

The Relationship Between Entrepreneurial Orientation and Family Business Performance in Egypt

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Abstract

The purpose of this study is to examine the direct effect of five key entrepreneurial orientation (EO) dimensions; risk taking, innovativeness, proactiveness, competitive aggressiveness, and autonomy on Egyptian family businesses. The targeted population of interest is family businesses in Egypt; all the 71 family firms are registered on the Egyptian stock exchange from 2017-2021 were approached. Several (187) questionnaires have been collected from family members in Egyptian family businesses. Data are analyzed by using structural equation model. The findings of this study showed that only some of the EO dimensions are crucial for performance, is the most important of which is the competitive aggressiveness dimension, then autonomy, risk-taking, proactiveness, and finally, innovativeness dimension, which had the least impact on performance.

Keywords

Entrepreneurial Orientation; Family Business; Family Business Performance; Egypt

Article history

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1. Introduction

Family businesses in Egypt, play a significant role in the economic development of countries worldwide (Antunes et al., 2023). These businesses contribute to job creation, income generation, and the economy's overall growth. However, family businesses face unique challenges that can impact their performance and sustainability. One of the factors that can influence family business performance is entrepreneurial orientation (Hernández-Linares et al., 2020).

Entrepreneurial orientation refers to the degree to which a business is innovative, proactive, and risk-taking in its approach to decision-making. Entrepreneurial orientation is a critical factor in the success of businesses, both in terms of financial performance and long-term sustainability (Upadhyay et al., 2023). Family businesses with high entrepreneurial orientation are more likely to innovate, identify new opportunities, and adapt to changing market conditions (Rachmawati & Suroso, 2020).

In Egypt, family businesses dominate the economy, representing over 90% of all businesses in the country (Negm, 2022). However, research has shown that family businesses in Egypt face significant challenges, including a lack of access to finance, limited managerial expertise, and difficulties in succession planning. These challenges can impact family business performance and limit their ability to grow and expand (Negm, 2022).

Several studies have been conducted to understand the relationship between entrepreneurial orientation and family business performance in Egypt. One study found that family businesses with higher levels of entrepreneurial orientation had better financial performance, including higher sales growth and profitability (Beshr et al., 2023); this suggests that entrepreneurial orientation can help family businesses overcome some of the challenges they face and improve their financial performance (Alonso-Dos-Santos, & Llanos-Contreras 2019).

Another study focused specifically on the role of strategic planning in the relationship between entrepreneurial orientation and family business performance in Egypt (Purkayastha & Gupta, 2023); the study found that family businesses with high entrepreneurial orientation and strategic planning levels had better financial performance than those with low levels of both. This highlights the importance of combining entrepreneurial orientation with strategic planning to achieve optimal family business performance (Stanley et al., 2019).

However, few studies have found a positive relationship between entrepreneurial orientation and family business performance in Egypt. One study found that while entrepreneurial orientation was positively associated with innovation, it was not significantly related to financial performance; this suggests that while entrepreneurial orientation is essential for innovation, other factors may be more critical for achieving financial success in family businesses.

In conclusion, the relationship between entrepreneurial orientation and family business performance in Egypt is complex and multifaceted. While some studies have found a positive relationship between entrepreneurial orientation and financial

performance, others have not. However, family businesses in Egypt face unique challenges that can impact their performance and sustainability and that entrepreneurial orientation can play a role in helping them overcome these challenges. By combining entrepreneurial orientation with strategic planning and other factors, family businesses can improve their performance and contribute to the economic development of Egypt.

2. Research Problem

The research problem for the relationship between entrepreneurial orientation and family business performance in Egypt could be framed as follows:

Despite the significant role that family businesses play in the economic development of Egypt; these businesses face unique challenges that can impact their performance and sustainability. One of the factors that can influence family business performance is entrepreneurial orientation. While some studies have found a positive relationship between entrepreneurial orientation and family business performance in Egypt, others have not. Therefore, the research problem is to investigate the relationship between entrepreneurial orientation and family business performance in Egypt and to identify the factors that may influence this relationship. **Specifically, the research aims to answer the following main question:**

- Is there a relationship between Entrepreneurial Orientation and Family Business Performance in Egypt?

Sub questions:

- Is there a relationship between innovativeness and Family Business Performance in Egypt?
- Is there a relationship between proactiveness and Family Business Performance in Egypt?
- Is there a relationship between risk taking and Family Business Performance in Egypt?
- Is there a relationship between competitive aggressiveness and Family Business Performance in Egypt?
- Is there a relationship between autonomy and Family Business Performance in Egypt?

