.

According to the prospects of the company, it had started trying new directions long before the crisis events occurred and the majority of services they launched attracted increased range of clients and therefore increased revenues. Dynamism is a special feature of Russian business. Companies are actively searching for the different ways to decrease costs, including the creative and unusual solutions. And B2B market has to respond quickly to these requirements. Petro-Stimul Expert was founded as a product of niche, created by the new law, obligating the clients of the company to become a subject of the energy-auditing, and the firm was developing steadily. However, if the owner would not anticipated the sharp fall in demand due to the decision of many firms to hide their consumption and order cheap fake technical passports and if the firm would not bought the equipment for new business line, the company would not manage to survive. Therefore, for this firm proactiveness is crucial characteristic.

The crisis did not change the perception of proactiveness and its role in the strategy of the company. The wide variety of projects company is engaging to and its willingness to constantly offer new services to anticipate market’s requirements is positively influencing its growth and profits. Stanislav says: “Our willingness to learn and take any order we get plays its positive role. We almost never refuse the projects and we start from the determining the demand. We base services we offer on the demand to the full extent”. The more opportunities company takes, the more chances it has to survive, because crisis is a time of shrank opportunities. In crisis time proactiveness of

Petro-Stimul Expert helps the company to survive and develop, but it is also true for the stable environment. The overview of the web-page of the company has confirmed the words of the owner: the company is offering 14 different types of services.

The marketing director of Yota also reports that proactiveness is a characteristic, allowing the company maintaining to be successful on their market. It would be fair to say that the overall market is highly proactive and sensitive to the desires of consumers, because the revenue fully depends on the average revenue per user and the technology is developing rapidly. To stay attractive, the mobile operator in Russia needs to keep tracking smallest changes in desires of consumers. The proactiveness of the company may be followed on the numerous examples. The overall launch of sim-cards had placed the company ahead its competitors. The conclusion is supported with the fact that nowadays each of the three competitors is offering tariff options with similar features as Yota implemented two years ago, because the company has raised consumers, which are willing to have unlimited access to the Internet and free roaming options.

Karina also mentioned the list of projects, company has recently been engaged to: “We are organizing concerts in our branded space in Moscow and Saint Petersburg, we are holding lectures with world-famous speakers for everyone who is willing to come, we are sponsoring interesting events. Yota is making partnerships with key players of the future: the company is an official provider of sim-cards for the car of the future – Tesla. There are also some interesting projects in the nearest future, however, I can’t disclose this information, but all in all I may say that we realize a lot of important and interesting projects on the regular basis”.

Proactiveness of the company is possible due to the accurate studies of the market on weekly basis. The company is analyzing offerings of the competitors, news of the market and big data from its subscribers, revealing the future trends and trying to anticipate them. Before crisis the profit of the company was modest in spite of the variety of projects it have been engaged to. With the beginning of the crisis this characteristic became crucial in development of the company, enabling to get revenue stream from the new product line it implemented from the first months of crisis. Proactiveness provided the company with the possibility to cover the negative effect of crisis, therefore, crisis is moderating relationship between proactiveness and performance, strengthening its positive magnitude.

OWC experience provides another example of the company, trying to build its strategy in a proactive way. Low performance indicators, demonstrated by OWC after the first year of functioning as a company with only three partners and single profile of services made the

management of the company rapidly change the strategy. The management has invested into the deep market analysis in order to track changes and to develop the required services rapidly.

Olga admits, that the environment is rather dynamic, thus, the company has to react quickly on every slight change. It mostly refers to the new editions of laws passed by the Government regularly. OWC was the first company on the market to offer the service of insurance for migrants when the law was passed. “Even the employees of our partner insurance companies did not know how to do it, while we were already negotiating to push the service. We have to be the first to know what is changing in the environment to be ready for implementation of new practices and services,” - Olga.

Another example of company’s proactivity is its attempts to raise the market of life insurance. Olga says, that the service is extremely popular abroad, because people tend to think in a long term, while in Russia the question of life-insurance is not so common, because Russian mentality suggests the short-term planning, considering the insurance of life as a bad sign. The evidence from USA market confirms this information. Rishel in his overview of life insurance mentions such factors, contributing to popularity of life insurance services, as growing risks of chronic illness, shift in demographic situation and insufficient retirement income (Rishel,, 2015).

In OWC they are sure that the time for development of this line of insurance has come for Russia due to the analysis of the market. Agents have been offering this service from the last summer and Olga admits that at the beginning people were reacting negatively and even aggressively, but now, after half a year many clients started to ask about this service to protect the future of their family. Several insurance programs include medical expertise, money support in case of dangerous disease and guidance of doctors from the very beginning of the disease. Olga reports that now these services have started to gain popularity and the company emphasizes this direction of insurance. This evidence supports the proposition that the company is shaping the market and seizing new opportunities.

Along with these examples, the company has established contracts with 12 more insurance companies and developed the list of services offered, investing a lot into the development of corporate segment. Olga says: “Our company is different from competitors with the fact that now we combine services for retail, selling insurance for people and services for corporate segments. In our country there are only two players, working with the corporate segment and both of them are international companies. Therefore we have a possibility to get wider range of clients”.

Before the crisis OWC has maintained low level of proactiveness, getting the unsatisfactory results. With the beginning of the crisis the company has started to develop proactive strategy. As a result the portfolio of the clients was increased, profits for the previous two years has been reported as highly satisfactory comparing to the competitors even despite of the crisis.

As a company, willing to experiment and amuse Internet users with new features, TJ demonstrates the high level of proactiveness as well. Nikita especially emphasizes the fact that TJ has many different opportunities for growth and these experiments mostly refer to trials of TJ in different direction. The company is actively searching for the latest trends concerning both the content of the platform and the way of its organization, basing their analysis on numbers of users and views, analysis of the articles.

