

Does Entrepreneurship Dictate the Profitability Growth of Firms? (Evidence from France)

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Abstract: Nowadays, entrepreneurship is greatly influenced by several aspects, including globalization, the increase of economic, industrial upgrade, incorporation of culture, and many other exchanges. Focusing on entrepreneurship, the trend of international companies' development is environmental dynamism, financial capital accessing, and professional codes. The influence of corporate entrepreneurship on the growth of firms' profits is the main interest of this paper. Thirty-seven French firms are subject to examination during the four years, starting from 2014 until 2018. With the help of STATA 13.0 software, data collected was analyzed by using multiple regression analysis. The findings show that entrepreneurship and environmental and financial capital taking dimensions undergo a considerably favorable impact on the progress of profitability of firms. This assists in the research area of entrepreneurship in underdeveloped countries and boosts the effects of entrepreneurial aspects on the accomplishment and the development of firms.

Keywords: entrepreneurship; environmental dynamism; financial capital; business performance

Abstrak: Kewirausahaan saat ini sangat dipengaruhi oleh beberapa aspek, antara lain globalisasi, peningkatan ekonomi, pertumbuhan industri, penggabungan budaya, dan banyak pertukaran lainnya. Berfokus pada kewirausahaan, tren perkembangan perusahaan internasional adalah dinamika lingkungan, akses modal keuangan, dan kode profesional. Pengaruh kewirausahaan perusahaan terhadap pertumbuhan laba perusahaan adalah kepentingan utama makalah ini. Penelitian ini menggunakan data dari tiga puluh tujuh perusahaan Perancis selama empat tahun, mulai dari 2014 hingga 2018. Dengan bantuan perangkat STATA 13.0, data yang terkumpul diuraikan dengan menggunakan analisis regresi berganda. Temuan menunjukkan bahwa dimensi kewirausahaan dan pengambilan modal lingkungan dan keuangan mengalami dampak yang sangat menguntungkan pada kemajuan profitabilitas perusahaan. Hal ini membantu dalam bidang penelitian kewirausahaan di negara-negara terbelakang dan meningkatkan efek aspek kewirausahaan pada pencapaian dan pengembangan perusahaan.

Kata Kunci: kewirausahaan; dinamisme lingkungan; modal finansial; performa bisnis

INTRODUCTION

For the promotion of constant innovation, rapid increase, creation of values, competitive advantage, and improved efficiency and productivity (Ferreira & Azevedo, 2008), firms are turning to and focusing on entrepreneurship. That is to say, a check is established by Brush et al. (2006) to revise the empirical evidence of the entrepreneurial spirit, which does not just boost business growth, creation of jobs, development of the economy, profitability, modernization, and the generation of incomes. It is, however, a basic operator for an organization increase (Erken et al., 2008). Entrepreneurship fosters innovation, which leads to a beneficial impact on the organizations' growth (Hughes & Morgan 2007). To achieve success, companies require brilliant ideas, and this can be provided for entrepreneurship by the employment of available resources to create a profit-making business (Dean & McMullen 2007; Shane & Venkataraman, 2000).

There is also a close relationship between the entrepreneurial activities, growth, and performance of small businesses. New ones and old products must replace old ideas, services, and processes for healthy economic development and are substituted by better and more effective ones. New ideas and innovations are often created by new and small businesses that grow rapidly and sometimes even create new industries. Many of the best known and most successful Swedish companies, such as IKEA, SKF, Tetra Pak, AGA, and Electrolux, were founded and developed upon individual innovations. More recent examples outside of Sweden are Apple, Microsoft, and Netscape; all relatively young companies have grown extremely rapidly and have changed the computer industry. Most people would regard these as examples of exceptional entrepreneurship.

The above discussion implies that entrepreneurship is a key to economic development and illustrates how closely connected entrepreneurship is to small business growth. In his classic definition of entrepreneurship, Schumpeter (1935) stressed that entrepreneurship has to do with combining resources in new ways that create disequilibrium in the economic system. In other words, entrepreneurial firms are innovative to such an extent that they substantially impact the market.

