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How Do Entrepreneur Orientation and Barriers Impact Innovation and Business Performance? Perspectives from Services MSMEs

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ABSTRACT:
The article focuses on how entrepreneurial orientation and barriers affect MSMEs' innovation and business performance in the seventeen MSME services sectors in Uttar Pradesh. The data are collected from 17 MSMEs' services from 355 respondents using a structured questionnaire. The software SmartPLS 4 was used for data analysis and hypothesis testing. The study's conclusions demonstrate that one dimension—the human resource-related barrier—showed an insignificant effect on innovation. In contrast, the other two dimensions, entrepreneurial-related, and finance-related barriers, proved significant association. All the dimensions of entrepreneur orientation that is, proactiveness, risk-taking, and innovation exhibit a notable impact on business performance. Lastly, this study offers some policy recommendations for emerging economy businesses and decision-makers.

Keywords: MSMEs, Services, Entrepreneur Orientation, Business performance, Barriers

Introduction:
MSMEs, or micro, small, and medium-sized businesses, are critical to growing the economy. of a nation. They contribute greatly to the national economy, offering innumerable products and services, growing local economies and marketplaces, creating jobs, increasing market competitiveness, and fostering innovation**.** (Maizaitulaidawati Md Husin, 2020; Husin). Micro, small, and medium-sized enterprises (MSMEs) impact the advancement of the industrial sector and the economy. In its most recent revision from July 2020, the Ministry of MSMEs, Government of India, has offered a thorough description of MSMEs. The yearly turnover and investments serve as the basis for this classification. Approximately 40% of all exports and over 45% of industrial output in India are attributed to MSMEs in the manufacturing sector. With a 16% GDP contribution and over 80 million jobs created, Indian MSMEs are vital to the country's economy. These MSMEs, however, have difficulties with finance and management systems, which reduces their efficacy and impedes their expansion. (Kumar, et al., 2023)**.**

In this study, the following list of activities considered services are used:
Educational institutions, Hotels and Restaurants, Tours and Travels, Repairing of Motor Vehicle and Courier services, Maintenance of Motor Vehicles and Courier services, Small businesses, Clinical/Pathological laboratories and Scanning, MRI tests, Hospital, Tailoring

Colored, Black and White studios equipped with a processing laboratory, Beauty Parlour, Nursing Homes, Architecture designers, Event Management, Catering, Real estate activities, and others.

The present study used three dimensions or factors—financial resources barriers, external environmental obstacles, and human resources barriers—used by Madrid-Guijarro et al. (2009) to classify innovation barriers in a more modern approach. (Guzmán G. M., Reyes, Castro, & Kumar, 2016)**.** MSMEs are frequently viewed as the key to the financial success of an economy. However, MSMEs face many challenges, such as maintaining and growing their businesses over an extended period given the number of bankruptcies and restricted financing available. Using incorrect financial resources, having too much competition, paying taxes, not having enough capital, not planning, engaging in unethical behavior, having low productivity, low survival rates, and inefficient processes are some more challenges (Buyondo, 2024).Three characteristics of Entrepreneurship (EO) have been recognized and applied frequently in the literature, based on Miller's conceptualization: innovativeness, risk-taking, and proactiveness. The tendency to be creative and experimental through launching new goods or services and technological leadership through research and development of novel procedures is known as innovativeness. Taking a risk includes being daring and going into uncharted territory, borrowing a lot, and/or investing a large amount of money in endeavors in uncharted territory. Being proactive means looking for opportunities and anticipating needs. It is exhibited by launching new goods and services before the competition and making plans for future growth. (Rauch, Wiklund, Lumpkin, & Frese, 2009)**.** Innovation barriers are

any elements that impede, postpone, or prevent innovation. Decision-makers in businesses need to know what obstacles to overcome during the innovation process, and recognizing these obstacles is crucial to giving them valuable information (Hartono & Kusumawardhani, 2019). The Uttar Pradesh MSME services have not yet been the subject of any empirical investigation regarding innovation hurdles. Also, the influence of risk-taking, proactiveness, and innovation on business performance regarding MSMEs in services has not been studied. To examine it, further research on this matter is needed.

