Organizational Capabilities as Antecedents of Entrepreneurship: A Basis for Business Practice and Policy Making.

Abstract

Entrepreneurship plays an important role on economic development. However, its antecedents are still an under-explored topic. As such, this research seeks to identify the factors that influence entrepreneurship by the relationship between the theoretical fields of entrepreneurship and the Resource Based View. To test the hypothesis, a quantitative study was conducted using survey data from a sample of 118 Angolan entrepreneurs. The results from partial least squares (PLS) allow identifying marketing capabilities; access to financial resources, and innovation capabilities as determinants of entrepreneurship. No significant relation was observed in the link between market experience and customer orientation on entrepreneurship. The implications for business practice and policy making are discussed in the conclusions.

Keywords: Entrepreneurship; Resource Based View; Angola; Marketing capabilities; Innovation.

Introduction

The Angolan economy has recently faced important challenges, mainly due to the average price devaluation of oil, with no expectation for this evolution to reverse during the next years. This context has strong implications for the country's economy, namely the loss of essential revenues, lower tax revenues, and reduced exportations and foreign exchange inflows. In this framework, the government has sought to stimulate entrepreneurship as a way to mitigate the crisis' effects. Entrepreneurship is a key area for economic development (Stevenson & Jarillo, 2009). Furthermore, previous research found that entrepreneurial capabilities play an important role on firm performance (Dias et al., 2020a; Lisboa, Skarmeas, & Saridakis, 2016). As such, the country’s sustainable

development and job creation requires a decisive investment on the qualification and motivation of people with entrepreneurial profile.

Due to the dynamic context of today's globalized economy, the study of entrepreneurship should be framed within the dynamic capabilities approach (Zahra, Sapienza, & Davidsson, 2006). However, "our understanding of dynamic capabilities and how they work is still incomplete" (Teece, 2016, p. 213). More specifically, in the dynamic capabilities context, the factors influencing entrepreneurship are still under-explored (Lisboa et al., 2016). For example, Pezeshkan et al. (2016) performed a meta-data study related with published articles based on the Resource Based View (RBV) and dynamic capabilities theories. They found that only one percent of the 89 studies analyzed considered entrepreneurship as an independent variable influencing firm performance. Moreover, according Moriano et al. (2012), further research should be done with respect to entrepreneurial intentions and succeeding behaviours within other cultures, such as Angola. Moreover, Liñán, Fernández and Romero (2013) mentioned a gap in literature about the particular effect of numerous cultural value-dimensions on entrepreneurship. Additionally, Hayton and Cholakoya (2012) argue that the underlying assumptions and resources of entrepreneurship ought to be better examined. Furthermore, research points to the importance of setting out the role of personal-level variables, context and institutions in the formation of entrepreneurial intentions (Fayolle & Liñán, 2014). A supportive addition to the literature involves the development and testing of new theories about entrepreneurial opportunities and how these affect entrepreneurial processes (Davidson, 2015) and Schmitz et al. (2017) defends that entrepreneurship must be explored in the innovation context.

Drawing on RBV and dynamic capabilities theories this study aims to explore the antecedents of entrepreneurship in the Angola context. In this way, the study also

contributes to a better understanding of the factors that contribute to the development of new business and employment potential and of other countries in similar situations. This study proposes that entrepreneurship depends on several resources and capabilities: consumer orientation, innovation, market experience, marketing and financial resources. Moreover, this study extends existing knowledge on RBV and dynamic capabilities, demonstrating that innovation, marketing and financial resources were positive and significant in the relationship with entrepreneurial capabilities.

The article is structured as follows. We proceed by introducing the RBV and dynamic capabilities theories and proposing the conceptual model. Section 3 describes the quantitative method used to validate the research hypothesis. Section 4 presents the results. Section 5 reflects the main findings. Finally, section 6 concludes with three topics: theoretical conclusion, policy-making implications, and limitations and future research.

Theoretical Background

RBV, Dynamic Capabilities and Entrepreneurship

The evolution of the explanatory theories of business competitiveness, whose main contribution in the 1980s was advocated by Porter (2001), evidences a set of limitations mainly due to its market orientation, neglecting the characteristics of the firm itself (Dias et al., 2020b; Appiah-Adu, Okpattah & Amoako, 2018). Thus, RBV (Barney, 1991; Wernerfelt, 1984) emerges as an evolution, providing a framework for the development of competitive advantage.

There are several approaches to this theory, so we will try to provide a clear definition of the concept. For Powell (1992) RBV considers that "a resource must provide economic value while being rare, difficult to imitate, irreplaceable and not

easily obtainable in the market" (p. 552). In its turn, Barney (1991) argues that the RBV is based on two key points. First, resources are critical to success, and second, they must be rare, valuable, hard to imitate, and irreplaceable by other resources. When this happens, a competitive advantage is created. From these two definitions, it can be noticed that the concept of RBV is based on the Value, Rarity, Inimitability, Non-substitutability and Adaptability (VRINA) approach, that is, that the set of resources and capabilities that form the basis of business competitiveness are characterized by being valuable, rare, inimitable, non-replaceable and adaptable. Thus, companies are understood as a set of resources distributed heterogeneously among different organizations, representing the source of their strengths and weaknesses.

The RBV approach represents a conceptual framework to understand how a company develops and sustains a long-term competitive advantage. The authors further argue that companies should be considered as sets of resources that are distributed heterogeneously across companies and that those differences are the basis of different degrees of competitiveness and sustainability. As noted by Barney (1991) and Wernerfelt (1984), resources are relevant to the RBV approach, being the basis for developing competitive strategies. Thus, the competitive differences accrue from the strategic value of resources set that, by their uniqueness, allow each company to offers a unique value to the market.