In another well-recognized definition of entrepreneurship, Stevenson advocates that the pursuit of opportunity is the most important component of entrepreneurship (Stevenson & Jarillo, 1986). This definition concerns the business's relation to, and success in, the marketplace and realizing what the wants and needs are and will be in the future. These two definitions complement each other. When combined, entrepreneurship is defined as taking advantage of the opportunity by novel combinations of resources in ways that impact the market. This is the view of entrepreneurship held throughout this book.

It is hard to imagine a small business taking advantage of an opportunity and having a considerable impact on the marketplace without growing. Let us consider Microsoft for a moment. If Microsoft sold 100 licenses a year, it would neither have any considerable impact on the market nor would Microsoft take advantage of the opportunity that exists in the computer software market. If we accept the view that entrepreneurship is a matter of degree and not a dichotomous yes or no variable (e.g., Stevenson, 1983), expanding Microsoft is at least more entrepreneurial than refraining from doing so. Thus, it seems that growth is an important manifestation of entrepreneurial behavior in small businesses. Taking the following examples:

- Bill Gates, the founder of Microsoft. There are probably not many people that have not been touched by one of his products, such as Microsoft Windows, Microsoft Office, and Internet Explorer.
- Steve Jobs, co-founder of Apple computers, which produce Macs, iPods, iPhones, Apple TV.
- Mark Zuckerberg, the founder of Facebook.
- Pierre Omidyar, the founder of eBay.
- Arianna Huffington, the founder of the Huffington Post, a well-known online news site.
- Caterina Fake, co-founder of Flickr, which hosts images and videos on the Internet.

This raises some challenging questions. Is it at all possible to predict which firms will grow or growth haphazardly? Do high-performing businesses share any common characteristics that distinguish them from low-performing businesses? What is the role of entrepreneurship in the growth and performance of companies? If we wish to take policy measures to stimulate the development of businesses, which groups should be stimulated and what type of measures should be taken?

It is important to find out which factors affect the growth and performance of individual small firms. Of particular importance is to identify those factors that could be influenced by small businesses themselves and/or society in general. Knowledge of these factors could form the basis for activities to improve small business performance. It is, for instance, of little or no use to a small business manager to know that the firm would perform better if he or she had a different personality. For the same reason, it is important to find factors that have a sustainable rather than temporary influence on growth and performance. According to Schumpeter (1942), entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success. Entrepreneurship is important for several reasons, from promoting social change to driving innovation. Entrepreneurs are frequently thought of as national assets to be cultivated, motivated, and remunerated to the greatest possible extent. In fact, some of the most developed nations, such as the United States, are world leaders due to their forward-thinking innovation, research, and entrepreneurial individuals.

Great entrepreneurs have the ability to change the way we live and work on local and national bases. If successful, their innovations may improve living standards, and in addition to creating wealth with entrepreneurial ventures, they also create jobs and contribute to a growing economy. The importance of entrepreneurship is not to be understated. Entrepreneurship is important, as it has the ability to improve standards of living and create wealth, not only for the entrepreneurs but also for related businesses; Entrepreneurs also help drive change with innovation, where new and improved products enable new markets to be developed; Too much entrepreneurship (i.e., high self-employment) can be detrimental to economic development.

In conformity with Ndunguru (2006), the government is forced through the crisis to execute a fundamental plan of change supervised by the World Bank (WB) and the International Monetary Fund (IMF) in 1986. The necessity to bridge the entrepreneurial gap, which is due to the creation of state-owned enterprises' disposal and the liberation of the economy in 1986, motivated the Economic Restructuring Programme (ERP). In the ERP performance, Olomi (2009) recommends giving predominance to the private industry to build the economy, while the government's responsibility is evident in facilitating and supporting the individuals considering them as private firms by creating a convenient environment to develop business.