The present study is structured in the following sections. Section 1 is an introduction to MSMEs. Section 2 is the theoretical background and hypothesis formulation. The methods for the study, including how to prepare the questionnaire, gather data, and explain scale reliability, are covered in Section 3. Section 4 presents the study's findings. Section 5 covers the research conclusions, limitations, further study scope, and practical implications.

Theoretical background and Hypothesis formulation

Entrepreneurial Orientation

Three main characteristics of an entrepreneurial orientation (EO) include being inventive, taking risks, and being proactive (Kreiser, Marino, Dickson, & Weaver, 2010). Four characteristics that leverage the strength of the entrepreneur in business ventures—autonomy, inventiveness, proactivity, and risk-taking behavior—form the foundation of Entrepreneurial Orientation (EO (Kusi, Nwoba, Adeola, Adedajo , & Adjei, 2024). For businesses to thrive in cutthroat marketplaces, enterprise organic growth (EO) is seen as essential. (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007)

Innovation

Innovation has long been acknowledged as a catalyst for altering market and company structures, enhancing competitiveness, and promoting economic expansion. (Shelton, Martek, & Chen, 2016)**.** Innovative traits promote "thinking outside the box" when pursuing original concepts. (Neale, Sahaym, Noack, & Juasrikul, 2022)**.** One factor that partially mediates the association between management competencies and the business success of SMEs in Rwanda is innovation towards business performance. (Byukusenge, Munene, & Orobia, 2021). The business return of Mexican SMEs is significantly and favourably impacted by innovation in marketing, management, goods, and processes. (Guzmán G. M., Reyes, Castro, & Kumar, 2019).

H1: Innovation has a significant positive influence on business performance.

Proactiveness

Our research indicates that proactive employers may have a detrimental effect on the well-being of their staff, particularly if they increase work demands. Taking into account the high societal costs of stress and low welfare (Stephan, Strauss, Gorgievski , & Wach, 2024)To engage in proactive competition, businesses must mobilize their resources to accomplish particular objectives. Businesses in civilizations that value individualism a lot could find it difficult or impossible to get the support of the entire company to achieve this. (Kreiser, Marino, Dickson, & Weaver, 2010)

H2: Proactiveness has a significant positive influence on Business performance.

Risk-taking

In family businesses, taking risks is a unique aspect of the entrepreneurial mindset, and it's favourably correlated with initiative and creativity. It has been observed that family enterprises tend to take smaller risks than non-family firms, even when they still engage in entrepreneurial activity. Risk-taking in family businesses is adversely correlated with performance, which adds to our understanding of the entrepreneurial orientation in these businesses (Naldi, Nordqvist,, Sjöberg, & Wiklund, 2007)**.** Risk-taking entails taking calculated chances in uncharted territory, daring deeds, and dedicating oneself to the development of new endeavours; deviants use their judgment in these situations (Neale, Sahaym, Noack, & Juasrikul, 2022).

H3: Risk-taking has a significant positive influence on business performance.

Business performance

Managerial attributes have an impact on the performance of the company (Fomum & Opperman, 2023). Business performance, which reflects the achievement of a company's strategic objectives and growth goals, assesses how successfully a company manages its internal resources and adjusts to its external settings. Corporate Performance is the outcome of the interactions between decisions made in response to competitive pressures that enable a business to effectively integrate the ideas of efficiency and effectiveness by managing its internal resources and adapting to its external surroundings. (Ansari, Pervan, & Xu, 2013)

Finance Related barriers
The financial obstacles were determined to be most business-related (Modarresi, Arasti, Talebi, & Farasatkhah, Growth barriers of women-owned home-based businesses in Iran: an exploratory study, 2017). The study's findings indicate that ineffective cash flow management and disruptions in working capital management rank highest among the obstacles to SCF ((Sahoo & Thakur, 2023). The findings suggest that the biggest barriers to SCF adoption are financial and IT-related, with financial difficulties coming in second. (Alora & Barua, 2019)**.**

H4: Innovation has a significant positive influence on Finance-related barriers.