By addressing these research questions, the study can contribute to understanding the relationship between entrepreneurial orientation and family business performance in Egypt and provide insights for family businesses to overcome the challenges they face and improve their performance.

3. Research Objective

This research aims to determine the following main objective:

- Determine the relationship between Entrepreneurial Orientation and Family Business Performance in Egypt

Sub Objectives:

- Determine the relationship between innovativeness and Family Business Performance in Egypt
- Determine the relationship between proactiveness and Family Business Performance in Egypt
- Determine the relationship between risk taking and Family Business Performance in Egypt
- Determine the relationship between competitive aggressiveness and Family Business Performance in Egypt
- Determine the relationship between autonomy and Family Business Performance in Egypt

4. Literature Review & Research Hypotheses Development

Innovation is a crucial factor for business success and long-term survival, including family firms. Family firms represent a significant percentage of the economy, and their performance can impact the country's overall economic growth. Therefore, it is essential to investigate the relationship between innovativeness and family firm performance (Martínez-Alonso et al., 2023).

Innovation is defined as the ability to create and implement new ideas, products, services, or processes that bring value to customers and improve the competitiveness of the business. Innovative family firms are more likely to adapt to changing market conditions, identify new opportunities, and create value for customers; this, in turn, can lead to higher levels of performance and growth (Upadhyay et al., 2023).

Several studies have investigated the relationship between innovativeness and family firm performance. One study found that family firms with high levels of innovativeness had higher performance levels, including growth, profitability, and market share. The study also found that innovativeness positively affected family firms' ability to compete in the market and attract new customers (Wei & Chen, 2023).

Another study found that the level of family ownership moderates the relationship between innovativeness and family firm performance. The study found that family firms with moderate levels of family ownership were more likely to be innovative and achieve higher performance levels. Family firms with high levels of family ownership may be more risk-averse and less willing to invest in innovation, limiting their ability

to adapt to changing market conditions and achieve higher performance levels (Ardito & Capolupo, 2023).

However, few studies have found a positive relationship between innovativeness and family firm performance in Egypt (Elbanna, S., & Abdel-Kader, M., 2020). One study found that the relationship between innovativeness and family firm performance is contingent on the type of innovation. The study found that incremental innovation, which involves minor improvements to existing products or services, positively affects family firm performance. However, radical innovation, which involves developing entirely new products or services, negatively affects family firm performance.

In conclusion, the relationship between innovativeness and family firm performance in Egypt is complex and depends on several factors, including the level of family ownership and the type of innovation. Nevertheless, innovative family firms are likelier to achieve higher performance levels, including growth, profitability, and market share. By understanding the relationship between innovativeness and family firm performance in Egypt, family firms can make informed decisions about innovation and improve their competitiveness and long-term survival. **Accordingly, the research hypothesis could be stated as follows:**

H1: There is a significant positive relationship between innovativeness and family firm performance in Egypt.

Proactiveness is an essential characteristic of successful businesses, including family firms. Proactive firms take the initiative to identify and act on opportunities in the market rather than simply reacting to changes as they occur. Family firms represent a significant portion of the economy, and their performance can impact the country's overall economic growth. Therefore, it is essential to investigate the relationship between proactiveness and family firm performance (García-Ramos et al., 2023).

Proactiveness is the degree to which a firm anticipates and acts on opportunities, challenges, and changes in the market environment. Proactive family firms are likelier to identify new opportunities, develop new products and services, and adapt to changing market conditions; this, in turn, can lead to higher levels of performance and growth (Crespo et al., 2023).

Several studies have investigated the relationship between proactiveness and family firm performance. One study found that family firms with high levels of proactiveness had higher performance levels, including growth, profitability, and market share. The study also found that proactiveness positively affected family firms' ability to compete in the market and attract new customers (Hernández-Perlines et al., 2021).

Another study found that the relationship between proactiveness and family firm performance is moderated by the level of family ownership. The study found that family firms with moderate levels of family ownership were more likely to be proactive and achieve higher levels of performance. Family firms with high levels of family

ownership may be more risk-averse and less willing to invest in proactiveness, which can limit their ability to adapt to changing market conditions and achieve higher levels of performance (Liu, et al 2023).

However, few studies have found a positive relationship between proactiveness and family firm performance in Egypt. One study found that the relationship between proactiveness and family firm performance is contingent on the type of proactiveness. The study found that proactive search involves actively seeking new opportunities and positively affects family firm performance. However, proactive change, which involves making significant changes to the business in response to market conditions, was negatively related to family firm performance.