Defining resources now, we begin with Wernerfelt (1984) that considers that resources can be assets (tangible and intangible) that are linked to the company in a lasting way. Barney (1991) defines resources as assets, capabilities, organizational processes, company attributes, information, knowledge, etc. controlled by the company that enables it to conceive and implement strategies that improve its efficiency and effectiveness.

Research in the field of entrepreneurship has been taking place with great intensity over the last four decades. In its essence, according to Stevenson and Jarillo (2009), is the search for opportunities, understood as a desirable and achievable future situation, but which depends on the entrepreneur's own ability to achieve it. For Shane and Venkataraman (2000) entrepreneurship brings together two essential aspects: the search for lucrative opportunities and the existence of individuals with entrepreneurial skills. Its role in social and economic development is widely recognized both by the introduction of new products and new production methods (Zott & Amit, 2007) as by the development of new practices and forms of decision making (Matsuno, Mentzer & Ozsomer, 2002).

Conceptual Model

In this section is important to distinguish entrepreneurship from innovation. As stated by Stevenson and Jarillo (2009) the first concept is much wider, understanding it as the key to economic development, productivity and competitiveness. Regarding the definition, entrepreneurial companies are more associated with younger firms and with a high potential to achieve superior performance levels (Zott & Amit, 2007). Simultaneously they show a strong problem-solving capacity in constantly changing contexts. Stevenson and Jarillo (2009) extend the concept with an entrepreneurial perspective that can be understood as "a process through which individuals, on their own or in organizations, explore new opportunities without looking at the resources they control" (p. 23).

Zahra, et al. (2006) define entrepreneurial companies as those who create, define, discover and explore opportunities often ahead of their rivals, creating value for

companies through their dynamic capabilities, reconfiguring resources and routines according to the perception of the company or entrepreneur.

Within the business capabilities set, we have selected a short list composed of those that are associated with entrepreneurial processes, namely: marketing capabilities; customer orientation; ability to access financial resources; individual market experience; and innovation capability (c.f. Pezeshkan et al., 2016). We aim to evaluate the relationship between these capabilities and entrepreneurship. These relations are discussed in the following sections.

The role of marketing capabilities in entrepreneurship has been the subject of study. The importance of identifying customer needs is an essential element of the marketing concept (Dias & Renato, 2017). However, business performance depends on the agility to respond to consumer demands, a key issue in entrepreneurship (Appiah-Adu et al., 2018). Chadwick and Dabu (2009) state that the entrepreneurship fosters the ability to respond in rapidly changing environments, an important dimension of dynamic capabilities. Thus, they conceive different expectations and convictions about the future value of the market, being this the conceptual basis of RBV, that is, the existence of heterogeneous resources between companies. In this way, entrepreneurship plays a relevant role in the achievement of the opportunities identified in the market, as a result of marketing activities. As defended by Eggers et al. (2013) and Tajeddini (2010), higher levels of customer orientation combined with entrepreneurial orientation and innovation capabilities are related to higher performance.

The development of marketing capabilities requires a more effective customer and market orientation, enhancing the company's ability to develop new products and track the constantly evolving market (Um & Kim, 2018). A close relationship with customers is essential for a company to succeed (Stokes & Lomax, 2002). However,

Rezaei et al. (2012) consider that proximity to the market and customers is not sufficient. For them, the firm must also be willing to take risks in order to achieve a competitive advantage by pioneering the detected opportunities. As such, entrepreneurship plays an important role to implement marketing strategies, involving "the study of sources of opportunities; the process of discovery, evaluation, and exploitation of opportunities: and the set of individuals who discover, evaluate, and exploit them" (Shane & Venkataraman, 2000, p. 218). Moreover, studies show that entrepreneurship has an important role in creating a market-oriented culture (Hult et al., 2003). For this reason, a significant part of studies on entrepreneurship has a strong link to dimensions such as marketing (Kreiser et al., 2010). Therefore, the following hypotheses are considered:

H1: Marketing capabilities positively relates to entrepreneurial capability.

H2: Customer orientation positively relates to entrepreneurial capability.

As previously mentioned marketing capabilities are essential to the company's performance and strengthen its entrepreneurial capacity. However, market experience can also have a leveraging effect. For example, one stream of research advocates that networking with other companies leverage intellectual and relational capital and that these have a strong impact on entrepreneurship (Al-Jinini et al., 2019). This means that the organization's level of experience influences entrepreneurship (Hult et al., 2003; Slater & Olson, 2001). In the definition of entrepreneurship provided by Henrekson and Stenkula (2016), it is considered to be related to the ability and willingness to recognize opportunities and to put them on the market through decision making of location, product, and use of resources and systems to generate economic value for the

organization and society. However, this entrepreneurial capacity is dependent on the relational and market experience (Tajeddini, 2010; Stokes & Lomax, 2002).

Considering that exploring opportunities is a central aspect of entrepreneurship (Sieger et al., 2011), we can establish the relationship with RBV, as Barney's (1991) proposals consider that resource combinations are modified over time so that companies maintain competitive advantage. Thus, the constant search for opportunities inherent to entrepreneurship is the basis of this same modification of resources and capabilities. More specifically, it allows to develop new products that fulfil customers' needs (Atuahene-Gima & Wei, 2011), with more innovative products (Tsung-Chi & Yi-Jen, 2015). Consequently, the level of experience of companies contributes to the development of innovative products and an effective implementation of an entrepreneurial culture, in order to satisfy customer needs (Lin et al., 2013). Thus:

H3: Market experience positively relates to entrepreneurial capability.