At the very beginning, the project was positioned as a platform for aggregation of the news. The idea was not to publish original articles, written by the editors of TJ, but to aggregate news from different sources in a useful and comfortable for the viewers way. Later on the articles of the own editors were added and it has attracted more attention than simple aggregator. In 2013 the project was changed to full source of original articles written by TJ editors. Nowadays the platform combines the articles, written by the editors and generated by the users with the correction by editors. All these changes were possible because of the high level of proactiveness, since the company is actively seeking for the most demanded ways of presenting the information.

In December of 2014 the new innovative feature, which made the company a first-mover on this market, was launched on the platform. The company has developed the section on its web page, allowing users to write articles by themselves on the base of existing subscription system. Before the implementation of this project the company had a classic system of publication, including only articles written by the editors of the company. Readers of the journal could only comment and share these materials with their friends in social media. When the company revealed the opportunity for users to write, they started to generate enormous amount of material besides the comments. The price of subscription initially was 33 rubles, but with the devaluation of ruble the price increased to 75 rubles. Paid subscribe opens for user the access to writing articles and comments. Such mixed type of editorial process helps the magazine staff to achieve bigger variety of news and differentiation of views on the important events. This system brings value for users and attract they attention as a space for realization of their potential and decreases costs for the journal, emphasizing its attention on the topics, which are important for readers, broadening the channels of getting the information and providing the relationship with users. The project decreases time for writing the

article and search of informational causes, at the same time bringing money for the subscription, which is 10-20% in the structure of income.

The users write articles for the journal and send it for evaluation of editors. The editors write articles, choose and correct articles sent by the users and form the objective and full picture of the day on the main page of resource.

The level of proactiveness, achieved by the company, has not changed during the crisis. It is positively related with the main performance indicators of TJ.

This project, appearing as a combination of risk-tolerance, proactiveness and innovative approach, has brought popularity to the platform and has provided growth and attention of advertisers even in crisis time. The main conclusions of the analysis of proactiveness in four companies are presented in the table 7.

Table 7 Cross-case comparison of proactiveness before and during the crisis and its role in overcoming the crisis

Case	Period	Level of Proactiveness	Level of Proactiveness and performance (in comparison with competitors)	Role of Proactiveness in overcoming the crisis
Petro-Stimul Expert	Before crisis	Moderate to high. The company has tried various directions of development, even if they are brand new. It almost never refuses the orders from clients, trying to reach the larger segment of the market	The revenue of the company has been steadily growing, allowing purchases of new equipment for further development. The variety of services company has been engaged to has provided stable moderate profit	Proactiveness is the key to overcoming crisis. The owner reports that the loyalty of loyal clients and the variety of services added. The company are interested in new services added.
	During crisis	High. The crisis has decreased the amount of orders, therefore the company has coped with 6 new types of services in order to increase its field and get more clients	The company has survived the crisis unlike many of its competitors partly because of its proactiveness and willingness to provide wider range of activities than competitors. The revenue has been growing, the profit maintained stable	Proactiveness has helped the company to attract loyal customers and provide new ones, providing increasing revenue during the crisis
Yota	Before crisis	High. The company has been ahead of its competitors in terms of the offered services from the very beginning, developing the market of communications in Russia	The results of the company have been moderate and stable. The profit index was low, revenues moderate, however the growth was rapid. The variety of small projects company has been engaged to did not result in increased performance	Proactiveness, as a result of which stimulates the company to be ahead of its competitors and rapidly implement new features to its products, provided the company to the market of new business.
	During crisis	High. The crisis did not make direct impact on the proactivity of the company. The number of different projects, implemented by Yota has increased due to the new branch of products launch	The beginning of the crisis has aligned with the new product line implementation, increased number of projects and synchronization of the activity with newly appeared ownership with Megafon. All these factors together boosted the profit and revenue and provided increased geographical expansion of the company	brought the company performance record. The negative effect of the crisis development on the company. Proactiveness is an important characteristic for overcoming the crisis
OWC	Before crisis	Low. The company has been basing its competitive advantage on the existing portfolio of clients, brought by individual agents. It did not offer the wide variety of insurance services and developed partnership with only 3 insurance companies	The company did not get profit after the first year of functioning. The revenue was not satisfying the owners, many clients have left the company because OWC could not satisfy the demand in variety of insurance companies partnering.	Proactiveness is a crucial characteristic for overcoming the crisis. The company which aligned with the crisis in the company, establishing more partnerships and implementing new services for new segments.
	During crisis	High. The unsuccessful results of the first year along with the outcomes of starting crisis made the owners change their strategy. Partnership with 12 more companies was established, the focus has been moved to corporate segment, number of services has been increased three times	The owner reports increased revenue, growth of clients' portfolio and first profit in the history of the company in 2015. Proactive strategy has led to the increased performance and satisfying results while many competitors have left the market due to the crisis	would not manage to survive two years
TJ	Before crisis	High. The management is constantly seeking for the new ways for development. The platform has been changed on the regular basis from the very beginning	The strategy of constant changes has been attracting new viewers and retaining the loyal ones. The company shown stable moderate growth and satisfactory profit from advertisers	Proactiveness allows the company to be ahead of its competitors. The level of risk-taking is high. The company to overcome the effect of crisis and provide growth even when the market projects had to be reduced because of the crisis. The new opportunities for experimenting with new features helps the company to be interesting for its audience.
	During crisis	High. During the crisis TJ implemented the unusual project, combining the articles written by TJ editors and articles, written by subscribed users. The crisis has not influenced the firm's willingness to seize opportunities and be ahead of the competitors	The project, implemented by the company, has decreased time costs of the editors, attracted more users and provided doubled growth, which has helped to maintain successful during the crisis. Proactiveness is positively related to the performance of TJ	

Innovativeness

Innovativeness refers to the company's ability to innovate in different parts of the business model: innovation of the product, of the processes, managerial techniques, markets and ways of promotion (Lumpkin, Dess, 1996).