In conclusion, the relationship between proactiveness and family firm performance in Egypt is complex and depends on several factors, including family ownership and proactiveness. Nevertheless, proactive family firms are more likely to achieve higher performance levels, including growth, profitability, and market share. By understanding the relationship between proactiveness and family firm performance in Egypt, family firms can make informed decisions about proactiveness and improve their competitiveness and long-term survival. **Accordingly, the research hypothesis could be stated as follows:**

H2: There is a significant positive relationship between proactiveness and family firm performance in Egypt.

Family firms play a crucial role in the economy of Egypt, accounting for more than 90% of all businesses in the country. Family firms face unique challenges, such as succession planning, governance, and management, impacting their performance and sustainability. One factor that has been found to impact family firms' performance is their willingness to take risks. This essay will explore the relationship between risk-taking and family firms' performance (Jiang et al., 2015).

Risk-taking is an essential component of entrepreneurship. The willingness to take uncertain actions or make decisions may result in either positive or negative outcomes. Family firms willing to take risks are more likely to pursue new opportunities, innovate, and adapt to changing market conditions. However, taking risks can also lead to failure, negatively impacting family firms' performance (Jiang et al., 2015).

Family firms face significant challenges, such as limited access to financing, political instability, and regulatory barriers. Family firms willing to take risks may be better equipped to overcome these challenges and achieve higher performance. However, the relationship between risk-taking and family firms' performance is complex and depends on several factors (Kraiczy et al., 2015).

One study on family firms found that risk-taking is positively related to family firms' growth and performance. The study found that family firms willing to take risks are more likely to pursue new opportunities, invest in research and development, and

engage in strategic planning. These behaviors positively relate to family firms' performance, including growth, profitability, and innovation (Kraiczy et al., 2015).

Another study conducted on family firms found that the relationship between risk-taking and family firms' performance is moderated by family ownership. The study found that family firms with moderate levels of family ownership are more likely to take risks and achieve higher performance levels. Family firms with high levels of family ownership may be more risk-averse, limiting their ability to take advantage of new opportunities and adapt to changing market conditions (Santoro et al., 2021).

However, few studies have found a positive relationship between risk-taking and family firms' performance in Egypt. One study found that risk-taking negatively affects family firms' performance, including growth and profitability. The study found that family firms that are too willing to take risks may engage in excessive risk-taking behavior, leading to failure and negatively impacting their performance.

In conclusion, the relationship between risk-taking and family firms' performance in Egypt is complex and multifaceted. While some studies have found a positive relationship between risk-taking and family firms' performance, others have not. Nevertheless, family firms willing to take risks may be better equipped to overcome the challenges they face and achieve higher performance levels. However, the level of family ownership may moderate this relationship, and excessive risk-taking behavior may negatively impact family firms' performance. By understanding the relationship between risk-taking and family firms' performance in Egypt, family firms can make informed decisions about their risk-taking behavior and improve their performance and sustainability. **Accordingly, the research hypothesis could be stated as follows:**

H3: There is a significant positive relationship between risk taking and family firm performance in Egypt.

Competitive aggressiveness is a critical aspect of business strategy that involves a firm's willingness to take aggressive actions to gain a competitive advantage, family firms represent a significant portion of the economy, and their performance can impact the country's overall economic growth. Therefore, it is essential to investigate the relationship between competitive aggressiveness and family firm performance (Stanley et al., 2019).

Competitive aggressiveness is the degree to which a firm takes aggressive actions to gain a competitive advantage, such as price cutting, product differentiation, and aggressive marketing. Competitively aggressive family firms are more likely to gain a competitive advantage, expand their market share, and achieve higher performance levels (Stanley et al., 2019).

Several studies have investigated the relationship between competitive aggressiveness and family firm performance. One study found that family firms with high levels of competitive aggressiveness had higher performance levels, including growth, profitability, and market share. The study also found that competitive

aggressiveness positively affected family firms' ability to compete in the market and attract new customers (Neubaum et al., 2019).

Another study found that the level of family ownership moderates the relationship between competitive aggressiveness and family firm performance. The study found that family firms with moderate levels of family ownership were more likely to be competitively aggressive and achieve higher performance levels. Family firms with high levels of family ownership may be more risk-averse and less willing to invest in competitive aggressiveness, limiting their ability to compete and achieve higher performance levels (Weinzimmer et al., 2023).

However, not all studies have found a positive relationship between competitive aggressiveness and family firm performance in Egypt. One study found that the relationship between competitive aggressiveness and family firm performance depends on the industry. The study found that competitive aggressiveness was positively related to family firm performance in highly competitive industries but was negatively related to family firm performance in less competitive industries.