The research on innovation and entrepreneurship is an important topic and central to the modern global economy (Lounsbury, Cornelissen, Granqvist & Grodal, 2019). Hansen et al. (2017: 81) recognize that innovation refers to the characteristic of an organization to be an early adopter and/or creator of new products and processes. Innovation is an essential concept for the long-term competitiveness of the organisation (Noble, Sinha & Kumar, 2002). Its role complements marketing since it is crucial to satisfy customer needs by providing innovative products that follow market trends (Appiah-Adu et al., 2018) and thus achieve better performance (Yu et al., 2013). Within the current pandemic situation, innovation capabilities are even more sought by firms to

become more resilient and competitive. The pandemic caused a severe disruption forcing the firms in processes of managerial rethinking to look beyond their existing business strategies (Heinonen & Strandvik, 2020). The context has changed and it is more likely to find industry disruption and emergence of new technologies and business models (George, Lakhani & Puranam, 2020). In this context where innovation is the product of urgency rather than sophisticated technology (Lee & Trimi, 2020), the firms that are most capable of establishing a strong link between innovation and entrepreneurship are those that are best prepared to deal with market unpredictability (Hult et al., 2004). Thus, the organizations with the highest innovation capability are those that are more competitive in light of RBV, since they have unique intangible resources that are difficult to imitate (Rasmussen, 2014), allowing to achieve a higher degree of performance (Akgün et al., 2014), customer satisfaction (Wallenburg, 2015) and efficiency (Habtay, 2012).

As Coulson-Thomas (2017) notes, creative ideas need to be transformed, implemented and commercialized for innovation to occur, which requires entrepreneurial skills as well as an innovation-oriented organizational culture (Walley et al., 2017). Thus, innovation is considered as an important antecedent of entrepreneurship (Yu et al., 2013). As such, we hypothesize:

H4: Innovation capability positively relates to entrepreneurial capability.

Drucker (1998) states that in addition to innovation being the basis of entrepreneurial activity, it is due to innovation that many entrepreneurs develop their activity. But there is also the opposite effect to consider, i.e., that entrepreneurship influences innovation, creating a virtuous circle effect (Galindo & Méndez-Picazo,

2013). The RBV considers that in addition to capabilities, resources can also be essential for competitiveness. Given the Angolan context, this situation is particularly compelling in relation to financial resources. In this context, when considering the subdivision of resources, it is important to recognize the conceptual distinction between resources and capabilities, the latter being related to the company's know-how (Dias et al., 2020b).

Capabilities and their implications for business strategy are discussed by Barney (1991) who highlighted the designation of individual KSA (knowledge, skills, and abilities), which motivation is added (Wright, McMahan & McWilliams, 1994). However, Barney's (1991) proposal has as its limitation due to the lack of explanation of the diversity of resources origins, not considering the perspective of entrepreneurship (Chadwick & Dabu, 2009). For the purposes of current research, we adopted the definition of Zahra et al. (2006), since it is the one that best fits the RBV approach. In this context, we seek to cross two distinct theoretical fields. On one hand, the resources and capabilities approach, or RBV, brings us the importance of the resources set that makes companies unique in the market and that supports their competitiveness by meeting the VRINA criteria (Dias & Pereira, 2017).

Financial resources are found important to play an important role to new venture growth (Huang & Knight, 2017). Previous studies point out that the capacity for innovation is not sufficient to generate innovation, and should be combined with funding capacity so that it is possible to gather the necessary resources to generate innovation (Hottenrott & Peters, 2012). Song, Yang and Yu (2020) stated that “SMEs' financing difficulties stem from information asymmetry between lenders and borrowers” (p. 1). They argue that these difficulties can be overcome through the interaction of operational capabilities and network embeddedness. This enhances the

way firms relate with finance suppliers, leading to the development of innovation (Lu, Liu & Song, 2020), and entrepreneurial capabilities (Dias et al., 2020b). In emerging economies, financial resources are also understood as a precedent of entrepreneurship, since the low average income of the population limits the potential for new business creation (Bakar et al, 2017). Smagulova et al. (2018) also found in emerging economies, that the difficulty to access financial is one of the most important barriers to entrepreneurship. Thus, we hypothesize:

H5: The access to financial resources positively relates to entrepreneurial capability.

Method

Research Design

In this section we will present how the hypotheses will be tested. We started by developing a literature review based on reference books and articles published in top journals, collected using search words as "entrepreneurship", "RBV", "competences" and "resources".

The questionnaire was initially developed through a review of the literature. This means that existing scales were adopted to measure all variables. The initial version of the questionnaire was revised following a two-step approach. First, we consulted two marketing and strategy academics, asking them to evaluate the content validity of the scales. Second, we conducted a pre-test of the questionnaire was with eight business owners to validate the wording. The comments and suggestions were evaluated and integrated in the questionnaire final version.

The business records in Angola are not publicly available and the accessible databases are not up to date. For this reason it is not possible to accurately determine the

entire population of small and medium enterprises. Given this problem, a convenience sample combined with the snowball technique was used. Therefore, the research team applied the questionnaire by hand and asked the entrepreneurs to help indicate others to answer the questionnaire. The criteria for inclusion were: having less than 250 employees; and being independently managed businesses and not belonging to national or international networks. Data were aggregated in a database. The choice of filling was made by entrepreneurs who already operated in incorporated companies, since they were easier to identify and because they have a broad knowledge about the variables of this study. Confidentiality and anonymity has been guaranteed.

Variables

As mentioned, the variables of our conceptual model were operationalized using specific pre-existing scales, using a 5-point Likert-type scale (where 1 - Much worst; 2 – Worst; 3 - Equal; 4 - Better and; 5 - Much Better). The questionnaire items are presented in Appendix I.