Petro-Stimil Expert is operating in the traditional, stable sphere. The interviewee admits, that the industry in Russia has not been changing for the last ten years. Therefore, the level of innovativeness company maintains is low. The only innovation Petro-Stimil Expert managed to implement during the crisis is digitalization of the reports. Usually, firms in the industry write down all of the rates and indexes obtained from the analysis on the piece of paper by hand. Then the employee would put it all in the computer also by hand and then he would print it and send the report to the client. In order to reduce the time of processing, the engineer of the company has created simple software, which allows sending these rates and indexes right from the measuring equipment to the computer through the Internet. The equipment was ordered, software was installed and now Petro-Stimil Expert is able to create the report right away. Stanislav says: "It gives us certain competitive advantage, but I would not say that this innovation is huge. Although, relative to the whole market and competitors, it is a big deal already".

The owner also notices, that it was not crucial for the development; however, this innovation certainly improved the overall process and decreased the costs. The crisis has influenced the firm's ability to innovate, the owner of the company reports, that he would like to implement some other techniques to rationalize the process, but with the lack of resources the company has now, it is impossible. Prior to the crisis, the company has tried to base its competitive attractiveness on the purchase of innovative equipment, allowing measuring the high-voltage wires' indexes in a modern. However, this innovation was not very successful, because clients have preferred to conduct all the measures in traditional way. Innovativeness in this sphere requires the whole market to be willing to innovate, but due to the inertness of the players in this industry (such as construction firms), it will take a lot of time and efforts to implement even small innovation. The crisis is influencing firm's ability to innovate; decreasing it with the lack of resources it offers. However, all in all innovativeness does not lead to the increased performance in energy sphere both before and during the crisis, because the industry is mediating this relationship, making it insignificant.

Completely contrast situation has evolved on the market of telecommunications. For Yota innovativeness represents one of the main strategic features both in its image, created for all of the stakeholders and in its actual strategy, implemented by CEO and key managers. Innovations,

promoted and developed by Yota help the company to sustain its attractiveness even after the initial buzz from launching the sim-product, which has been descended over time. Karina notices: “Innovations for Yota is not just a nominal feature. It is the heart of our strategy. The company has been founded out of the need for innovations in Russia and it still keeps being interested in innovations even out of the telecommunication sphere”. The company has launched the project named “Yota Future Proof”. The project represents series of public experiments with the aim to test and evaluate the effectiveness of innovations for business. One of the recent experiments is called “Yota delivers”, it represents the attempt to transport sim-cards with the help of drones. Another experiment sets 3D printing technology into motion. The company provides its customers an opportunity to test 3D printer by printing fully customized case for the modem on the point of sale. The interest around these experiments attracts attention of journalists to Yota and contributes to its image of innovator. The analysis of web-page, dedicated to this project, has provided the information about the number of unique viewers of the page for the previous year, which is almost 13’000’000 people. The project is attracting attention of many people. The target audience of the company is appreciating new technologies and this project allows Yota making a relationship with its customers. Speaking about innovations in crisis, Karina claims that, although the crisis is affecting company’s opportunity to invest into these projects, if the innovation was implemented, it gives multiplied effect comparing to the stable environment. “We have experienced the rapidly growing interest to the company after launching “Yota Future Proof” program, therefore, I am sure that crisis gives the best field for innovative projects”. Crisis is affecting company’s ability to innovate in negative way, although it is moderating the relationship between innovativeness and performance of the company, making it highly positive.

The market of insurance does not give so much space for implementation of innovations. However, the fact that clients emphasize computerization and online transactions along with the speed of transactions and ease of online communication with the insurance brokers and insurance companies as main factors of choice of the insurance company makes OWC concerned with innovative development of the firm (Mathur, D., 2014).

Olga claims that the approach of the company, combining services for several groups of customers, is an innovation itself. As for the tangible implementation of technical innovations, last year the company has invested into the development of application for a smartphone, which allows ordering the insurance without physically going to the office. Olga says: “As far as I know, none of our competitors use the applications for contacting with their clients, so I would say it is quite of the innovation”. For the target clients of the company this innovation has added the value to the overall

process, because they belong to the busy segment, valuing the time a lot. Ease of the communication through the application has also revealed informational and promotional functions, since the clients start their search of applicable broker from the Internet.

The management of the company believes that the growth of clients' portfolio is provided partly by the innovative approach of the company. As for the influence of the crisis, Olga claims: "I strongly believe that the crisis is a perfect time for accurately predicted and evaluated innovation, because it is contrasting with the overall market, which is investing most of its resources into survival. Implementation of wise innovations immediately brings a lot of attention to the company". Olga also mentions the importance of development of the web page and constant update on the latest techniques of selling the insurance and being on the edge of the most up-to-date insurance products.

The evidence from third case suggest that innovativeness has moderately positive relationship with performance of the company and in times of crisis brings more attention and adds to the growth of the company, therefore the relationship become strongly positive.

For TJ innovativeness is important feature as well, although their innovative approach refers not to the direct technical or business innovations, but to way of organizing the platform and approaches to communication with users. The project, implemented by the company with the beginning of the crisis, represents creative approach and it has become an innovation among the similar platforms, as well as the idea of paid subscription for the access to commentaries and possibility to write articles. Some similar projects make users pay for the full access to the articles; some of them make certain articles restricted to free users. But none of them implement the same feature, while it allows clear division between users according to their purposes and does not make users, which are willing to only read articles, pay for the access to the latest news. At the same time, the desire to become part of the community makes users buy the subscription.