In conclusion, the relationship between competitive aggressiveness and family firm performance in Egypt is complex and depends on several factors, including the level of family ownership and the industry. Nevertheless, competitively aggressive family firms are more likely to achieve higher performance levels, including growth, profitability, and market share. By understanding the relationship between competitive aggressiveness and family firm performance in Egypt, family firms can make informed decisions about their competitive strategies and improve their competitiveness and long-term survival. **Accordingly, the research hypothesis could be stated as follows:**

H4: There is a significant positive relationship between competitive aggressiveness and family firm performance in Egypt.

Autonomy is a critical aspect of the management and governance of family firms. Autonomy refers to the degree to which a family firm's management is independent of the family's influence and control. Family firms represent a significant portion of the economy, and their performance can impact the country's overall economic growth. Therefore, it is essential to investigate the relationship between autonomy and family firm performance (Bjørnholt et al., 2022).

Autonomy is the degree to which a family firm's management is independent of the family's influence and control. Family firms with high levels of autonomy are more likely to make strategic decisions based on market conditions and competitive pressures than family interests; this, in turn, can lead to higher levels of performance and growth (Bjørnholt et al., 2022).

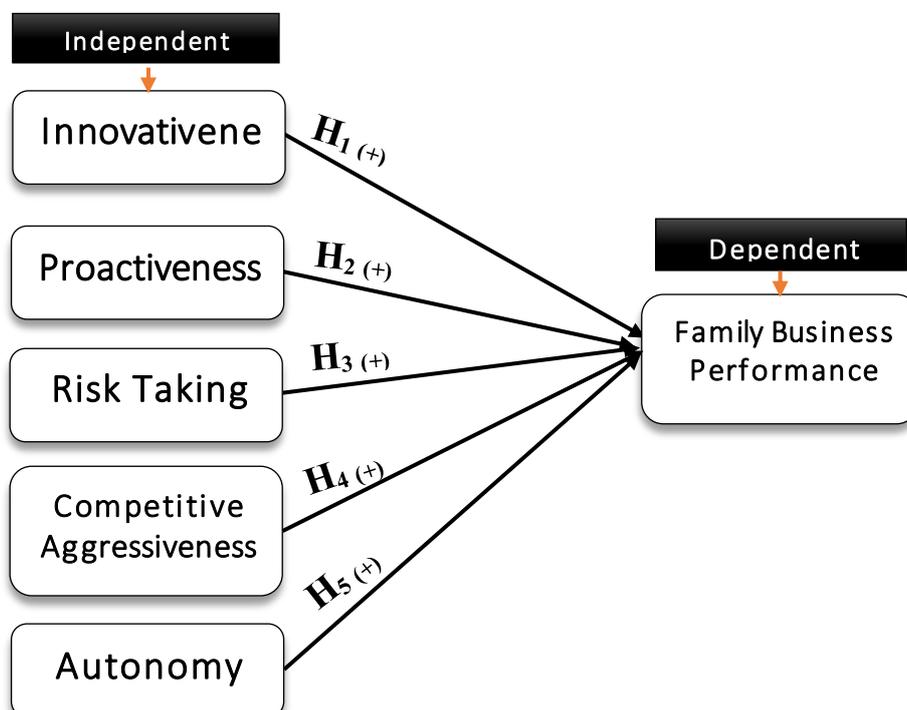
Several studies have investigated the relationship between autonomy and family firm performance. One study found that family firms with high levels of autonomy had higher levels of performance, including growth, profitability, and market share. The study also found that autonomy positively affected family firms' ability to compete in the market and attract new customers (Hernández-Linares et al., 2020).

Another study found that the level of family ownership moderates the relationship between autonomy and family firm performance. The study found that family firms with low levels of family ownership were likelier to have high levels of autonomy and achieve higher performance levels. Family firms with high levels of family ownership may be more likely to prioritize family interests over business interests, limiting their ability to make strategic decisions based on market conditions (Alam et al., 2022). However, few studies have found a positive relationship between autonomy and family firm performance in Egypt. One study found that the relationship between autonomy and family firm performance is contingent on the type of decision-making. The study found that decentralized decision-making, which involves delegating decision-making authority to lower levels of the organization, was positively related to family firm performance. However, centralized decision-making, which involves concentrating decision-making authority at the organization's top, could have been more positively related to family firm performance.

In conclusion, the relationship between autonomy and family firm performance in Egypt is complex. It depends on several factors, including the level of family ownership and the type of decision-making. Nevertheless, family firms with high levels of autonomy are more likely to achieve higher performance levels, including growth, profitability, and market share. By understanding the relationship between autonomy and family firm performance in Egypt, family firms can make informed decisions about their management and governance structures and improve their competitiveness and long-term survival. **Accordingly, the research hypothesis could be stated as follows:**

H5: There is a significant positive relationship between autonomy and family firm performance in Egypt.