To measure marketing capabilities, we adopted the scale with the same designation proposed by Katsikeas, Samiee and Theodosiou (2006), specifically the subscale "marketing plan". It is a scale composed by four items. Entrepreneurial capabilities were measured by adapting the scale of Hult, Snow and Kandemir (2003). It is also a four-item scale with questions related to responsiveness capacity; rapid introduction of new products and services to the market; proactivity in high risk projects; and degree of initiative. Regarding the innovation capability for we used Tanriverdi (2005) five-item scale. The scale considers the following subjects: rapid acceptance of technical innovations, based on research results; constant generation of innovative ideas for products and services; fast acceptance of innovation in program /

project management; penalizing people for new ideas that don't work; encouragement of innovation. The variables financial resources and sectorial experience were adapted from Morgan, Kaleka and Katsikeas (2004). Finally, the customer orientation was measured based on Narver and Slater (1990) work about market orientation, resulting in six items.

In this study, the target population is Angolan entrepreneurs, business owners. In order to carry out this research, 118 entrepreneurs who were already operating in companies incorporated in various economic sectors were surveyed in a convenience sample.

The data resulted from the survey was coded and inserted into a database in the Statistical Package for Social Sciences (SPSS) statistical analysis software. With this software, an initial assessment of the scales validity, correlations, linear regressions and item descriptives was conducted. Results are shown in tables 1 and 2. Then, to explore the conceptual model as a whole, we used the structural equations model (SEM) through SmartPLS 3 software (Ringle, Wende & Becker, 2015). Results are shown in tables 3 to 5.

Results

The results shown in Table 1. indicate that the most consolidated capabilities in Angolan entrepreneurs are innovation, customer orientation and market experience. In turn, it is noticed that there are capabilities that need further development such as the access to financial resources and entrepreneurship.

Most correlations are positive and significant, being interesting to note the strong relationship between innovation capability and entrepreneurship, as well as between the market experience degree and entrepreneurship. With less influence, but

also significant, is the relationship between market experience and entrepreneurship, showing that entrepreneurs have a strong desire to develop business, even if they have little experience. The relationship between marketing capabilities and customer orientation is also weak, meaning that entrepreneurs realize the importance of keeping up with customer needs and their evolution, but that they should have more marketing skills. This way they can act more professionally.

Customer orientation is not strongly related with experience. A possible explanation is the willingness to continue with their business and to be close to their customers, even if they have little experience in the business. Finally, it is important to recognize that there is no correlation between the level of entrepreneurship and innovative capability with customer orientation.

=========

Insert Table 1 here

=========

According to the results, the correlation between customer orientation and entrepreneurship is not significant, thus hypothesis H2 is not supported. As the results show, it is possible to see that there is a strong relationship of innovation capability; marketing capability and ability to access financial resources with entrepreneurship (β = .581; .539; .411, $p < 0.001$, respectively). We aimed to go further in the model test. To do so, we used the SEM through SmartPLS 3 software (Ringle et al., 2015). To assess the model reliability and validity we conducted three steps. First, to analyze the individual indicator reliability (Hair et al., 2017) we calculated the standardized factor loadings which were superior to 0.6 ($p < 0.001$, to all values) as indicated in figure 1. Second, to measure internal consistency reliability, besides Cronbach's alphas previously presented and following Bagozzi and Yi (1988) criteria, we calculated for all

constructs the composite reliability (values surpassed the cut-off of 0.7) and average variance extracted (values superior to 0.50). The values are indicated in Table 2.

==========

Insert Table 2 here

==========

Third, heterotrait-monotrait ratio (HTMT) criterion was used to evaluate discriminant validity. As presented in table 3, the HTMT values were below the threshold value of 0.85 (Hair et al., 2017; Henseler, Ringle & Sarstedt, 2015). We complemented this analysis with Fornell and Larcker criterion (root of AVE). As suggested by Fornell and Larcker (1981), the values are presented on the diagonal with bold values in Table 3. They are larger than the biggest correlation with any construct, providing additional evidence of discriminant validity.

==========

Insert Figure 1 here

==========

==========

Insert Table 3 here

==========

To evaluate the structural model quality we measured the coefficient of the determination R^2 for the endogenous variable which is 66.6%, surpassing the threshold value of 10% as indicated by Falk and Miller (1992). To assess the significance of the parameter estimates we followed Hair et al. (2017) recommendation, and used bootstrapping (with 5.000 subsamples). Table 4 presents the significance of the

parameter estimates, showing that marketing capabilities has a significantly positive effect on entrepreneurship (β=0.168, p <0.05). However, no significant effect was found in the relation between customer orientation and entrepreneurship (β= -0.033, n.s.).

=========

Insert Table 4 here

=========

The effect of market experience on entrepreneurship (β= 0.046, n.s.) are not significant. Thus, the results do not support H3. The direct effects of innovation capability (β = 0.613, p < 0.001) and financial resources (β= 0.220, p< 0.05) on entrepreneurship are significant and positive, providing support for H4 and H5, respectively.

Discussion

The results indicate that there is a relationship between marketing and innovation capabilities and entrepreneurship. In the marketing capabilities case, this finding aligns with previous research (Dias & Renato, 2017; Hoy, 2008), showing that Angolan entrepreneurs tend to be more entrepreneurial when they have greater marketing capabilities. Innovation, at the same time, also positively influences entrepreneurship. This relationship is known from previous research (Walley et al., 2017), although tested by considering marketing and innovation capabilities independently. As such, our finding contributes to extend existing knowledge by showing the combined effect of both constructs on entrepreneurship.