The interest of researchers in entrepreneurship has been focused, over the years, on business entrepreneurship as well as its influence on organizations' performance (Lumpkin and Dess, 1996; Lyon et al., 2000; Covin & Wales, 2011; Bénézech, Karcher & Garcia, 2013; Rodrigo-Alarcón et al., 2018). Therefore, the notion of creating a business is considered the heart of literature in entrepreneurial spirit. Frequently, this is envisaged as a construct with multi-dimensions, which are represented in three central variables: the dynamic environment, access to finance, innovation, and risk-taking (Covin & Slevin, 1989). Although many authors focus particularly on its effect on performance, few emphasize the history of entrepreneurship (Yoo & Kim, 2015). This is the case of working on market inclination. The size, structure, strategy, resources, and others that form the organizational dimensions are commonly preferred in the EA concept at the cost of individual ones connected with the entrepreneur-manager's person and his particular aims. Nevertheless, this point is the key element of the SME, notably in decisions linked with growth and strategic policies.

This idea indicates that the relation existing between entrepreneurship and business performance relies upon both environmental aspects and financial means at the same time. Business performance is affected by corporate entrepreneurship. Despite the fact that the intensity of competition or a predetermined sector in a country is frequently regarded as one of the paramount factors: the lack of competition diminishes the exertion of pressure on firms for the adoption of better technologies. This leads to the deletion of the organizational misuse of resources and the amelioration of their achievement in the productive capacity. In several contemporary studies, which dealt with large companies such as Le Roy (2001), it is believed that companies with the best performance proceed an aggressive behavior towards their competitors. A sample of 105 industrial companies is used as tests and proposals by many research hypotheses. Concerning small companies, when the competitors' aggressiveness is strong, the company's aggressiveness and the performance are also strong. This mentioned point is the essential idea of the empirical study.

This paper's main purpose is to determine the entrepreneurship influence on the increase in profitability of companies for French firms' cases and the impact of the environmental aspect and the global access to finance services on this relation. In fact, to reach this goal, this study is planned to deal with the following points: The first part represents a revision to the relevant literature and the hypothesis development, focusing on corporate entrepreneurship, environment financial access, and organizational performance. The second section, it summarizes the method used in this research paper. In the third section, attention is paid mainly to concentrate on obtaining results. The conclusion occupies the last part.

LITERATURE REVIEW

Entrepreneurship

Companies behaving vigorously with their competitive partners are considered the most successful ones (Hayton & Kelley, 2006). The essential findings of the empirical study are concerned

with small firms. Thus, the more aggressive and the stronger the enterprise is, the more aggressive competitors are. It is concluded that entrepreneurship corresponds to a procedure, a set of commercial activities, and to the check for new opportunities. An emphasis on the competency-based structure is established by Hayton and Kelley (2006) to boost corporate entrepreneurship. Entrepreneurship is defined as dealing with advances and quests for new opportunities with the help of modern innovation and venturing. A varied activities' set is involved with corporate entrepreneurship, including originality of both products and processes, the expansion of corporate enterprises internally and externally, and the advancement of new businesses that necessitate a range of individual proficiencies, functions and behavioral patterns. The most important source of competitive advantage is entrepreneurship since it stimulates people to the mobility of important resources to survive their organizations (Krueger, 2005) and draws firms to the pursuit of developmental strategies (Knight, 1997). In this paper, defining entrepreneurship references the keywords of entrepreneurship that Stevenson and Jarillo-Mossi (1986) provided. In Jarillo-Mossi's words, entrepreneurship is "a process of creating value by bringing together a unique package of resources to exploit an opportunity."

Kraus et al. (2012) defined entrepreneurship as a substantial operator of economic development and corporate success, which allow firms to fulfill their economic progress and competitive power (Wennekers, 2004). Unlike those in the market, what firms need to be successful is "competitive strategies" (Zahra, 1993). Achieving this proposition suggested by Vij and Bedi (2012), entrepreneurial behavior is affected by the tendency of taking risks, the experience of work, educational effect, control location, the impact of family, the want of independence, recognition, the call for performance, and the necessity to be one's own boss.