Entrepreneurial related barriers
Entrepreneurial exit intentions correlated favorably with perceived barriers, but self-efficacy functioned as a useful mediating factor to clarify the relationship between barriers and leaving. (Shahid, 2013). This study also shows that low infrastructure and technology, low initial cost barriers in product creation, risk-averse attitudes, regulatory barriers, difficulties finding competent labor, financial constraints, limited mentorship possibilities, and bad infrastructure and technology are the main obstacles preventing business owners from achieving innovation and sustainability (Agrawal, Samadhiya, Banaitis, & Kumar, Entrepreneurial barriers in achieving sustainable business and cultivation of innovation: a resource-based view theory perspective, 2024). The participants seem to be hindered in starting and operating their businesses by a lack of access to networks and opportunities, procedural barriers, challenges with hiring and obtaining financing, a lack of understanding and support from family and society, challenges with juggling work and personal obligations, and challenges with legitimacy. (Adikaram & Razik, 2023).

H5: Innovation has a significant positive influence on Entrepreneurial-related barriers.

Human resource-related barriers
A study's investigation of factors influencing the likelihood of greenhouse enterprises failing ranked them from first to fourth priority. These criteria included management and individual abilities, financial and legal impediments, societal barriers, and infrastructure concerns. (Qeidari, Salehi, Shayan, Kahnooj, & Sadeghloo, 2020). The biggest environmental barrier that women-owned HBBs highlighted is the difficulties they have while interacting with men at work. (Modarresi, Arasti , Talebi, & Farasatkhah, Growth barriers of women-owned home-based businesses in Iran: an exploratory study, 2017). The biggest obstacle is a shortage of specialized professionals. Effective administration of this collaboration enhances the services rendered since inter-organizational networks can access a broader range of resources and capabilities by engaging in ecosystems. (Carneiro, Franco, & Rodrigues, 2022).

H6: Innovation has a significant positive influence on human resource-related barriers.

Table 1: Hypothetical Research Model

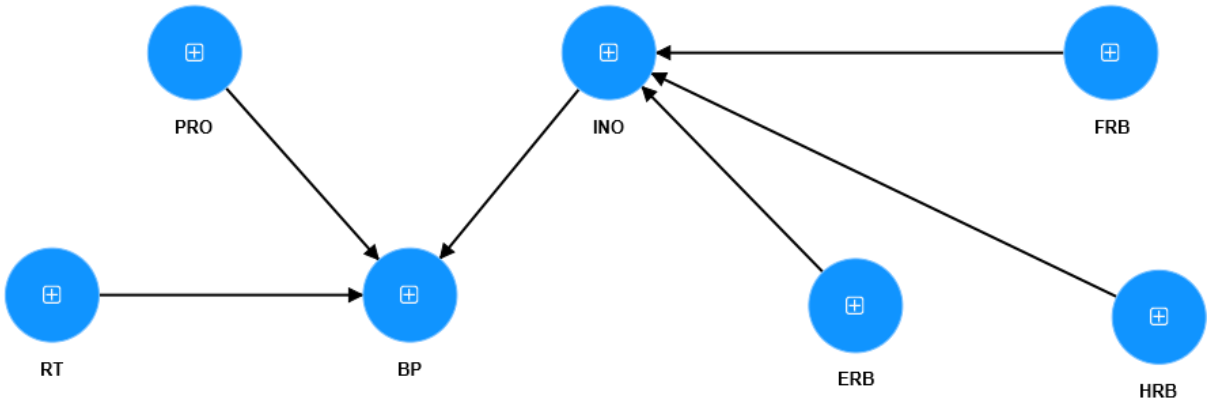
Association	Number of Statement	Prior Literature
RT → BP	**2**	(Ratanavanich & Charoensukmongkol, 2023)**,** (Wang & Poutziouris, 2010)**,** (Pratono, 2018) (Muqorobin, Rani , & Simamora, 2024)
PRO → BP	**2**	(Cai, Gu , & Wu, 2023)**,** (Jalali, Abhari, & Jaafar, 2024) (Kuivalainen, Sundqvist, & Cadogan, 2010)
INO → BP	**3**	(Hossain & Asheq, 2019; Rezaei & Ortt, 2018)**,** (Wang & Yen, 2012)**,** (Ardhi, Irham, & Irham, 2021)
FRB → INO	**4**	(Guzmán, Reyes,, Castro, & Kumar, 2017)**,** (Freel, 2012)**,** (Guijarro,, Garcia, & Auken, 2009)
HRB → INO	**2**	(Ortiz, Benito, & Galende, 2009)**,** (Este, Rentocchini , & Jurado, 2014)**,** (Joseph, Thapa , & Wicken, 2018)
ERB → INO	**2**	(Guzmán, Reyes,, Castro, & Kumar, 2017), (Agrawal, Samadhiya, Banaitis, & Kumar,2024), (Zheng & Su, 2023)