Research Model



5. Methodology

5.1 Study Design

The researcher chose the survey design because it was the most effective way to achieve the study's goals and objectives. The survey research gathered and analyzed data from a small sample of people considered representative of the total population.

In other words, results are supposed to apply to the entire population even while just a portion of the population is investigated. In a similar vein, McBurney describes a survey as an examination of public opinion or personal traits using questionnaires and sampling techniques.

5.2 Research Population

All listed companies on the Egyptian Stock Exchange comprise the study's population (225 companies).

5.3 Sample of the population

This section includes the type and size of the sample and justification for what was excluded from it, as well as the period chosen for the sample and justification for that, that is, where the researcher relied on a deliberate control sample (Purposive Sample) in the sense that it was chosen for the target and from the research. For all companies listed on the Egyptian Stock Exchange, the following criteria have been specified for the study sample:

- The percentage of the number of shares owned by family members is at least 2% of the total shares (Ownership structure report) (Saree, 2021).
- The data on the study criteria should be available from 2017 to 2021.
- The companies should have an electronic website, address, and phone number.
- The sample unit is the family member of companies listed on the Egyptian Stock Exchange.

According to the study sample, there are 71 family firms registered on the Egyptian Stock Exchange from 2017 to 2021, meaning 187 observations. It represents the different sectors of the study population, and it is a statistically valid sample.

5.4 Collection of Data

To answer the research questions, a quantitative approach will be used. With explanatory research, researchers can explore and clarify the connection between variables.

The study relied on the secondary data published during the current financial statements and the clarifications provided with it. It is more accurate, as it is available to the audience and the study sample. The secondary data was obtained from the following sources:

The website of the Egyptian Stock Exchange on the Internet (www.egx.com.eg), in addition to the electronic websites of the companies under study, is direct in Egypt (www.mubasher.info).

5.5 Statistical methods

The researcher will use SPSS statistical program to analyze the data obtained through the survey list using the following methods:

Alpha coefficient: to measure stability and verify the degree of reliability of the scales used.

- Test (T): and the level of significance to measure the consistency of the questionnaire.
- Frequencies and ratios to describe the study sample.
- Pearson coefficient: to analyze the correlations between the variables included in the study.
- Measures of dispersion (standard deviation and coefficient of variation): to measure trends in the study sample.
- Analysis of variance (ANOVA Test): to show the type and strength of the correlation between the variables.
- Simple linear regression: to show the different effects of the study variables on a subject.

6. Instrument Structure

It has been demonstrated that questionnaire design impacts data validity, reliability, and response rates. As a result, a thorough and instructive design was used to create the questionnaire for this study. It is six pages in length without counting the cover page, giving it enough room to discuss all the study's critical points without discouraging participation. An introduction to the researcher and the purpose of the study were included on the cover page (or email, in the case of the online questionnaire), along with an invitation to participate in the study. Also, the cover page or email offered participants secrecy, anonymity, and privacy while still obtaining their informed consent, guaranteeing conformity with acceptable ethical practices.

The first section is used to obtain general organization information. This data includes the number of employees from the current family, Family ownership and company management, position in the business, and the generations.

The second part gathers information about Entrepreneurial Orientation, including its dimensions (Risk taking, Proactiveness, Innovativeness, Competitive aggressiveness, and Autonomy).

The questionnaire's third section gathers information about the Organization's Performance; evaluating the company's performance against the performance of competitors provides a better view of the financial and competitive performance in terms of return on investment; growth in sales; market share; quality of the products or services offered; and developing new products or services.

Finally, the fourth section is used to obtain general demographic information. This data includes gender, age, and education level.

7. Reliability and Validity

Table (1) Cronbach's Alpha for Study

Dimensions	No. of Items	Cronbach's Alpha	Validity
Innovativeness	9	0.959	0.979
Proactiveness	8	0.972	0.986
Risk Taking	7	0.968	0.984
Competitive Aggressiveness	3	0.912	0.955
Autonomy	5	0.955	0.977
Family Business Performance	3	0.947	0.973

It is intended to stabilize the scale and lack of contradiction with himself; he saw that it would give the same results if re-applied to the same sample and test stability using Cronbach alpha coefficient. The coefficient of consistency takes values ranging between zero and the right one (Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. 2019); if there was no data on the stability of the value of this parameter equal to zero, whereas if there is a complete firming, the parameter value is equal to the correct one. Moreover, the closer the value of the reliability coefficient of the correct one indicates that the stability is high.