Another supported hypothesis refers to the influence of access to financial resources on entrepreneurship. The results reveal that access to capital is essential for

the development of the activity undertaken, complementing the results of other studies that reveal that financing capacity is essential for the development of innovation (c.f. Hottenrott & Peters, 2012). In this sense, Angolan entrepreneurs need access to capital for the development of entrepreneurial activity. Indeed, unlike more developed countries, where access to capital is easier and more structured, in Angola this can be a real barrier to entrepreneurship. In this sense, this finding reveals itself as a contribution to literature, since, according to our best knowledge, this relationship has not been demonstrated in the African context. Moreover, our model supports this relationship together with the two previously identified (marketing and innovation capabilities), revealing an important contribution, since it evidences the group of resources and capabilities that are necessary to promote entrepreneurship. Furthermore, the R^2 results of 66.6% reveal the importance of the managerial articulations towards the development of specific organizational capabilities (marketing, innovation and financing) to develop firm entrepreneurship.

H2 was not supported in our study. The results indicate that there is no relationship between customer orientation and entrepreneurship. A possible explanation is suggested by Nasution et al. (2011) who found that this relationship depends on human resources management. It may be the case that there is a high staff turnover or demotivation of human resources that limits the customer relationship. Although it is one of the aspects in which Angolan entrepreneurs show strong skills, its implications on entrepreneurial ability are not fully noticeable in our model. Probably, the culture effect may have some contribution to the model as suggested by Balaji et al. (2020). Nevertheless, customer orientation is a component of growing importance in marketing (Eggers et al., 2013) and, as such, an aspect that should not be neglected in the development of organizational capabilities.

The fact that the hypothesis relating market experience to entrepreneurship was not supported can be explained by role of entrepreneurship which depends on the type of organisation (Slater & Olson, 2001). This means that more market experience does not mean more entrepreneurship. In fact, younger firms tend to show more entrepreneurial behavior than older firms (Hult et al., 2003). It is also important to consider these results in light of the new context imposed by the pandemic. Past experience does not assure the knowledge to innovate and develop new business ventures in this new framework as suggested by Lee and Trimi (2020), instead the resilience and competitiveness are more likely to depend on reading the market trends and opportunity, pointing entrepreneurship as a key capability to address these new challenges.

Conclusions

This study aimed to explore the antecedents of entrepreneurship in the Angola context. Three main contributions to the theory were found in this research. Not only for its application to the Angolan reality, where academic studies are still reduced, but also for other developing countries. Furthermore, this research expands the existing knowledge on entrepreneurial capabilities development. First, our results point to a combination of management and organizational mechanisms that can be used to foster entrepreneurial capacity. Specifically, the study highlighted the importance of innovation, marketing and access to financial resources capabilities on entrepreneurship capabilities. From a research perspective, building an understanding of the new perspectives of capabilities as antecedents of entrepreneurship presents significant challenges. This research develops a model that identifies components of an entrepreneurial process that may be

highly interdependent. This provides companies with an important input to their strategy, allowing to identify the core capabilities required to reach higher levels of entrepreneurship. The results can also be interpreted the other way around, providing a framework to investigate which capabilities the firm can readily meet, based on an assessment of its capabilities portfolio.

From the range of organizational capabilities, the R^2 value of 66.6% means that a large portion of the total variance is explained by three capabilities. Thus, our study suggests that firms should possess innovation, marketing and access to financial resources capabilities as important predictors if they want to meet higher levels of entrepreneurial capabilities, which represents an important feature in developing countries, allowing the firms to become more alert to market opportunities and to mobilize scarce resources the reach them, and obtain better business performance and, ultimately, economic development and job creation. If, on one hand, the most consolidated capacities of Angolan entrepreneurs are innovation, customer orientation and market experience, on the other hand, it is important that entrepreneurs and firms focus on developing skills in terms of access to financial resources and entrepreneurship.

Furthermore, the independent and combined effect of these variables as predictors of entrepreneurship is an important conclusion, as it allows us to approach two fields of study that are distant in the literature: RBV and entrepreneurship. Indeed, RBV underlines the importance of bringing together a unique and sustainable set of resources and capabilities as a source of competitiveness. In this case, marketing, innovation and the access to financial resources represent crucial capabilities leading to business creation practices and, consequently, contributing to the economic development.

In last, the contribution to the science of management, which focuses on filling the gap proposed by Sieger et al. (2011), in a way it, was possible to establish a first approximation between the approach of RBV and the entrepreneurship theory.

Another conclusion has to do with the contribution for policy making. A recent assessment of the Angolan entrepreneurship landscape (GEM, 2018), based on a panel of Angolan experts, points out as main structural limitations (i) access to sources of funding for new and growing companies; (ii) the transfer of Research and Development (related to the impact of R&D on the creation of new business opportunities that can be used by new or growing companies); (iii) market opening that recognizes that trade agreements are difficult to modify, preventing new and growing companies from competing and replacing their suppliers and consultants. Concerning government policies, although there is an improvement in the administrative conditions for starting a business and there are an adequate number of government financial programs to support new and growing companies, there is a lack of effective support in innovation, market access and the preparation of grant applications (GEM, 2018).

An analysis of the policies presented by the Ministry of Economy and Planning (PRODESI, 2020) reveals this flexibility and focus on information for business creation as well as the various financial support programs. However, it is recommended (i) a clearer focus on the preparation of applications for such financial support, allowing entrepreneurs with lower levels of education can also access these funds. To this end, the use of decentralized local support desks may allow contact with specialists and consultants to help prepare the business and financial plan. (ii) In terms of innovation, policies should focus on facilitating and transferring knowledge. In concrete terms, knowledge centers such as universities or research laboratories could develop programs that favor the application of innovation generated in new businesses,

in a top-down approach. But the opposite is also essential, i.e. in a bottom-up approach, small companies should also be able to use innovation centers for the development of new products. (iii) With regard to marketing, there is not only a need to improve the skills of companies at this level but also the government's promotion of the establishment of trade agreements. In this sense, it will be important to foster cooperation and the creation of clusters beyond those established by the government (agriculture, fisheries, tourism, textiles and geological resources). In this way, the desired diversification of the economy can be stimulated, as well as groups of companies to have critical mass to target larger markets (national and international).