Methodology

Data Collection and Sampling
This study used a 5-point Likert scale. The answers to the questionnaire that was given to the respondents for analysis are ordinal data, which are employed on a Likert-type scale and are expressed as numbers: 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, and 5 for strongly agree. (Sari, Kusuma, Sihotang, & Febrianti, The role of entrepreneurial marketing & innovation capability in the performance of SMEs during covid-19 pandemic: Evidence of

MSMEs in West Java, 2023). Two points are used in this study entrepreneur orientation and barriers related to Innovation. The EO theory was split into three variables: innovativeness, proactiveness, and risk-taking (Octasylva, 2022). The innovation-related barriers include finance, entrepreneurship, and human resources. (Guzman, 2016). The research questionnaire consisted of twenty items for seven variables. The requirements of our study modified these items based on prior studies. A pilot study of 40 MSME owners was conducted before disseminating the research instrument to assess the validity of the questionnaire's assertions. As a result, changes were implemented. According to Hair et al. (2014), the minimum sample size needed for this study is 100 respondents because there were 20 indicators, the minimum number of indicators multiplied by 5. MSMEs owners living in Uttar Pradesh were the study's target demographic. The data was gathered using a hybrid (online & offline) mode that combined convenience sampling with snowball sampling. Data analysis was conducted using Smart PLS 4 and Microsoft Excel.

Table 2 presents the demographic profile of the participants, indicating that 50.2 percent of the respondents were female and 49.8 percent were male. Out of the respondents, 27.88 percent were over 51, 35.77 percent were between 41 and 55 years old, and 24.5 percent were under 30 years. Most respondents 40.5 percent had graduated/ diploma, while 11.2 percent had a school-level degree and 17.7 percent had completed post-graduation. The 30.1 percent h professional degree. Only 0.28 percent have been uneducated. The services comprise of 39.7 percent of Educational institutions, 67.6 percent of Hotels and Restaurants, 64.7 percent of Tours and Travels, 4.788 percent of Repairing of Motor Vehicles and Courier services, 11.26 percent of Maintenance of Motor Vehicles and Courier services, 25.91 percent of Small businesses, 16.33 percent Clinical/Pathological laboratories and Scanning, MRI tests, 10.422 Hospitals, 3.94 percent Tailoring, 2.81 percent Colored, Black and White studios equipped with a processing laboratory, 5.91 percent Beauty Parlour, 3.66 percent Nursing Homes, 3.38 percent Architecture designers, 1.4 percent Event Management, 6.47 percent Catering, 3.94 percent Real estate activities, and 6.76 percent others.