It is clear from Table No (1) that the stability of alpha coefficient values Cronbach to the dimensions of the questionnaire all were greater than (0.70), which is a high ratio given the confidence of the researcher with the following results: it turns out that there is a high Validity with valuers greater than (0.80).

It is clear from Table No (1) that Cronbach's Alpha was between (.912 - .972) for Entrepreneurial Orientation dimensions, there are more significant than .70, revealing that this dimension has a high degree of reliability; this means that if we asked this sample again, we have the same response with a percentage of 91.2% - 97.2%. Also, the explicit validity coefficient (.955 - .986) ensures that the respondents understand the items perfectly, with percent between 95.5% - 98.6%.

It is clear from Table No (1) that Cronbach's Alpha was .947 for Organization Performance; there is more significance than .70, revealing that the item for this dimension has a high degree of reliability. If we ask this sample again, we will have the same response with 94.7% percent accuracy. Also, the explicit validity coefficient of 0.973 ensures that the respondents understand the items perfectly, with percent 97.3%.

8. Testing the Hypotheses

H₁: There is a significant positive relationship between Innovativeness and Family Business Performance in Egypt.

- **First:**

- a- The coefficient of determination - Goodness of fit**

Table (2) Model summary for **Innovativeness**

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.208	0.266		8.298	0.000
Innovativeness	0.397	0.073	0.373	5.469	0.000
a. Dependent Variable: Organization Performance					
R	.373**				
R Square	0.139				
Adjusted R Square	0.135				
DF	1 / 185				
F	29.909				
Sig.	.000				

** Significant at 0.01 level

Source: Researcher Effort

The above table shows a significant correlation (R) at a confidence interval of 99% between Innovativeness and Family Business Performance equal (0.373). This correlation is weak. The coefficient of determination (R square) is equal to (.139), and this indicates that the independent variables (Innovativeness) explain 13.9% of any change in the Family Business Performance. In addition, the regression model is statistically significant when the **F test** (29.909) is significant at the level of confidence of 99%.

- b- Hypotheses tests for beta coefficients**

Null hypothesis: beta coefficient (Innovativeness) equals zero ($\beta = 0$).

The alternative hypothesis is that the beta coefficient (Innovativeness) is not equal to zero ($\beta \neq 0$).

Table No (2) shows the values of the coefficient of the independent variable, and we find that the model variables are statistically significant at a confidence level of 99% while calculated T equals **5.469**. We reject the null hypothesis and accept the alternative hypothesis that the independent variables (Innovativeness) have an absolute value coefficient (0.397) different from zero. They have a tangible impact on Family Business Performance.

- **Second: - Regression equation.**

$$y = b_0 + b_1X_1 + b_2X_2 + \dots + e$$

When: -

y : Dependent variable

X_1 : First independent variable

X_2 : Second independent variable

$$\text{Family Business Performance} = 2.208 + .397(\text{Innovativeness})$$

- **Third: - Results**

There is a positive significant Impact of Innovativeness on Family Business Performance

We accept the hypotheses that there is a positive effect of Innovativeness on Family Business Performance.

H₂: there is a significant positive relationship between Proactiveness and Family Business Performance in Egypt.

- **First:**

- a- **The coefficient of determination - Goodness of fit**

Table (3) Model summary for **proactiveness**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.019	0.247		8.166	0.000
Proactiveness	0.446	0.066	0.443	6.714	0.000
a. Dependent Variable: Organization Performance					
R	.443**				
R Square	0.196				
Adjusted R Square	0.192				
DF	1 / 185				
F	45.075				
Sig.	.000				

** Significant at 0.01 level

Source: Researcher Effort

The above table shows a significant correlation (R) at a confidence interval of 99% between **proactiveness** and Family Business Performance equal to (0.443). This correlation is moderate. The coefficient of determination (R square) is equal to (.196), and this indicates that the independent variables (**proactiveness**) explain 19.6% of any change in the Family Business Performance. In addition, the regression model is statistically significant when the **F test** (45.075) is significant at the level of confidence of 99%.

b- Hypotheses tests for beta coefficients

Null hypothesis: - beta coefficient (**proactiveness**) equals zero ($\beta = 0$).

The alternative hypothesis is that the - beta coefficient (**proactiveness**) is not equal to zero ($\beta \neq 0$).

Table No (3) shows the values of the coefficient of the independent variable, and we find that the model variables are statistically significant at a confidence level of 99% while calculated T equals **6.714**. We reject the null hypothesis and accept the alternative hypothesis that the independent variables (**proactiveness**) have an actual value coefficient (0.446) different from zero. They have a tangible impact on Family Business Performance.

