

## Entrepreneurial Orientation in Micro-Sized Enterprises

**Kai Hänninen**

University of Oulu, Kerttu Saalasti Institute, Micro-entrepreneurship Center of Excellence, Finland  
kai.hanninen@oulu.fi

**Osmo Kauppila**

University of Oulu, Industrial Engineering and Management, Finland  
osmo.kauppila@oulu.fi

**Matti Muhos**

University of Oulu, Kerttu Saalasti Institute, Finland  
matti.muho@oulu.fi

---

### Abstract

*Entrepreneurial orientation (EO) – a firm’s strategic stance towards entrepreneurship – is strongly linked to business growth, according to recent entrepreneurship research, which mainly focuses on small and medium-sized enterprises (SMEs). To remedy the lack of attention on micro-enterprises (MEs), this study examines EO in the context of ME growth intentions. We develop propositions about the relationship between contextual factors, EO and the growth of MEs and analyse them using a partial least squares model. Results suggest that EO and desire to grow do not automatically lead to growth because ME owner-managers relationship to growth is more complicated compared to large companies. They need more support from outside of the company and goal-oriented development than larger SMEs. In terms of growth potential, MEs’ prior knowledge and skill requirements are at the development stage compared to those of small SMEs. Thus, MEs growth intentions are strongly dependent on the peer network and local business services.*

**Keywords:** entrepreneurial orientation, micro-sized enterprises, growth intention, PLSM