Proposed Conceptual model

Table 2: Demographic Profile

DEMOGRAPHIC PROFILE OF RESPONDENT	FREQUENCY	PERCENTAGE (%)
GENDER		
Male	177	49.8
Female	178	50.2
Total	355	100
AGE		
Less than 30 years	42	11.8
31-40 years	87	24.5
41-50 years	127	35.77
More than 51years	99	27.88
Total	355	100
EDUCATION		
School level	40	11.2
U.G/diploma	144	40.5
P. G	63	17.7
Professional	107	30.1

Uneducated	1	0.28
Total	355	100
Type of business		
Educational institutions	141	39.7
Hotels and Restaurants	24	67.6
Tours and Travels	23	64.7
Repairing of Motor Vehicle and Courier services	17	4.788
Maintenance of Motor Vehicle and Courier services	40	11.26
Small business	92	25.91
Clinical/Pathological laboratories and Scanning, MRI tests	58	16.33
Hospital	37	10.422
Tailoring	14	3.94
Colored, Black and White studios equipped with processing laboratory	10	2.81
Beauty Parlour	21	5.91
Nursing Homes	13	3.66
Architecture designers	12	3.38
Event Management	5	1.40
Catering	23	6.47
Real estate activities	14	3.94
other	24	6.76
Total	355	100

Source: Author's survey

PLS-SEM analysis requires the use of a two-step procedure. The measurement model is examined in the first stage based on the following criteria: (1) discriminant validity; (2) indicator loading; (3) convergent validity; and (4) internal consistency reliability. The structural model is evaluated in the second stage if the model satisfies all of the aforementioned requirements. A collinearity test, a coefficient of determination (R2), cross-validated redundancy and community metrics based on blindfolding, and the statistical relevance and importance of path coefficients are the conditions that must be met for this purpose (Ullah & Narain, 2020).

Common Method Bias (CMB)

Standardized error variance resulting from a common approach to measuring the study's constructs is called common method variance. According to Fuller et al. (2016) and Podsakoff et al. (2003), the most popular method for identifying common method bias is Harman's single-factor test, also known as the one-factor test. This test uses confirmatory or exploratory factor analysis to identify prevalent technique bias. According to Fuller et al. (2016), common method bias is evident if the unrotated solution (including all measured items) yields a single factor that explains more than 50% of the variance. This is indicated by Harman's exploratory factor analysis test. Similar steps are involved in confirmatory factor analysis, which determines if a single factor accounts for the bulk of the variation in the measurement items (Podsakoff et al., 2003). If the basic, one-factor measurement model fits the data and the proposed model as well, then common method bias is present (Korsgaard & Roberson, 1995). The correlation value of each construct is lesser than the threshold value, it has been found that there is no method bias problem in the study.

Results

Analyzing the measurement models is the first step in assessing PLS-SEM results. The structural model must next be evaluated by researchers if the measurement models satisfy all requirements (Hair et al., 2017). First, the measurement model was reviewed by evaluating each item's construct validity and reliability, and then the structural model was examined. In a PLS-SEM, the measurement models of the constructs, also referred to as the outer model, demonstrate the relationship between the constructs and the indicator variables, while the structural model, also known as the inner model, portrays the constructs and demonstrates a link among the constructs. (Hair, Risher, Sarstedt, & Ringle , 2019).

Measurement model

The measuring instrument's internal consistency is evaluated using this reliability test. This dependability demonstrates the precision, consistency, and accuracy of measuring tools (Carneiro, Franco, & Rodrigues, 2022) (Sari, Kusuma,

Sihotang, & Febrianti, The role of entrepreneurial marketing & innovation capability in the performance of SMEs during covid-19 pandemic: Evidence of MSMEs in West Java, 2023). Composite reliability values serve as the basis for the reliability test for each study variable, and a value greater than 0.70 is required. The loading factor values, which also need to be greater than 0.70, will be used as the standard to assess each test item's reliability in the interim**.** (Fauzi & Sheng, 2022)**.** Cronbach's alpha of more than 0.6 and composite reliability of more than 0.7 are the other relevant parameters the reliability satisfies.