Another unique feature, which was implemented by TJ, is the automatic analysis of the most popular tweets in the Internet and aggregation of the most interesting ones on the one section of the platform. Interviewee reports that competitors don't offer such kind of services, although this section of the platform is popular among the users, it takes 3rd place among all sections for the amount of views. Since the company's innovations refer to processes, they don't require many investments; therefore the crisis has not influenced TJ's ability to innovate. Both before and during the crisis innovative features have attracted new users and provided attention to the platform, thus it is positively related with TJ's performance.

The summary is presented in table 8.

Table 8. Cross-case comparison of innovativeness before and during the crisis and its role in overcoming the crisis

Case	Period	Level of Innovativeness	Level of Innovativeness and performance (in comparison with competitors)	Role of innovativeness in overcoming the crisis
Petro-Stimul Expert	Before crisis	Low. The industry is not offering many opportunities to innovate. Moreover, the modest attempts to innovate are not met by the market with enthusiasm. The only innovation implemented by the company did not get appreciation from clients	Since the market is not seeking for the innovations, in case of PSE innovativeness does not result in high performance, and the opposite situation of low level of innovativeness is not making the company less competitive	Innovativeness is an important factor for the company's activity during the crisis, but it is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage
	During crisis	Crisis has influenced the firm's ability to innovate, reducing the resources company may invest to innovations. The owner would like to implement some innovative techniques, but he can't provide enough investments. Small innovation was implemented, but it didn't appear to be competitive advantage of the firm	Crisis has not changed the perception of innovations by the market. For many companies and clients the priority is survival, therefore the low prices are the main factor they seek from companies like PSE. Small innovation, which was implemented didn't attract new clients and didn't result in increased performance	Innovativeness is an important factor for the company's activity during the crisis, but it is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage
Yota	Before crisis	High. The company is working closely to the technological sphere and its target audience is interested in innovations. Innovations, implemented by Yota refer not only directly to the product, but also plays a role of separate activity, aimed on overview of world innovations	By emphasizing innovations as core interest of the company, Yota gets an increased attention from the society, which is confirmed with the number of viewers of the separate web-page of the company, dedicated to the innovative projects. It is one of the several factors which result in increased number of subscribers and revenue	Innovativeness is an important factor for the company's activity during the crisis, but it is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage
	During crisis	High. For the large company, having a significant revenue streams due to its proactiveness, the effect of crisis is different from the small one. It has enough resources to innovate and ability to be the only innovator on the market	The policy of admiring innovations resulted in innovative approach to the features of new business line, which attracted the big segment of people to purchase sim-cards of Yota, increasing the revenue streams to the company	Innovativeness is an important factor for the company's activity during the crisis, but it is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage
OWC	Before crisis	Low. The company has not developed innovations due to the conservative strategy and lots of investments into initial activities of the company.	Unsatisfying results of the company have been a result of reactive strategy. Low innovativeness made a small input into overall weak performance, because there were more important factors, affecting the results of the company	For OWC innovativeness is not a significant factor of the company's activity during the crisis, because the market requirements are different from the company's requirements. The crisis didn't change the company's strategy, emphasizing the company's competitive advantage
	During crisis	Medium. The company has been revising its attitude to innovations because of the requirements of the clients. The economic crisis has not significantly influenced the innovativeness of the company, although the interviewee claims that crisis is the best time to innovate	The interviewee believes that the growth of clients' portfolio is partly caused by innovations, which played also an informational role for new clients. However, all in all innovativeness did not play significant role in overall success	Innovativeness is an important factor for the company's activity during the crisis, but it is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage
TJ	Before crisis	High. Innovativeness refers to processes: aggregation of the most popular tweets, paid subscription for the commentary function, experiments with the directions of development	Innovative features of the platform attract attention of new viewers, providing moderate growth to the platform and attracting new advertisers	Alone innovativeness is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage
	During crisis	High. The crisis didn't influence the ability to innovate, because implementation costs are relatively low. In crisis the mixed system of publications was implemented	The outstanding growth appeared as a result of combination of innovativeness, risk-tolerance and proactiveness, therefore, the innovativeness is positively related with the growth as a part of overall entrepreneurially oriented strategy	Innovativeness is an important factor for the company's activity during the crisis, but it is not enough to overcome the crisis, because the market requirements are different from the company's requirements. The company doesn't take into account the market requirements as a significant factor in its innovation strategy, emphasizing the company's competitive advantage

3.4 Discussion of the findings

The aim of the research was to investigate the relationship between EO and performance indicators in context of economic crisis in Russian market and understand whether EO helps the company to overcome the crisis. The work was directed on explaining how EO and its dimensions may help Russian firms to overcome the crisis. The aim was achieved by investigation of the relationship between EO and performance indicators before the crisis and in context of crisis in Russian market in experience of four Russian firms. The main objectives of the study were to investigate how EO is related to the performance indicators under the influence of different factors, to examine the influence of crisis on the development of each EO dimension, to evaluate the role of EO and each of its dimensions in overcoming the crisis by investigating how does the crisis influence the relationship between EO and performance of the firm.

The design of the research refers to multiple case-study with cross-case comparison. Four sources of information were used in order to achieve more accurate conclusions: semi-structured interviews with members of the companies, which are highly involved into the process, the variety of documents, provided by interviewees, information retrieved from the Internet sources and financial data obtained from SPARK database. Four Russian companies, which experience the influence of crisis to different extent, were studied: Petro-Stimul Expert, Yota, Open World Consult, TJournal. All four companies are functioning in different spheres and serve different segments of market.