Without defining the term entrepreneurship, corporate entrepreneurship cannot be well examined or understood. For that matter, many authors have defined entrepreneurship from various viewpoints. To start with, Schumpeter's (1942) definition of entrepreneurship is to consider it as a procedure that does things, which are not done in the ordinary course of business routine in general (Kraus, 2013). The second definition is by Shapero and Sokol (1982), who determined entrepreneurship as a type of behavior that enables to incorporate initiative-taking, economic mechanisms' arrangements to convert resources and situations into practical account, and admission of failure risks (Kraus, 2013). Ronstadt et al. (2020) established the third definition; he considered entrepreneurship a process of wealth creation used by individuals whose assumption of the risks is the provision of value for any product (Kraus, 2013). Kraus (2013) provides the summary of the definitions provided by Ronstadt et al. (2020), and he defined entrepreneurship as a dynamic process of change, vision, and creation that need passion and energy applications with the intention of the creation and the fulfillment of not only recent ideas but also original solutions. Ronstadt et al. (2020) indicated that entrepreneurship is able to embrace both willingness and ability to achieve many purposes such as taking calculated or prudent risks; a skill to marshal the necessary resources and to develop a strong plan of business based on a vision able to see or recognize an opportunity, unlike others.

Similar to its original arena (entrepreneurship), various definitions are presented to determine corporate entrepreneurship, despite the absence of a common suitable definition. With reference to Zahra and Dess (2001), they defined corporate entrepreneurship as the organization's capacity of determining and pursuing market opportunities without being hindered because of insufficiency of organizational sources. The definition designated by Stevenson and Jarillo; is in accordance with that of Ireland et al. (2006); entrepreneurship is defined as a procedure in that people in the organization well identify the identification and pursuit of opportunities without limitation of organizational resources. This same definition is also applicable to entrepreneurship, which is considered the process whereby individuals or groups of individuals in existing organizations establish a new business or initiate strategic improvements to existing organizational products, processes, and practices (Chua et al., 1999). Entrepreneurship is defined by Zahra and Garvis (2000) as organizational activities, which are directed at the establishment of a new business within the organization (Kuratko et al., 2011).

The creation of a new business within or outside an existing organization is the main reference of corporate venturing (Antonicic & Zorn, 2004; Wang & Altinay, 2012), whereas innovation refers to the presentation of new products services into new or existing markets. On the contrary, the vital renewal encompasses making some important amelioration to available organizational processes and products or services.

In an attempt to identify a clear definition of corporate venturing, the entrepreneurial firm described by Miller (1983) is considered as one, which achieves involvements in inventive, dynamic, and risk-taking acts (Covin & Wales, 2011). Lumpkin and Dess (1996) also define entrepreneurship as organizational processes and practices that result in creating a new business like what is mentioned in the characteristics of one or a mixture of the following aspects: taking a risk, innovation, reactivity, competitive aggression, and self-reliance. Another definition of corporate venturing, Covin and Wales (2011) determined it as set behaviors, distinct and similar, risk-taking, innovation, reactivity, and competitive aggression and self-reliance characteristics. This self-reliance, or in other words, autonomy, is a state of giving employees or a group of employees a freedom to lead the way of exploration and exploitation of specified opportunities free from obstructions of bureaucracy. As for competitive aggression, it invokes an organization's desire to exceed others performance by the change of its competitive policies or techniques that are demonstrated in the ways of resource deployment.

Correspondingly, before the investigation of resources, opportunities are attentively examined to determine the involved risks for trustee organizations. This fact is real since if the decision of investing is taken, the reversal will be hard. A management structure means that the composition of the organizational structure should help gain access to non-owned resources. Another significance of management structure is the need for flexibility in that individuals or groups within the organizations can pursue determined chances to bring them to accomplishment without bureaucracies' obstructions. According to the reward philosophy, the rewards of employees should depend on involvement to create values.

The desire of all organizations to grow is what forms the growth orientation. Nevertheless, unlike promoter organizations, which desire to grow rapidly, trustee organizations desire to grow progressively. Urging employees to be both creative and innovative is at the heart of entrepreneurial culture, and this is important for the organization to embrace entrepreneurial behavior.

H1: There is a significant relationship between corporate entrepreneurship and business performance.