Table 3: Construct reliability and validity

Constructs	Cronbach's alpha	Composite reliability(rho_a)	Composite reliability(rho_c)	Average variance extracted (AVE)
Business performance (BP1)	0.849	0.859	0.899	0.690
Entrepreneurial Related Barriers (ERB)	0.717	0.748	0.874	0.777
Finance Related Barriers (FRB)	0.794	0.826	0.861	0.608
Human Resource Related Barriers (HRB)	0.756	0.880	0.886	0.795
Innovation (INO)	0.746	0.775	0.854	0.662
Proactiveness (PRO)	0.695	0.707	0.867	0.765
Risk Taking (RT)	0.754	0.777	0.890	0.801

Source: SmartPLS 4 (v.4.0.8.6).

Another crucial convergent validity metric is the average variance extracted (AVE). The study's AVEs are more than 0.50, indicating that the convergent validity is supported by the measurement tool. Table 1 shows that factor loading is generally over 0.50, with a minimum value of 0.609, according to Fornell and Larcker's (1981) recommendation, confirming convergent validity requires factor loading to be larger than 0.50 for all items. (Khan, et al., 2021). Henseler et al. (2015) also proposed the Heterotrait-Monotrait ratio (HTMT) as a substitute for the Fornell-Larcker criterion when calculating DV. It is necessary to have a threshold value of 0.90 for structural models with comparable constructs and 0.85 for those with diverse constructs (Henseler et al., 2015). It is evident from Table 4 that every construct's value falls inside the threshold range**.** (Srivastava, Sinha, & Shunmugasundaram, 2023)**.**

Table 4: Heterotrait- monotrait ratio (HTMT)

	BP	ERB	FRB	HRB	INO	PRO	RT
BP							
ERB	0.494						
FRB	0.358	0.091					
HRB	0.102	0.586	0.184				
INO	0.800	0.401	0.326	0.124			
PRO	0.690	0.261	0.217	0.178	0.794		
RT	0.665	0.403	0.1910	0.195	0.678	0.624	

Source: SmartPLS 4 (v.4.0.8.6).

Structural equation modelling

The variance inflation factor (VIF) is frequently employed when assessing the collinearity of formative indicators. Critical collinearity problems between the indicators of formatively measured constructs are indicated by VIF values of 5 or above. (Hair, Risher, Sarstedt, & Ringle , 2019).

Table 5: Collinearity Statistics (VIF)

Construct	VIF

BP1	1.795
BP2	1.601
BP3	2.952
BP4	2.629
ERB1	1.454
ERB2	1.454
FRB1	1.675
FRB2	1.893
FRB3	1.667
FRB4	1.348
HRB1	1.584
HRB2	1.584
INO1	1.600
INO2	1.622
INO3	1.355
PRO1	1.396
PRO2	1.396
RT1	1.579
RT2	1.579

Source: SmartPLS 4 (v.4.0.8.6).

Because all VIF values are below the recommended threshold of 5, our model does not have a typical process bias. Table 5 shows that the value VIF is below the limit, so there are no collinearity issues. Examining the R2 value of the endogenous construct(s) is the next step if collinearity is not a problem. Each endogenous construct explains variance, measured by the R2, which indicates how well the model explains data. Higher R2 values indicate a larger explanatory power; the range is 0 to 1. Generally speaking, significant, moderate, and weak R2 values are 0.75,0.50 and 0.25. (Hair, Risher, Sarstedt, & Ringle , 2019). Table 7 shows, that 49.4% of the variance is within the acceptable range and has moderate explanatory power.