To address the first objective, the analysis of different directions of studies EO-performance relationship model was conducted. It was concluded that there is a massive course of studies, reporting positive relationship between EO and performance of different magnitude (Lee, et al., 2001; Covin, Slevin, 1989; Naman, Slevin, 1993). Some scholars revealed non-linear nature of this relationship (Tang, Tang, Marino, Zhang, Li, 2008), while some authors have come to the conclusion that this relationship may be negative under certain conditions (Arbaugh, Cox, Camp, 2009). Further analysis has shown that the relationship is context-specific, meaning that the influence of different factors of external and internal environment may change the relationship between EO and firm performance (Lumpkin, Dess, 1996). This theory has brought the assumption, that in crisis EO may behave differently and the relationship between entrepreneurially oriented strategy and performance of the firm may be different comparing to stable before-crisis environment. Thus, EO may either help firms to overcome the crisis or become the source of

additional costs for the company. There are studies, reporting that each dimension of EO may have different relationship with performance indicators (Lumpkin, Dess, 2001), therefore, the effect of crisis on each of the dimensions was studied. Three dimensions, utilized in the current study, represent the most frequently used conceptualization of EO, developed by Covin and Slevin: risk-taking, proactiveness and innovativeness. The analysis of studies of the crisis has confirmed that the crisis itself has different influence on firms' performance, depending on the industry, size and other factors (Yu et al., 2008; Kunc, Bhandari, 2011; Cowling et al., 2015). Theoretical overview has demonstrated that most of the studies, developed by scholars, are dedicated to examination of EO-performance relationship model in context of developed countries and non-crisis environment. The analysis of studies of the crisis also revealed one study, dedicated to the evaluation of the role of EO in overcoming the effect of recession by companies. The study has been conducted in the context of developed market, while the current study discusses the role of EO in crisis on emerging market. Moreover, the current study provides evidences on the effect of crisis on each dimension of EO.

The evidences on how EO behaves in conditions of crisis and conclusions on the role of EO in overcoming the crisis were elaborated from experience of four companies. Two of the companies have shown highly satisfactory performance, two of them demonstrated moderate satisfaction of management with the results during the crisis. The possible outcome for each of the dimensions was: positive impact in overcoming the crisis, negative one and no influence.

The results have shown that proactiveness takes positive and important role in overcoming the crisis for these four companies. In all four cases seizing the opportunities and willingness to be ahead of the competitors with implementation of different tactics led the companies to positive performance indicators of different extent. This conclusion is consistent with the results, obtained by Lumpkin and Dess in 2001. Authors reveal the positive role of proactiveness, studying the model of EO-performance relationship in hostile and dynamic environment. They find evidences for the fact that proactiveness has strong positive relation to performance (Lumpkin, Dess, 2001). The roots of this conclusion lay in the work on Covin and Slevin of 1989, where scholars conclude from the study of relationship in hostile environment that proactiveness is beneficial for the firms (Covin, Slevin, 1989). This result is also consistent with the outcomes from the study of Soininen et al. Scholars suggest that proactiveness results in increasing number of opportunities, leading the firm to successful results in conditions of crisis in the country (Soininen et al., 2012).

In two cases, which showed moderate performance, proactiveness was boosted by the crisis, in the rest two cases the company has already developed high level of proactiveness before the crisis

and events of 2014-2015 in Russia have made the level of this dimension, achieved by the companies, even higher.

In three cases the beginning of the crisis has aligned with either turnaround in the strategy or implementation of new project, which brought the company increased results. This finding supports the outcomes of Naidoo, based on the study of factors of Chinese firms survival through the economic crisis. The scholar claims that competitive advantage of the firm, developed and retained in crisis, provides the firm a greater ability to survive through the crisis, no matter what kind of advantage it is (Naidoo, 2010). For two highly successful companies – TJ and Yota – these projects appeared as competitive advantage, which places the company ahead of the market.

The evidence from the current study provides support for unidimensional view of entrepreneurial orientation, introduced by Miller and developed by Covin and Slevin (Miller, 1983; Covin, Slevin, 1989). For both Yota and TJ these advantages appeared as a result of combination of three dimensions sustained on the sufficiently high level. The significantly increased performance for these two companies was achieved when they implemented projects, resulted from combination of the high level of all three dimensions in the strategy of the firm. Complete positive effect from entrepreneurially oriented strategy may be achieved through the synergy of proportionally high level of all three dimensions. In general, high level of EO has helped these two companies to overcome the crisis and has been positively related to the perceived performance, as it is reported in studies of Covin and Slevin (1989, 1991), Hult et al. (2003), Wiklund et al. (2003), Dimitratos et al. (2004). The discussed study of Soinen et al. also supports the idea that EO is positively related with the performance of the firm in crisis; however, the authors' results did not indicate the synergy of three dimensions. They rather suggest that the positive effect from high level of innovativeness and proactiveness covers the negative effect of high level of risk-taking and brings increased results to the firm (Soinen et al., 2012). In contrast, current study provides the evidence to the fact that even though risk-taking alone is negatively related to the performance in the one case, taken together with the high levels of two other dimensions; it leads to the successful performance in certain conditions.

The study of Lumpkin and Dess, mentioned above, indicate that dimensions of EO are often perceived as positively related to the performance in any environment. However, scholars claim that in some circumstances certain dimensions may not necessarily play positive role relating to performance (Lumpkin, Dess, 2001). This consideration explains the appearance of negative relationship between risk-taking and performance in the case of insurance broker. Moreover, the results of risk-tolerant and risk-averse companies in crisis were studied by Bartz and Winkler. The

situation, demonstrated in the case of OWC is consistent with the conclusion of these scholars. Authors highlight that, according to their study, the losses from risky projects are critical for the companies in crisis, and therefore high level of risk-taking is negatively related to growth and profitability. However, similar with the OWC experience outcomes, the study of Bartz and Winkler suggests that risk-averse is not related with the growth of the companies. OWC is cautious while making decisions on risky projects and the level of risk-taking in this company is low both before and during the crisis, although its negative perception of the risk doesn't contribute to the overall process of overcoming the crisis by OWC and doesn't bring growth to the company (Bartz, Winkler, 2015). The work of Soininen et al. provides evidences to the fact that for the majority of the companies in the study risk-taking dimension during the crisis was negatively related with the performance (Soininen et al., 2012).