- **Second: - Regression equation.**

$$\text{Organization Performance} = 2.019 + .446 (\text{proactiveness})$$

- **Third: - Results**

There is a positive significant Impact of **proactiveness** on Family Business Performance.

We accept the hypothesis that **proactiveness is positively related to Family Business Performance.**

H₃: there is a significant positive relationship between Risk Taking and Family Business Performance in Egypt.

- **First:**

a) **The coefficient of determination - Goodness of fit**

Table (4) Model summary for **Risk Taking**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.836	0.237		7.743	0.000
Risk Taking	0.505	0.065	0.498	7.817	0.000
a. Dependent Variable: Organization Performance					
R	.498**				
R Square	0.248				
Adjusted R Square	0.244				
DF	1 / 185				
F	61.099				
Sig.	.000				

** Significant at 0.01 level

Source: Researcher Effort

The above table shows a significant correlation (R) at a confidence interval of 99% between **Risk Taking** and **family business Performance** equal (0.498). This correlation is moderate. The coefficient of determination (R square) is equal to (.248), and this indicates that the independent variables (**Risk Taking**) explain 24.8% of any change in the Family Business Performance. In addition, the regression model is statistically significant when the **F test** (61.099) is significant at the level of confidence of 99%.

b) **Hypotheses tests for beta coefficients**

Null hypothesis: - beta coefficient (**Risk Taking**) equals zero ($\beta = 0$).

The alternative hypothesis is that the beta coefficient for risk-taking (β) is not equal to zero ($\beta \neq 0$).

Table No (4) shows the values of the coefficient of the independent variable, and we find that the model variables are statistically significant at a confidence level of 99% while calculated T equals **7.817**. We reject the null hypothesis and accept the alternative hypothesis that the independent variables (**Risk Taking**) have an actual value coefficient (0.505) different from zero. They have a tangible impact on the family business Performance.

- **Second: Regression equation.**

Family Business Performance = 1.836 + .505 (**Risk Taking**).

- **Third: Results**

There is a significant relationship between **Risk Taking** and Family Business Performance.

Risk Taking has a positive significant impact on Family Business Performance.

We accept the hypothesis that **Risk Taking** is **positively** related to **Family Business Performance**.

H₄: there is a significant positive relationship between Competitive aggressiveness and Family Business Performance in Egypt.

- **First:**

- a- **The coefficient of determination - Goodness of fit**

Table (5) Model summary for **Competitive aggressiveness**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.196	0.180		1.093	0.276
Competitive aggressiveness	0.909	0.046	0.823	19.669	0.000
a. Dependent Variable: Organization Performance					
R			.823**		
R Square			0.677		
Adjusted R Square			0.675		
DF			1 / 185		
F			386.883		
Sig.			.000		

** Significant at 0.01 level

Source: Researcher Effort

The above table shows a significant correlation (R) at a confidence interval of 99% between **Competitive aggressiveness** and **family business performance in Egypt** equal (0.823). This correlation is moderate.

The coefficient of determination (R square) is equal to (.677), and this indicates that the independent variables (**Competitive aggressiveness**) explain 67.7% of any change in the **family business performance in Egypt**. In addition, the regression model is statistically significant when the **F test** (386.883) is significant at the level of confidence of 99%.

- b- **Hypotheses tests for beta coefficients**

Null hypothesis: beta coefficient (**Competitive aggressiveness**) equals zero ($\beta = 0$).

The alternative hypothesis is that the beta coefficient (**Competitive aggressiveness**) is not equal to zero ($\beta \neq 0$).

Table No (5) shows the values of the coefficient of the independent variable, and we find that the model variables are statistically significant at a confidence level of 99% while calculated T equals **19.669**. We reject the null hypothesis and accept the alternative hypothesis that the independent variables (**Competitive aggressiveness**) have an actual value coefficient (0.909) different from zero. They have a tangible impact on the **family business performance in Egypt**.

- **Second: - Regression equation.**

Family business performance in Egypt = 0.196 + .909 (Competitive aggressiveness).

- **Third: Results**

There is a significant relationship between Competitive aggressiveness and the family business performance in Egypt.

There is a positive significant Impact of Competitive aggressiveness on family business performance in Egypt.

We accept the hypothesis that their competitive aggressiveness positively relates to family business performance in Egypt.

H₅: there is a significant positive relationship between Autonomy and Family Business Performance in Egypt.