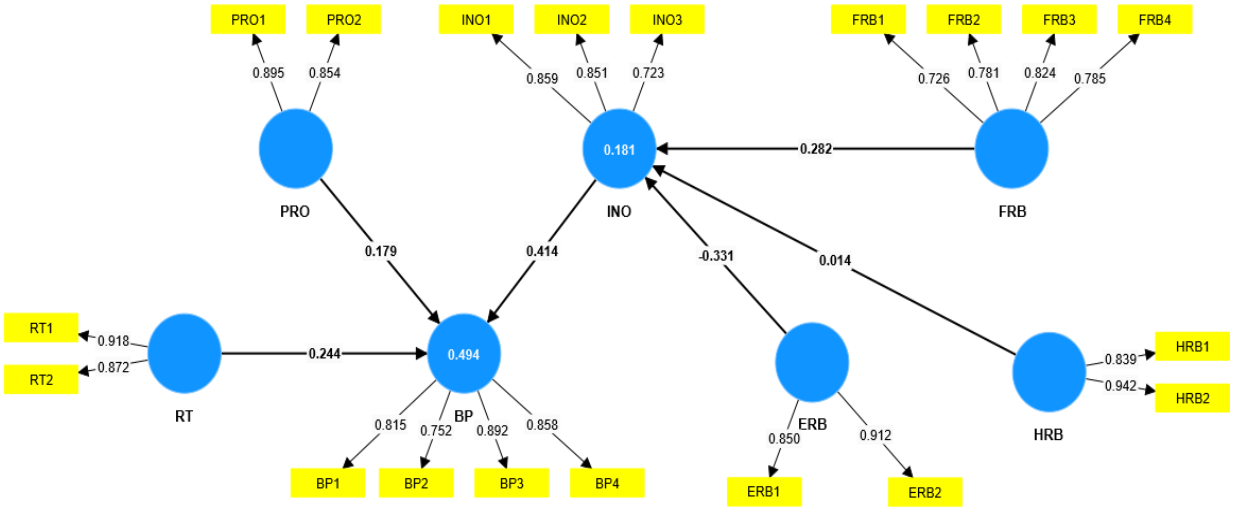
Table 6: Values of R- square

	R-square	R- square adjusted
BP	0.494	0.490
INO	0.181	0.174

Source: SmartPLS 4 (v.4.0.8.6).

Using a 5,000 sample size, the bootstrapping approach determines the significance of the path coefficient difference. Because of the corresponding path coefficients, the relevance is evaluated. The P-value for difference should be less than 0.05 or greater than 0.95 (Rao, Abdul, Kadam, & Singh, 2023).

Figure 2: Structural results of the research model



Source: SmartPLS 4 (v.4.0.8.6).

The findings from the hypothesis test are displayed in Table 8. The first hypothesis examines the relationship between innovation (INO) and entrepreneurial-related barriers (ERB). There is a statistically significant negative correlation between INO and Entrepreneurial Related Barriers (ERB) (β = 0.328 & p < 0.05). Thus, there is support for hypothesis 1.
As hypothesis 2 looks at the impact of FRB on INO, it finds support with a positive association (B = 0.289 & p < 0.05), while hypothesis 3 looks at the impact of HRB on INO and finds no significant association (B = 0 & p >0.05). The third hypothesis is thus disproved.
INO exhibits a substantial positive connection with BP (β = 0.416 & p < 0.05), as the influence of INO on BP is determined by Hypothesis 4. Thus, it is supported by hypothesis 4. According to the results of Hypothesis 5, which looks at how PRO affects blood pressure, there is a significant correlation between PRO and blood pressure (β = 0.178 & p < 0.05). Thus, hypothesis number five is validated. According to hypothesis 6, there is a positive direct correlation between RT and BP, with β = 0.242& p <0.05. Thus, hypothesis 6 is also validated.

Table 7: Hypothesis result

Associations	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
ERB -> INO	-0.331	-0.328	0.06	5.485	0
FRB -> INO	0.282	0.289	0.077	3.659	0
HRB -> INO	0.014	0	0.062	0.224	0.823
INO -> BP	0.414	0.416	0.082	5.033	0
PRO -> BP	0.179	0.178	0.061	2.945	0.003
RT -> BP	0.244	0.242	0.057	4.277	0

Source: SmartPLS 4 (v.4.0.8.6).