It is necessary to highlight that the study of Bartz and Winkler utilizes the dataset of young and small firms. Therefore, the results are highly applicable to OWC, but go in contrast with three other cases either because of their age or because of their size. In Yota and TJ the high level of risk-taking was not affected by the crisis, as well as it led these companies to highly satisfactory performance. In case of PSE the level of risk-taking was radically changed from low to high by the crisis and risk-tolerance has led the company to the survival, while other competitors experienced the damaging influence of the crisis to the full extent.

The weak relationship between innovativeness alone and performance of the company in crisis, evolved in the current study, were also described and explained by Kreiser and Davis in 2010. Scholars claim that innovativeness may be applicable for the dynamic, but munificent environments. In contrast, hostile dynamic environment, suggesting limited resources, is not offering beneficial conditions for positive relationship between innovativeness and performance and for the development of innovativeness itself (Kreiser, Davis, 2010).

Current analysis has shown that, along with the other factors, the industry is highly influential for the company's ability to take risk and innovate and moderates studied relationship. This outcome contributes to the course of external moderators' studies. In particular, the conclusion, developed in meta-analysis of Rauch et al., arguing that industries, connected with high technologies, strengthen the positive relationship between EO and performance, is supported in this study. Moreover, scholars suggest that companies, working in technological sphere, have EO developed on the higher level, than firms of the other industries (Rauch et al., 2009). Two companies out of four, analyzed in this research, work in technological spheres and have innovativeness

sustained on the high level and EO, developed in these firms, is directly related with their successful performance.

Crisis has not influenced their ability to implement innovative projects due to the different reasons. Yota, as a large company, has a lot of resources to innovate, which were not significantly decreased by the crisis. TJ implements innovations, requiring spending time resources, which is affordable for the company. The same idea is reflected in the study of Bartz and Winkler, suggesting that large companies are more persistent to crisis effect and have more abilities to innovate in crisis, than the small ones (Bartz, Winkler, 2015).

For both companies innovativeness plays an important role in overcoming the crisis. Two other companies of the study demonstrate low level of innovativeness, but their owners report the desire to innovate, limited by decreased resources. The majority of the small and medium enterprises, studied in the work of Soininen et al. demonstrate the positive relation between innovativeness and performance. The advantages of comparative case-study allows to discuss in details the reasons why innovativeness may be beneficial for some companies, while others don't experience the significant positive outcome from innovativeness. The main difference refers to the features of industry company is operating in.

In general it is possible to highlight that the relation between dimensions of EO and performance of the firm were either not affected by the crisis, or even strengthened by crisis events, as it occurred in case of OWC: risk-taking dimension was negatively related to the performance, while in crisis the amount of overall risk in the environment has been increased, therefore, the magnitude of negative relationship has also become higher.

The nature of relationship has been changed by the crisis in the only one case: firm, working in the energy services sphere. The relationship between risk-taking and performance had been negative before the crisis events occurred. However, during the crisis risk-averse would lead the company to the absence of clients, therefore, bringing negative results. The company has changed its paradigm concerning risk-taking and was able to survive through crisis with moderate performance. This case is considered as an outlier of the study because it goes in contrast with the ideas, developed in theoretical background; however, the situation may be explained with the special features of the industry, business environment in Russia and unique characteristics of the firm's clients.

In this study the only large company has experienced the influence of the crisis to the less extent, than medium and small companies. That is also consistent with the outcomes of Bartz and Winkler, who claim that small firms are damaged by the crisis to the high extent due to their fragility (Bartz, Winkler, 2015). Two small firms, studied in the current research have been affected by the crisis more than the large one and the medium one. The same statement is true for the influence of the crisis on dimensions of EO developed, by the companies. Three of four companies indicate entrepreneurial orientation as one of the main recovery factors. Among other factors the most important were: bringing some expensive functions on the outsource basis, proactiveness alone, highly professional employees.

Taking into account all the findings, the theoretical model can be built. The results are grouped according to the two most important factors, influencing studied relationships: size of the firm and industry it is operating in. As it was assumed from the theoretical overview, EO consists of three dimensions, each of them have separate effect on the ability of the firm to overcome crisis. Proactiveness appeared to be highly important factor for all four companies. Risk-taking has been moderately important in one case, negatively influencing in the other one and brought increased results for the rest two companies. Innovativeness alone is not contributing a lot into recovery of the firms in the majority of cases, however, taken together with other two dimensions, it increases the company's ability to overcome the crisis with highly successful performance in two cases. In the cases of companies, working in non-technological industries, it appeared to be not important in overcoming the crisis. In general, entrepreneurial orientation as a combination of three highly developed dimensions plays role of the important factor in overcoming the crisis.

The influence of the crisis is different for all three dimensions and for all four companies. It slightly increases the level of proactiveness, which is high already, in two cases; decreases the level of risk-taking to the different extent in different companies (with the exception of the outlier – PSE) and has different effect on innovativeness for small, medium and large firms, making no impact in cases of medium and large companies, because they have enough resources to maintain high level of innovativeness and decreasing the possibilities of small firms to innovate. The results for small firms, working in non-technological sphere and medium and large firm, working in technological sphere, are reflected in two separate blocks.

The theoretical model is presented on Figure 6.