- **First**

- a- **The coefficient of determination - Goodness of fit**

Table (6) Model summary for Autonomy

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.857	0.229		8.109	0.000
Autonomy	0.500	0.062	0.508	8.023	0.000
a. Dependent Variable: Organization Performance					
R			.508**		
R Square			0.258		
Adjusted R Square			0.254		
DF			1 / 185		
F			64.365		
Sig.			.000		

** Significant at 0.01 level

Source: Researcher Effort

The above table shows a significant correlation (R) at a confidence interval of 99% between **Autonomy** and **family business performance in Egypt** equal

(0.508). This correlation is moderate. The coefficient of determination (R square) is equal to (.258), and this indicates that the independent variables (**Autonomy**) explain 25.8% of any change in the **family business performance in Egypt**. In addition, the regression model is statistically significant when the **F test** (64.365) is significant at the level of confidence of 99%.

b- Hypotheses tests for beta coefficients

Null hypothesis: beta coefficient (**Autonomy**) equals zero ($\beta = 0$).

The alternative hypothesis is that the - beta coefficient (**Autonomy**) is not equal to zero ($\beta \neq 0$).

Table No (6) shows the values of the coefficient of the independent variable, and we find that the model variables are statistically significant at a confidence level of 99% while calculated T equals **8.023**. We reject the null hypothesis and accept the alternative hypothesis that the independent variables (**Autonomy**) have an actual value coefficient (0.500) different from zero. They have a tangible impact on the **family business performance in Egypt**.

- **Second: - Regression equation.**

$$\text{Organization Performance} = 1.857 + .500 (\text{Autonomy})$$

- **Third: - Results**

There is a significant relationship between **Autonomy** and **family business performance in Egypt**.

There is a positive significant Impact of **Autonomy** on **family business performance in Egypt**.

We accept the hypotheses that their **Autonomy is positively related to family business performance in Egypt**.

Table (7) summary of hypothesis testing

No.	Hypotheses	Result
H ₁	There is a significant positive relationship between innovativeness and family firm performance in Egypt	Supported
H ₂	There is a significant positive relationship between proactiveness and family firm performance in Egypt	Supported
H ₃	There is a significant positive relationship between risk taking and family firm performance in Egypt	Supported
H ₄	There is a significant positive relationship between competitive aggressiveness and family firm performance in Egypt	Supported
H ₅	There is a significant positive relationship between autonomy and family firm performance in Egypt	Supported

9. Conclusion

In conclusion, the relationship between Entrepreneurial Orientation (EO) and Family Business Performance in Egypt is complex and multifaceted. Entrepreneurial Orientation refers to the degree to which a family firm exhibits characteristics such as innovation, proactiveness, and competitive aggressiveness. These characteristics are essential for family firms to succeed and grow in Egypt's highly competitive business environment.

Several studies have investigated the relationship between EO and family business performance in Egypt, and the results have been mixed. Some studies have found a positive relationship between EO and family business performance, indicating that family firms that exhibit high levels of EO are more likely to achieve higher levels of growth, profitability, and market share. Other studies have found that the level of family ownership moderates the relationship between EO and family business performance, the type of innovation, and the industry.

Overall, EO is a critical factor for the success and long-term survival of family firms in Egypt. Family firms that exhibit high levels of EO are more likely to identify new opportunities, develop new products and services, and adapt to changing market conditions; this, in turn, can lead to higher performance and growth. By understanding the relationship between EO and family business performance in Egypt, family firms can make informed decisions about their entrepreneurial strategies and improve their competitiveness and long-term survival.

10. Recommendations

Based on the relationship between Entrepreneurial Orientation (EO) and Family Business Performance in Egypt, **here are some recommendations for family firms in Egypt:**

- **Embrace innovation:** Family firms should prioritize innovation as a critical component of their business strategy; this can involve developing new products and services, adopting new technologies, and experimenting with new business models.
- **Be proactive:** Family firms should take the initiative to identify and act on opportunities in the market rather than simply reacting to changes as they occur; this can involve conducting market research, seeking new partnerships, and developing new marketing strategies.
- **Be competitively aggressive:** Family firms should be willing to act aggressively to gain a competitive advantage; this can involve price cutting, product differentiation, and aggressive marketing, among other strategies.
- **Ensure autonomy:** Family firms should prioritize autonomy in their management and governance structures; this can involve separating family roles from business roles, delegating decision-making authority to lower levels of the organization, and creating independent boards of directors.

- Develop a culture of entrepreneurship: Family firms should foster a culture of entrepreneurship within the organization; this can involve encouraging risk-taking, rewarding innovation and creativity, and providing resources and support for entrepreneurial initiatives.
- Seek professional advice: Family firms should seek out professional advice from consultants, lawyers, and other experts to help them navigate the complexities of entrepreneurship and family business management.

By implementing these recommendations, family firms in Egypt can improve their entrepreneurial orientation and achieve higher levels of performance, growth, and long-term survival.

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