The convenience sample limits the generalization of the results and allows us to point out as a line of investigation the expansion of the model to other countries and cultures, allowing a more complete analysis of entrepreneurship antecedents. Although 118 respondents were found, which is a good value for Angola, it is still a statistical limitation. In future investigations it is recommended to extend the sample to a larger number of respondents. Other variables can also be included. For example, for a connoisseur of the Angolan reality, the variable 'informal contacts' may be something interesting to explore, as well as the ability to evaluate opportunities that emerge in the market.

Another limitation has to do with the non-confirmation of the influence of customer orientation on entrepreneurship. The fact that could be something equated in a simple market observation suggests that there may be constraints or moderators that may be a study subject. We are referring specifically to the cultural context which, by the observed, has influence.

Furthermore, the integration of the model in a logic of dynamic capabilities is clearly another possible line of investigation. Indeed, this analysis will allow us to identify the

competences that allow us to combine (or orchestrate) the competences that were the object of this study.

Funding details: Nothing to declare.

Disclosure statement: Nothing to declare.

Data availability statement

The data that support the findings of this study are available from the corresponding author, AD, upon reasonable request.

References

Al-Jinini, D. K., Dahiyat, S. E., & Bontis, N. (2019). Intellectual capital, entrepreneurial orientation, and technical innovation in small and medium-sized enterprises. *Knowledge and Process Management*, *26*(2), 69–85.

Appiah-Adu, K., Okpattah, B., & Amoako, G. (2018). Building capability for organizational success: An emerging market perspective. *Journal of African Business, 19*(1), 86-104.

Atuahene-Gima, K., & Wei, Y. (2011). The vital role of problem-solving competence in new product success. *Journal of Product Innovation Management*, *28*(1), 81–98;

Bagozzi, R.P., & Yi. Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, *16*(1), 74-94

Bakar, A., Ahmad, S. Wright, N. & Skoko, H. (2017). The propensity to business startup: evidence from Global Entrepreneurship Monitor (GEM) data in Saudi Arabia. *Journal of Entrepreneurship in Emerging Economies*, *9*(3), 263-285.

Balaji, M., Jiang, Y., Singh, G., & Jha, S. (2020). Letting go or getting back: How organization culture shapes frontline employee response to customer incivility. *Journal of Business Research*, *111*, 1-11.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of management*, *17*(1), 99-120.

Chadwick, C., & Dabu, A. (2009). Human Resource Management, and the Competitive Advantage of Firms: Toward a More Comprehensive Model of Causal Linkages, *Organization Science*, *20*(1), 253-272.

Coulson-Thomas, C. (2017). Stimulating creativity, enabling innovation and supporting entrepreneurship. *Management Services*, *2017*(Summer), 26-29.

Dias, Á., Manuel, E., Dutschke, G., Pereira, L. & Dutschke, G. (2020a). Economic crisis effects on SME dynamic capabilities. *International Journal of Learning and Change*. *13*(1), 63-80

Dias, Á. L., & Renato, P. (2017). Dynamic capabilities and marketing capabilities in Portugal. *Academia Revista Latinoamericana de Administración*. *30*(3), 417-430.

Dias, Á. L., Santos, J. & Pereira, R. (2020b). The role of entrepreneurship on the foundations of dynamic capabilities. *International Journal of Entrepreneurial Venturing*, *12*(2), 208-227.

Drucker, P.F. (1998), The discipline of innovation. *Harvard Business Review*, *76*(6), 149-57.

Eggers, F., Kraus, S., Hughes, M., Laraway, S., & Snycerski, S. (2013). Implications of customer and entrepreneurial orientations for SME growth. *Management Decision*, *51*(3), 524-546;

Falk, R. F., & Miller, N.B. (1992). *A primer for soft modelling*. Akron: University of Akron Press.

Fayolle, A., & Liñán, F. (2014). The future of research on entrepreneurial intentions. *Journal of Business Research*, *67*(5), 663-666;

Fornell, C., & Larcker, D.F. (1981). Evaluating structural equation models with unobservable variables and measurement error. Journal of Marketing Research, 18(1), 29–50.

Galindo, M. Á., & Méndez-Picazo, M. (2013). Innovation, entrepreneurship and economic growth. *Management decision*. *51*(3), 501-514.

GEM (2018). Angola 2016/2017 - Estudo sobre o Empreendedorismo. *Global Entrepreneurship Monitor*.

George, G., Lakhani, K. & Puranam, P. (2020). What has changed? The impact of Covid pandemic on the technology and innovation management research agenda. *Journal of Management Studies*. *57*(8), 1754-1758.

Habtay, S. R. (2012). A firm-level analysis on the relative difference between technology-driven and market-driven disruptive business model innovations. *Creativity and Innovation Management*, *21*(3), 290-303.

Hair, J.F., Hult, G.M., Ringle, C., & Sarstedt, M. (2017*). A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.

Hansen, E., Rasmussen, C. & Nybakk, E. (2017). Recessionary period activities in forest sector firms: Impacts on innovativeness. *Journal of Forest Economics*, *28*, 80-86.

Hayton, J. C., & Cholakova, M. (2012). The role of affect in the creation and intentional pursuit of entrepreneurial ideas. *Entrepreneurship: Theory and Practice*, *36*(1), 41–68.

Heinonen, K., & Strandvik, T. (2020). Reframing service innovation: COVID-19 as a catalyst for imposed service innovation. *Journal of Service Management*. *32*(1), 101-112.

Henrekson, M., & Stenkula, M. (2016). *Understanding entrepreneurship: definition, function and policy*. Lund: Studentlitteratur;

Henseler, J., Ringle, C.M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115-135.