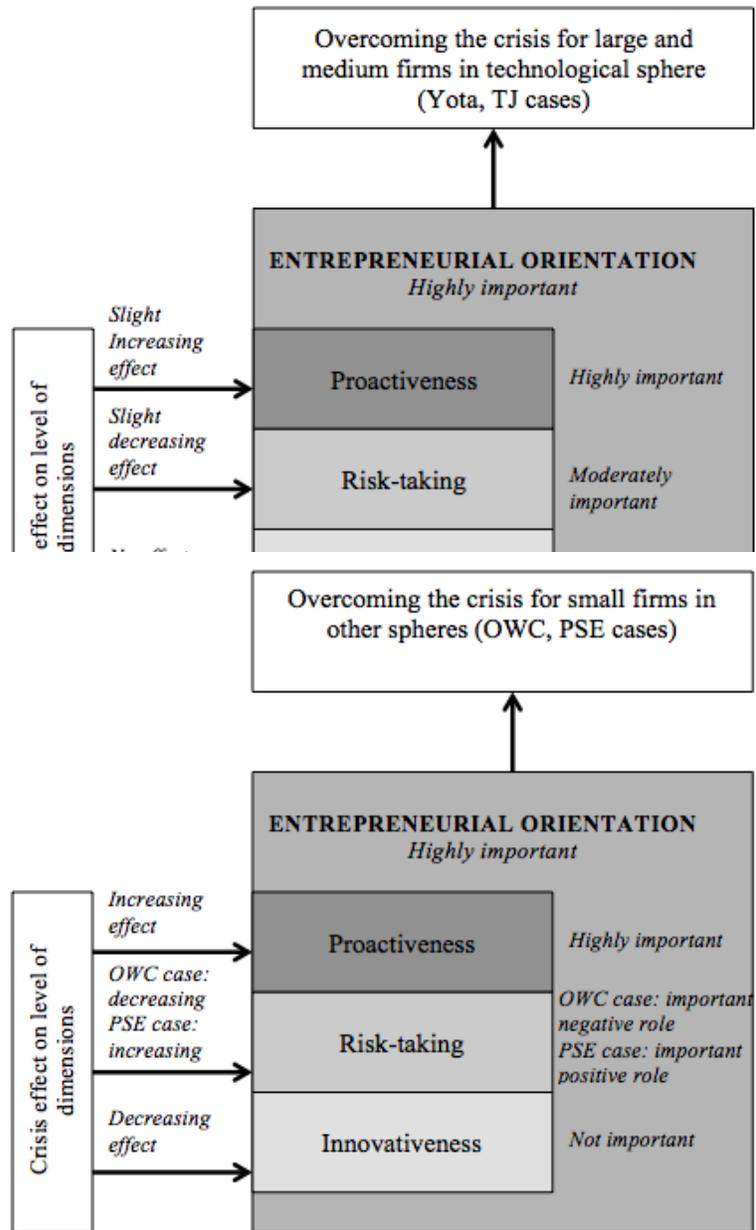


Figure 6 Theoretical model: Entrepreneurial Orientation and its Dimensions in firm's ability to overcome the crisis

Overall, the theoretical view of positive outcomes from development of entrepreneurially oriented strategy in hostile and dynamic environment, developed by Covin and Slevin, was supported. Entrepreneurial orientation plays important role in firm's ability to overcome the crisis. The relationship between different dimensions and performance in crisis are dependent on the industry and size of the firm.

CONCLUSIONS AND IMPLICATIONS

The main goal of the research was to investigate how entrepreneurial orientation and its dimensions may help Russian firms to overcome the crisis. In order to achieve this goal, several sub-questions were developed in current study. Theoretical investigation of how EO is related to the performance indicators under the influence of different factors was conducted, the comparative multiple case study was completed in order to examine the influence of crisis on the development of each EO dimension, and to make conclusion on the role of EO and each of its dimensions in overcoming the crisis by investigating how does the crisis influence the relationship between EO and performance of the firm.

Theoretical research has shown that the relationship between entrepreneurial orientation and performance indicators of the firm has been studied by different scholars. The majority of studies report positive relationship of different magnitude, dependent on the factors of internal and external environment. Some scholars reveal non-linear relationship, absence of significant influence and even negative relationship between EO and performance under certain circumstances. Theoretical review of studies of the crisis influence on businesses has shown that in most cases crisis events damage the performance of the firms, however, the negative influence may be mitigated by different factors.

The comparative multiple case-study has been utilized in order to find the evidences on whether entrepreneurial orientation may take a role of such factor. The cases of four Russian companies were investigated through semi-structured interviews and analysis of documents.

The influence of the crisis on each of the dimensions of EO was evaluated along with the analysis of the overall contribution of each of the dimensions of EO in the firm's ability to overcome the crisis.

The results have supported the theory of Lumpkin and Dess (2001), emphasizing the positive relationship between proactiveness and performance of the firms in hostile and dynamic environments, such as crisis. Besides that, the evidences, suggesting the positive relationship between EO and performance in crisis, described by many authors on the field of entrepreneurial orientation, were obtained in the current study. The destructive influence of the crisis on innovativeness, emphasized by such authors as Bartz and Winkler (2015), Kreiser and Davis (2010) together with the idea of absence of significant relationship between innovativeness and performance in crisis, were also spotted in the analysis. The idea of higher affection of the crisis on the small companies, rather than on the large ones, suggested by Bartz and Winkler, has also found

the empirical proof in the current study. Certain case has demonstrated the consistent pattern, offered by Lumpkin and Dess, revealing the negative relationship between risk-taking and performance in hostile environment. The conclusion of meta-analysis of Rauch et al., suggesting that development of the different dimensions and the relationship model is dependent on the industry, has found the reflection in this study. Overall, the view of Covin and Slevin, claiming that entrepreneurial orientation, developed on the high level as a uni-dimensional concept is positively related to the performance of the firm in hostile, turbulent environment, was supported by the evidences from the current study, due to the fact that crisis appears as an environment, combining these features. All in all several conclusions are consistent with the outcomes from the work of Soininen et al., claiming that EO is important in the process of overcoming the crisis by firms. However, some evidences from the current study are different from the data, received by Soininen et al. from Finnish sample, therefore, the studied relationship are context-dependent and complex, meaning that the number of factors must be considered when studying the EO-performance relationship in crisis, namely, the industry firm operates in, the size of the firm, special features of the market and current situation on the market in general.