Access to Financial Capital

Many resources are required for the pursuit of entrepreneurial strategies. Wide-ranging are the strategic options that are open to a firm. The availability of more resources is advisable (Romanelli, 1987; Tushman & Anderson, 1986), and entrepreneurship has a strategic orientation, which consumes resources (Covin & Slevin, 1991; Romanelli, 1987). As a result, access to more resources makes corporate entrepreneurship easier. Concerning small firms, access to financial resources seems to occupy a special significance. The most common resource type is financial capital, which can be simply transformed into other resource types. Consequently, the restriction of resources in other areas can be alleviated by access to financial resources.

Moreover, these small firms often face many difficulties to obtain equity and finance their debts; this fact represents a serious constraint that curbs their growth (Stanworth & Gray, 1991; Storey, 1994; Winborg & Landstrom, 2000). However, the involvement of small firms in innovation and their struggle to achieve higher rates of performance will have "a very great need for financial resources" (Greene et al., 1997). This idea is well manifested in the venture capital industry, which allows large sums of money to individual businesses, but generally just to novel firms whose prospective is to achieve a remarkable performance (Zacharakis & Meyer, 2000).

More particularly, to explain performance, access to financial capital necessitates interaction with entrepreneurship. The provision of firms with the slack of experimentation using new policies and novel projects, which may not be adopted in an environment suffering from lack of resources, is the key mission of financial capital (Cyert & March, 1963; Levinthal & March, 1981; Cooper et al., 1988). Fostering the culture of experimentation is what financial slack realizes since the protection of firms from the precarious effects of those projects is necessary to help experiment with new strategies and practices, particularly product innovation (Zahra, 1991). Hence, a firm's innovativeness should be stimulated by financial capital.

Taking risks encompassed to make significant and risky resource involvements, investigate in inexperienced technologies or carry new products to the market, conceivably for the benefit of high returns acquisition by opportunity seizing in the marketplace (Lumpkin & Dess, 1996). Gaining more access to financial capital, it is easier to alleviate the risks of fateful projects by risk-taking stimulants. Proactiveness incorporates the withdrawal of resources from operations and products in the maturity

stage of the product lifecycle and resources in new products and processes (Venkatraman, 1989). Reinvestments are highly needed in a similar procedure, and they will be significantly more straightforward when the financial capital is more accessible to firms. To summarize, the emergence of efficient performance of an EO as a strategic inclination is appeared to stipulate access to substantial resources (Covin & Slevin, 1991). Thus:

H2: The business performance increases with entrepreneurship but at a faster rate for those that have greater access to financial capital.

Environmental Dynamism

The amelioration of performance is one of the main purposes of a business organization. Performance could take many measures with regard to profitability, market share, growth, or overall business performance. To boost its performance, any business organization has to be aware to carry out specific activities, display definite behaviors, and adapt itself to external environmental rules. Many studies demonstrated that entrepreneurial activities, including risk-taking, innovativeness, proactiveness, autonomy, and competitive aggressiveness, undergo a positive relationship with profitability, market share, growth, and overall business performance (Hameed, 2011; Ireland et al., 2006). Innovativeness, proactiveness, risk tolerance, and aggressive competence are the main characteristics needed to form a business organization. For performance improvement, its adoption of a flexible structure is an urgent necessity.

Furthermore, supportive organizational cultures must be possessed to enable a business organization to pursue entrepreneurial activities and boost its performance. In fact, business activities and performance are affected by the organizational culture (Chuang et al., 2012). This latter also greatly influences organizational behaviors and decides how an organization is associated with its external environment. In this study, the discussed idea is that concerning an organization that wants to carry out entrepreneurial activities and ameliorates its performance, it is necessary to hold an entrepreneurial culture, financial capital access, and environmental dynamism. What an entrepreneurial culture stipulates for a business organization is being creative, innovative, and risk-taking.

Additionally, what is also essential for corporate entrepreneurial activities is learning and adaptive cultures since they positively influence business performance. Most importantly, Ireland et al. (2006) considered that it is vital for entrepreneurial activities to develop the organizational culture of change and innovation. To behave entrepreneurially, it is argued that the organizational culture has to uphold risk-taking, pro activeness, and innovativeness for a business organization (Covin & Slevin, 1991).