Finding and Discussions

According to the total PLS-SEM analysis results, every hypothesis we put forth was significantly supported, except one.

Finance-related barriers and Innovation

The results of this study, which also indicate that a certain degree of finance-related barriers appears to have a positive impact on innovation activities, fully support hypothesis H2. This is consistent with earlier research, such as (Guzmán, Reyes,, Castro, & Kumar, 2017).

Human resource related barriers and Innovation
The present study's results are consistent with those of (Guzmán, Reyes,, Castro, & Kumar, 2017) and indicate that human resource real estate has no discernible beneficial influence on innovative activities, and does not support H3.

Entrepreneurial-related barriers
The results of this study support H4, which also suggests that ERB has a positive effect on innovation activities and is already in line with and compatible with other research. (Guzmán, Reyes,, Castro, & Kumar, 2017)**.**

Innovation and Business Performance
The conclusion suggests that businesses with highly innovative entrepreneurs also typically had highly performing business leaders, supporting that creativity and performance go hand in hand. The findings are also consistent (Hossain & Asheq, 2019; Rezaei & Ortt, 2018)**,** (Wang & Yen, 2012) research, which found a positive relationship between innovation and business performance. But contradicted by (Ardhi, Irham, & Irham, 2021)**.**

Proactiveness and business performance
The study's findings support hypothesis 1, which shows that proactiveness among service MSMEs positively affects business performance. These results contradict with (Hossain & Asheq, 2019; Rezaei & Ortt, 2018)**,** (Wang & Yen, 2012)**.** Are supported with (Ardhi, Irham, & Irham, 2021)**.**

Risk Taking and Business Performance
According to the results, there is an association between taking risks and company performance. Companies with high-risk entrepreneurs also tend to have high business performance. The outcome also aligns with (Hossain & Asheq, 2019; Rezaei & Ortt, 2018), but contradict Rezaei & Ortt, 2018, (Wang & Yen, 2012) , (Ardhi, Irham, & Irham, 2021) recent study findings demonstrated a positive correlation between taking risks and business performance.

Concluding remarks, limitations, future research, and practical implication

Three aspects of entrepreneurial orientation (EO)—risk-taking, innovation, and proactiveness—have a major and favourable impact on company performance. Consequently, better corporate success will result from an increase in these three aspects. Furthermore, obstacles in finance and entrepreneurship directly impact the performance of businesses. However, in the Special Region of Uttar Pradesh, the human resource barriers aspects had no discernible impact on the innovation of the services sectors of MSMEs.

Certain limitations in this study may serve as a basis for future research. The only MSMEs in the sample are in the services sector. It would also be interesting to repeat our research in manufacturing sectors. Secondly, it is limited to Uttar Pradesh additional research might be conducted in other states of Uttar Pradesh in India. Finally, further studies may include other dimensions of EO like Autonomy and competitive aggressiveness to study their influence on business performance. These queries are included in the future research agenda that this study suggests be investigated in the future.

Based on the study's findings, there are several implications for practitioners and policymakers. Policymakers should emphasize enhancing the MSMEs that have earned awards for their entrepreneurial orientation, focusing on the firms' autonomy, inventiveness, and willingness to take risks. The study's practical implication is that greater emphasis must be placed on comprehending the main obstacles to entrepreneurship to support the growth and development of entrepreneurial values to advance economic growth. This study is fruitful for Service MSMEs and other firms in developing countries. To boost MSMEs' owners' performance, governments should also step up their efforts to support businesses, and support from the government through enhanced operations and business procedures. By helping aspiring entrepreneurs advance to become profitable business owners, business accelerators are essential to the entrepreneurial ecosystem.
Business schools have created academic programs and executive training sessions to develop entrepreneurs. (Mamary & Alshallaqi, 2022)**.**

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