Theoretical and practical implications

The thesis contributes to studies of the EO domain on Russian market, revealing the role of entrepreneurial orientation for businesses in the context of crisis environment. The study has shown how crisis influences the development of EO dimensions, how each of the dimensions help firms to retain satisfactory performance even during the crisis and what is the role of EO in strategies of Russian firms from different industries.

The outcomes of the study contribute to one of the statements of the theory of unidimensional conceptualization of entrepreneurial orientation by finding evidence to the more significant positive effect from synergy of high level of all three dimensions compared to the effect from the sum of dimensions, developed on different levels. Evaluating each dimension of EO individually, the study contributes to the multidimensional view of EO. The work provides additional witnesses to the model of entrepreneurial orientation – performance relationship and contributes to the course of studies, revealing moderating effect of the external environment of the firm. Empirical evidences to the theories of crisis management in different companies were added. The general contribution to the studies of special features of entrepreneurial orientation and each of its dimensions in the context of emerging market was made.

Besides the theoretical contribution, the thesis results can be applied to the business practice. From the practical point of view the results of the study are holding value for the owners of the small and large businesses, which work in time of economic crisis. Decision-makers are seeking for the effective ways of managing the company in conditions of economic crisis in the country and current analysis of the experience of four firms, working in different industries, give evidences for the issues of utilizing entrepreneurially oriented strategy during the crisis. In general, high level of entrepreneurial orientation plays important role in overcoming the crisis. From the current study the owners of the small firms, working in non-technological industries, can get support for the decision to invest in proactiveness by trying different ways of development of the company and seizing each opportunity the market offers.

The experience of two small firms in the study suggests that in crisis time implementation of radical innovation would not be beneficial for the company, thus the scarce resources should rather be directed on the implementation of large number of sure and reliable projects, able to satisfy desires of the bigger part of the market. The crucial advantage may be achieved by anticipating the demand, which would appear in the nearest future as a result of forthcoming changes in the external environment, such as laws or competitors' moves. The experience of studied companies suggests that being the first to foresee these changes and address them by changes in the strategy in crisis becomes especially important for the survival of the firms.

Additionally the decision-makers should consider the special features of the industry and the main values of their customers in order to determine whether the risky decision should be taken, but in general the reputational risk is not affordable for businesses in crisis, therefore, it is not recommended to take risk-tolerant position.

However, for the large and medium stable companies the development of all three dimensions both before and during the crisis leads to the increased performance. The experience of the one case proves that this development may not necessarily be expensive for the company in terms of financial investments. Risk-taking and innovativeness for technological companies is highly applicable in time of the crisis. All in all, the study suggests that implementation of the bold carefully calculated project, which combines features of innovativeness, risk-taking and proactiveness, provides the firm increased performance, able to mitigate the negative effect of the crisis and enables further long-term revenue increase and lead the firm to successful results even despite of the effect of recession.

Limitations and further research development

This research has certain limitations. The most important one is getting the data from single person in each company. It may result in an increased level of subjectivity of answers. Furthermore, potential concern is that one person may not be competent enough in every single part of the strategy. However, according to the opinion of Lumpkin, Dess and Lyon, expressed in their study of 2000, such research with the only one respondent from the company can be an appropriate way of getting reliable results if it is performed in a careful way (Lumkin, Dess, Lyon, 2000). Since the respondents, chosen to express the strategy of the company, are highly involved into the activity of the companies and most of them are working in the company from its very beginning, this limitation is not likely to influence reliability of results significantly.

Besides that, the results of the current study cannot explain longitude relationships between studied concepts, because the data is considered from one point of time. Longitude research design would be interesting to implement in future research to follow long-time trends in the studied domain. Also it would be interesting to discover after-crisis effects of Entrepreneurial orientation implementation.

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APPENDIX. Interview guide

General questions:

- 1) What is the name of the company?
- 2) How many years it was founded?
- 3) How many people are working in the company?
- 4) How would you characterize the industry company is working in?
- 5) What is your position in the company and how long are you taking it?

Level of EO:

Risk-taking

- 1) Could you bring the examples of risky project the company has been engaged to for the previous two years?
- 2) What were the results of these projects?
- 3) Do you consider risk-tolerance as applicable feature in time of economic crisis?

Innovativeness

- 1) Could you bring the examples of innovations implemented for the last two years? What were the results of these innovations?
- 2) What do you think about the implementation of innovations in crisis? Is it applicable and why?

Proactiveness

- 1) What strategy does the company perceive in terms of competitors?
- 2) Could you bring the examples of situations when the company was ahead of its competitors and took innovative position?
- 3) What instruments does the company use in order to anticipate the demand on its product or service?
- 4) How long this has this strategy been used?

The level of crisis influence:

- 1) What has changed for the company with the crisis? Could you bring the examples?
- 2) How many competitors had to leave the market because of the crisis?
- 3) What is the main factor of success for your company?

- 4) Which measures have helped the company to overcome the crisis?
- 5) Could you bring the examples of large changes in the company for the last two years? What were the results?

Dynamism of the environment:

- 1) How often do the changes in the external environment happen? Could you bring the examples of such changes?
- 2) Could you bring the examples of the situations when the company had to change the features of the product (service) to fit the changes in desires of the consumers?
- 3) Is your product a subject of physical or moral obsolescence? How often does it happen?

Environmental hostility:

- 1) How would you characterize the competition in your industry? Is it easy to predict the actions of competitors and why?
- 2) How did the competition change for the last two years?

Performance of the company

- 1) How would you estimate the results of the company for the last two years compared to the competitors?
- 2) How did the demand for the product of the company change for the last two years compared to the competitors?
- 3) How did the revenue change for the last two years compared to the competitors?
- 4) How would you estimate the growth of the company for the last two years compared to the competitors?