Moreover, business activities and performance are affected by external environmental aspects. That is to say, business activities and performance are reliant on external environmental factors, which play a prominent role in the planning of business and making of decisions. This article's proposal is the presentation of the CE performance relationship as an element that depends on the external environment. This environment, directly and indirectly, influences business activities and performance (Gaur et al., 2011; Sebigunda, 2013).

H3. It is argued that entrepreneurial activities will have more positive impact on business performance if environment is highly dynamic and competitive.

Table 1. Summary of Research Hypotheses

Hypotheses	Formulations
H1	There is significant relationship between corporate entrepreneurship and business performance.
H2	The business performance increases with entrepreneurship but at a faster rate for those that have greater access to financial capital.
H3	It is argued that entrepreneurial activities will have more positive impact on business performance if environment is highly dynamic and competitive.

Research Hypothesis

We summarize our research hypotheses in Table 1. All the literature that we have mobilized in the previous points has shown the links summarized in Figure 1.

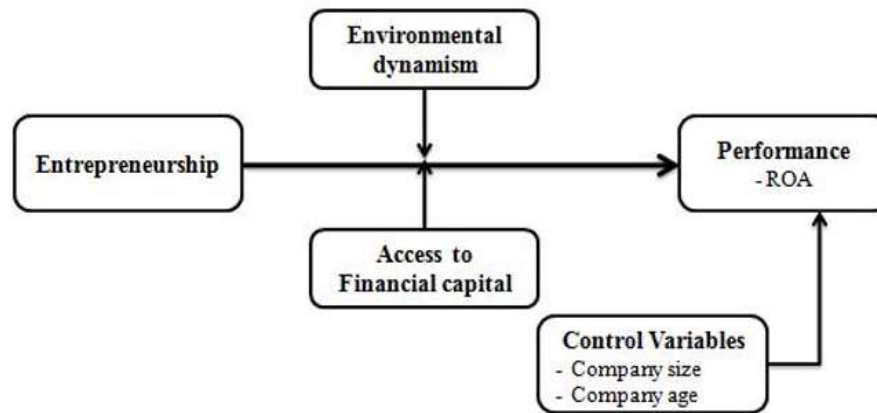


Figure 1. The Conceptual Framework

RESEARCH METHODOLOGY

Estimation Method and Research Sample

This paper's data are consisting of 37 listed French industrial company's period from 2014 to 2018. We selected only these 37 companies based on data availability. The problem of heteroskedasticity was checked in the presented data through the application of the Wald test suggested by Baum et al. (2001), and then significant probability results were obtained. Wooldridge's (2002) technique examined the autocorrelation in the data. Moreover, the within and between variation in our data is also checked. The results demonstrated that generally, the value of between variations was lower than within variation in our variables. Typically, the use of fixed-effects and random-effects methods is for the assessment of models with panel datasets. However, with a very wide N and very short T dimensions (or many cross-sectional units and a very short period), the use of a fixed-effects approach tends appropriate. To test this data, the use of STATA software, interactive tools took place.

Research Model

Drawing on the relevant literature, we employ the following econometric model in our analysis:

$$Perf(ROA)_{it} = a + \beta_1 Entrep + \beta_2 Env.dy + \beta_3 AFC + \beta_4 Comp.size + \beta_5 comp.age + \epsilon_i, t$$

With i indicates the companies ($i = 1, 2, \dots, 37$); t : index of years ($t = 1, \dots, 4$); α : constant; β : parameters to be estimated; ϵ : error term

Where corporate performance is comprehensive, diversified, and dynamic, there exist two types of measurement: accounting and market indicators. In this paper, the performance of companies has been measured using the accounting category. To measure the company's accounting performance, ROA is considered one of the most common indicators at this level. Several studies' excessive use of business performance metrics (Aroui et al., 2011; Grove et al., 2011; Sufian, 2010) is due to assets. ROA is often deployed as an organizational performance metric. This fact demonstrates the efficacy of the use of organizational resources for the achievement of a good performance.