Hottenrott, H. & Peters, B. (2012). Innovative capability and financing constraints for innovation: more money, more innovation?. *Review of Economics and Statistics*, *94*(4), 1126-1142.

Hoy, F. (2008). Organizational learning at the marketing/entrepreneurship interface. *Journal of Small Business Management*, *46*(1), 152-158.

Huang, L. & Knight, A. (2017). Resources and relationships in entrepreneurship: An exchange theory of the development and effects of the entrepreneur-investor relationship. *Academy of Management Review*, *42*(1), 80-102.

Hult, G.; Snow C. & Kandemir D. (2003). The Role of Entrepreneurship in Building Cultural Competitiveness in Different Organizational Types. *Journal of Management*. *29*(3). 401-426.

Katsikeas, C., Samiee, S., & Theodosiou, M. (2006). Strategy fit and performance consequences of international marketing standardization. *Strategic management journal*, *27*(9), 867-890.

Kreiser, P., Marino, L., Davis, J., Tang, Z., & Lee, C. (2010). Firm-level entrepreneurship: The role of proactiveness, innovativeness and strategic

renewal in the creation and exploration of opportunities. *Journal of Developmental Entrepreneurship*, *15*(2), 143–163;

Lee, S. & Trimi, S. (2020). Convergence innovation in the digital age and in the COVID-19 pandemic crisis. *Journal of Business Research*, *123*, 14-22.

Liñán, F., Fernández, J. & Romero, I. (2013). Necessity and opportunity entrepreneurship: The mediating effect of culture. *Revista de Economía Mundial, 33, 21-47*.

Lisboa, A., Skarmeas, D., & Saridakis, C. (2016). Entrepreneurial orientation pathways to performance: A fuzzy-set analysis. *Journal of business research*, *69*(4), 1319-1324.

Lounsbury, M., Cornelissen, J., Granqvist, N., & Grodal, S. (2019). Culture, innovation and entrepreneurship. *Innovation*, *21*(1), 1-12.

Lu, Q., Liu, B., & Song, H. (2020). How can SMEs acquire supply chain financing: the capabilities and information perspective. *Industrial Management & Data Systems*. *120*(4), 784-809

Matsuno, K., Mentzer, J., & Özsomer, A. (2002). The effects of entrepreneurial proclivity and market orientation on business performance. *Journal of marketing*, *66*(3), 18-32.

Morgan, N., Kaleka, A., & Katsikeas, C. (2004). Antecedents of export venture performance: A theoretical model and empirical assessment. *Journal of marketing*, *68*(1), 90-108.

Moriano, J. A., Gorgievski, M., Laguna, M., Stephan, U., & Zarafshani, K. (2012). Across-cultural approach to understanding entrepreneurial intention. *Journal of Career Development*, *39*(2), 162–185;

Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of marketing*, *54*(4), 20-35.

Nasution, H., Mavondo, F., Matanda, M. & Ndubisi, N. (2011). Entrepreneurship: Its relationship with market orientation and learning orientation and as antecedents to innovation and customer value. *Industrial marketing management*, *40*(3), 336-345.

Morgan, N. A., Kaleka, A., & Katsikeas, C. S. (2004). Antecedents of export venture performance: A theoretical model and empirical assessment. *Journal of marketing*, *68*(1), 90-108.

Noble, C., Sinha, R., & Kumar, A. (2002). Market orientation and alternative strategic orientations: a longitudinal assessment of performance implications. *Journal of marketing*, *66*(4), 25-39.

Pezeshkan, A., Fainshmidt, S., Nair, A., Frazier, M. L., & Markowski, E. (2016). An empirical assessment of the dynamic capabilities–performance relationship. *Journal of Business Research*, *69*(8), 2950-2956.

Porter, M. (2001). Strategy and the Internet. *Harvard Business Review*. Mar. 2001, 2-20

Powell, T. (1992). Research notes and communications strategic planning as competitive advantage. *Strategic management journal*, *13*(7), 551-558.

PRODESI (2020). Apoio aos futuros investigadores. Ministério da Economia e Planeamento. https://prodesi.ao/apoio_aos_investidores/introducao#

Rasmussen, C.C. (2014). Intangible Resources as Drivers of High Growth. *International Journal of Innovation Management*, *18*(4), 1-20;

Rezaei, J., Ortt, R., & Scholten, V. (2012). Measuring entrepreneurship: Expert-based vs. data-based methodologies. *Expert Systems with Applications*, *39*(4), 4063-4074.

Ringle, C., Wende, S., & Will, A. (2015). *SmartPLS3.0*. Hamburg:www.smartpls.de.

Schmitz, A., Urbano, D., Dandolini, G. A., de Souza, J. A., & Guerrero, M. (2017). Innovation and entrepreneurship in the academic setting: a systematic literature review. *International Entrepreneurship and Management Journal*, *13*(2), 369-395.

Shane, S. & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research, *The Academy of Management Review*, *25*(1), 217-226.

Sieger, P., Zellweger, T., Nason, R. & Clinton, E. (2011). Portfolio entrepreneurship in family firms: a resource-based perspective. *Strategic Entrepreneurship Journal*, *5*(4), 327-351.

Slater, S. F., & Olson, E. (2001). Marketing's contribution to the implementation of business strategy: An empirical analysis. *Strategic Management Journal*, *22*(11), 1055-1068.

Smagulova, S., Nurseiytova, G., Rakhimbayeva, R., Spankulova, L.,... & Imashev, A. (2018). Entrepreneurship and investment environment in the central Asian transition countries: Case Kazakhstan. *Academy of Entrepreneurship Journal*, *24*(4), 1-8.