Entrepreneurship: "Percentage of population who are currently an owner-manager of an estamesuresblished business, i.e., owning and managing a running business that has paid salaries, wages, or any other payments to the owners", which is whether a nascent entrepreneur, or of a business owner. It is tested through expert interviews in 100+ countries, roughly 200,000 per year. The main purpose is to measure two major dimensions: entrepreneurial behavior and attitudes of individuals (e.g.,

ownership of young firms, intentions to become an entrepreneur) and the national context (e.g., tax system).

When we use the words “business owner,” meaning one who individually or with partners is in control of monetary and operational decision-making, we are talking about a true sense of ownership. The business owner has ultimate control over the company and decides what to delegate and to whom. Business creation is the process of starting a new enterprise. A new enterprise is defined as a business with a payroll above zero in any given year and did not exist in the previous year.

Business creation is a critical measure of entrepreneurship as starting a new business represents one of the primary ways entrepreneurs bring new ideas to the market. In other words, business creation can represent the commercialization of ideas (Acs & Armington, 2006). Thus, business creation rates measure the extent to which people perceive an entrepreneurial opportunity and act to bring that opportunity to fruition.

Another reason business creation is an important measure is that it captures, in part, the dynamic element of entrepreneurship that is critical to economic change. The new business formation process serves to increase competition, destroying businesses that are no longer competitive and putting competitive pressure on existing firms. Schumpeter (1935) famously described this process of new business creation as “creative destruction,” whereby new businesses replace (or destroy) existing firms that are no longer competitive. He argues that new firms are able to replace existing firms because they bring new ideas, innovations, products, or processes to consumers. By increasing competition, innovation, and productivity, business creation helps to increase economic growth.

For the control variables, following the classification of related literature of the elements that affect corporate performance, this study consistently checks the four variables revealing the company’s performance characteristics: liquidity ratio, environmental dynamism, company size, company age. Return on Assets (Cai et al., 2011) is the income before extraordinary items divided by total assets of the firm. Firm size is calculated by number of employees in a firm, environmental dynamism estimates based on sources and methods described in “The Changing Wealth of Nations: Measuring Sustainable Development in the New Millennium,” environmental dynamism as a construct concerns the frequency of substantial changes in the market environment (Duncan, 1972). Environmental dynamism, which means the rate of change in various environmental factors over time, was measured with a scale adapted from Jansen et al. (2006). The measures focus on changes in demand, market structure, industry, and attitude, among others. Firm age (Gomez-Mejia et al., 2003) is calculated as the year that has been elapsed since the foundation of the firm.

Table 2. Descriptive Statistics

Variables	Mean	Std. Dev.	Minimum	Maximum
Performance (ROA)	21.771	25.492	-5.285	74.223
Entrepreneurship	0.135	0.149	0.003	0.94
Environmental Dynamism	0.163	0.156	0.004	0.965
Access to Financial Capital	0.417	0.142	0.088	0.676
Company Size	9.808	0.817	7.841	11.661
Company Age	4.041	0.043	3.970	4.110

RESULTS AND DISCUSSION

Descriptive Statistics

The descriptive statistics are illustrated in the first table, studying a number of samples, which are composed of include the minimum value, the maximum value, the average value, the value of the standard deviation and the number of observations of the variables. Table 2 best shows the relationship between the descriptive statistics and the dependent, independent, and control variables in this paper. It is worth mentioning that the observation numbers for the different variables in this example are not

identical; this is justified by the number of missing data for the main variables selected. Both minimum and maximum values permit the detection of the existence of possible outliers. The study variables noted that the Performance (ROA) submits a wide variation between the samples (standard deviation = 25.492) tracking company size, Environmental dynamism with a standard deviation of 0.817 and 0.156. Entrepreneurial orientation with a standard deviation of 0.149 demonstrates an average value of 0.135 with a maximum value of 0.94, a minimum value of 0.003.