Song, H., Yang, X. & Yu, K. (2020). How do supply chain network and SMEs' operational capabilities enhance working capital financing? An integrative signaling view. *International Journal of Production Economics*, *220*, 107447.

Stevenson, H. & Jarillo, J. (2009). A Paradigm of Entrepreneurship: Entrepreneurial Management, *Strategic Management Journal*, *11*, 17-27.

Stokes, D., & Lomax, W. (2002). Taking control of word of mouth marketing: the case of an entrepreneurial hotelier. *Journal of small business and enterprise development*, *9*(4), 349-357.

Tajeddini, K., Trueman, M., & Larsen, G. (2006). Examining the Effect of Market Orientation on Innovativeness. *Journal of Marketing Management*, *22*(5–6), 529–551;

Tanriverdi, H. (2005). Information Technology Relatedness, Knowledge Management Capability, and Performance of Multibusiness Firms. *MIS Quarterly*, *29*(2), 311-334.

Teece, D.J. (2016). Dynamic capabilities and entrepreneurial management in large organizations: Toward a theory of the (entrepreneurial) firm. *European Economic Review*, *86*, 202-216.

Um, K. & Kim, S. (2018). Collaboration and opportunism as mediators of the relationship between NPD project uncertainty and NPD project performance. *International Journal of Project Management*, *36*(4), 659–672;

Wallenburg, S. (2015). The role of customer relations for innovativeness and customer satisfaction. *International Journal of Logistics Management*, *26*(2), 254-274;

Walley, K., Goodall, S., Humphries, A., Huntington, J., White, D., & Asson, T. (2017). Key dimensions of personal innovativeness. *International Journal of Business Innovation and Research*, *12*(2), 259-276.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, *5*(2), 171-180.

Wright, P., McMahan, G., & McWilliams, A. (1994). Human resources and sustained competitive advantage: a resource-based perspective. *International Journal of Human Resource Management*, *5*(2), 301-326.

Yu, Y., Dong, X., Shen, K., Khalifa, M., & Hao, J. (2013). Strategies, technologies, and organizational learning for developing organizational innovativeness in emerging economies. *Journal of Business Research*, *66*(12), 2507-2514.

Zahra, S., Sapienza, H., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management studies*, *43*(4), 917-955.

Zott, C., & Amit, R. (2007). Business Model Design and the Performance of Entrepreneurial Firms, *Organization Science*, *18*(2), 181-199.

APPENDIX 1

Questionnaire Items

Marketing Capabilities

1) Marketing plan skills
2) Management skills and marketing processes
3) Development of marketing creative strategies
4) Consistency of marketing planning processes

Entrepreneurial Capabilities

1) Responsiveness to other organizations/stakeholders
2) Fast introduction of new products and services in the market
3) Proactivity in high risk projects
4) Initiative in efforts to optimize the possibility of exploring new opportunities

Innovation Capabilities

1) Fast acceptance of technical innovations based on research results
2) Constant generation of innovative ideas for products and services
3) Fast acceptance of innovation in program / project management
4) Penalizing people for new ideas that don't work
5) Encouragement of innovation

Market experience

1) Market knowledge

2) Costumer knowledge

3) Duration of sector experience

4) Past performance

Financial resources

1) Availability of financial resources (FR) to be allocated for maintenance

2) Availability of FR allocated for the development of new services

3) Availability of FR allocated for employee training

4) Availability of FR allocated for marketing and sales development

Consumer orientation

1) Constant monitoring of commitment level and guidance to meet customer needs

2) Business Objective Orientation for Customer Satisfaction

3) Competitive Advantage Strategy Orientation to Customer Needs

4) Strategy orientation against customer value creation principle

5) Customer satisfaction measurement

6) Attention to after-sales service

Table 1. Correlation Chart.

	N	Mean	SD.	Cronbach's Alpha	Innov_capab	Experien	Fin_res	Cl_orient	Mk_capab
Entrep	115	3.958	0.589	0.871	.581**	0.290**	0.411**	0.142	0.539**
Innov_capab	118	4.362	0.735	0.917		0.602**	0.513**	0.174	0.721**
Experien	118	4.006	0.608	0.863			0.524**	0.251**	0.572**
Fin_res	116	3.858	0.604	0.938				0.309**	0.507**
Cus_orient	116	4.170	1.499	0.962*					0.296**
Mk_capab	118	3.980	0.787	0.941					

Table 2. Constructs composite reliability (CR) and average variance extracted (AVE).

	CR	**AVE**
Cust_orientation	0.936	0.708
Entrepreneurship	0.958	0.852
Financ_resources	0.945	0.811
Innov_capab	0.971	0.870
Market_experience	0.911	0.720
Mktg_capab	0.992	0.968

Table 3. Constructs heterotrait-monotrait ratio

	Cust_orientation	Entrepreneurship	Financ_resources	Innov_capab	Market_experience	Mktg_capab
Cust_orientation	**0.841**					
Entrepreneurship	0.490	**0.923**				
Financ_resources	0.503	0.498	**0.901**			
Innov_capab	0.515	0.772	0.370	**0.933**		
Market_experience	0.472	0.502	0.454	0.502	**0.849**	
Mktg_capab	0.538	0.524	0.329	0.488	0.451	**0.984**

Note: Bolded numbers in the diagonal are the square roots of AVE. Below the diagonal are the HTMT ratios.

Table 4. Structural model assessment.

	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Mktg_capab->Entrepreneurship	0.168	0.085	2.100	0.044
Cust_orientation->Entrepreneurship	-0.033	0.088	0.456	0.649
Market_experience->Entrepreneurship	0.046	0.094	0.450	0.652
Innov_capab->Entrepreneurship	0.613	0.101	6.074	0.000
Financ_resources->Entrepreneurship	0.220	0.109	2.029	0.043