Correlation

The values for Correlation and Variance Inflated Factors are illustrated in Table 3. Corporate entrepreneurship and the rest of the other variables are correlated with Firm Performance (is the return on equity (ROA)). The values of VIF are well below the standard threshold of 10 in this research. The degree of relationships between the independent variables used in this analysis is presented in the second table. The Pearson correlation matrix is used to investigate if there are multicollinearity problems between the independent variables. Among the study variables, the highest correlation is 0.627 between the Performance ratio (ROA) and the Environmental Dynamism ratio. When the correlation value is greater than 0.70, Kennedy (2003) expressed a multicollinearity problem between the variables. Gujarati (2009) is among academicians who reported that the correlation value greater than 0.80 between the two variables creates a serious multicollinearity problem. Therefore, this research shows that the correlations between the variables are not so strong, which signifies the absence of multicollinearity problems.

Table 3. Correlation Analysis

Variables	VIF	1	2	3	4	5	6
Performance (ROA)	1.18	1.000					
Entrepreneurship	1.29	0.251	1.000				
Environmental dynamism	1.14	0.627	0.117	1.000			
Access to financial capital	1.13	-0.376	-0.024	-0.242	1.000		
Company size	1.29	-0.223	-0.074	-0.089	0.020	1.000	
Companyage	1.27	-0.098	-0.052	-0.116	0.008	-0.055	1.000

Regression Results

It is essential to highlight the findings of assessments of the model embodied in the presented equation at this level. This approach tends to undertake estimations on a heterogeneous panel model relying on the above presented model. These estimations are in relation to the statistical panel data method.

The pooled model and the specific effect model choices are arbitrary. Thanks to Fisher's specification test, which permits the estimation between the fixed effects model or random-effects model (Loko et al., 2007). The Hausman test is built on the following hypotheses: H0: There is no systematic difference in coefficients; H1: There is a difference between the coefficients. Suppose the probability connected with the Hausman test statistic is less than 1%. In that case, the Hausman test will consequently be the best arbiter in defining our choice of model (fixed-effect or compound error). In conformity with these results, the most appropriate model is the fixed effect one; it describes the structured data from our sample since the P-values are below the 1% threshold.

The coefficient of determination R^2 is an indicator that allows us to judge the quality of simple linear regression. It measures the fit between the model and the observed data or how well the regression equation is suited to describe the distribution of points.

Table 4. Regressions

Variables	Performance (ROA)
Entrepreneurship	(0.1523964) 0.004***
Environmental dynamism	(0.7032571) 0.008***
Access to Financial capital	(0.0939492) 0.033**
Company Size	(-0.002974) 0.052*
Company Age	(-0.508254) 0.250
R ²	0.6082

*Note: The values in brackets are t. *, **, and *** are significant at the levels of 10%, 5%, and 1%, respectively.*

In short, the closer the coefficient of determination is to 0, the more the scatter plot is dispersed around the regression line. On the contrary, the more the R² tends towards 1, the more the cloud of points narrows around the regression line. When the points are exactly aligned on the regression line, then R² = 1. Indeed, in our case, R² = 0.608 tends towards 1. This means that the cloud of points narrows around the regression line.

To test the first hypothesis and check its influence on Firm Performance (ROA) (see Table 4), the independent variable corporate entrepreneurship is encompassed in the model. Entrepreneurship is solid, indicating that 1%, thus, boosted entrepreneurial activity and can change the profitability growth of firms by 0.152%. This represents a substantial evidence to support the first hypothesis. These obtained results are consistent with the prior literature (Barnea & Rubin, 2010; Callan & Thomas, 2011; Mahoney & Thorn, 2006) that maintained that when firms are more involved in corporate entrepreneurship, they will experience a higher change in profits. This means that attention is given to the marketing of tried-and-true products or services. The adoption of new ways of doing business from competitors is urgently needed, and another minor task must be done, which is composed of trying changes in product lines. To cope with competitors, this business is nearly the first to initiate new products/services, techniques about administration, operating technologies, and generally introduces actions that competitors then respond to. This business strongly tends to be in front of other competitors in introducing novel ideas or products. It is also crucial to possess a strong tendency for low-risk projects. However, it is trivial to have a strong propensity for projects with high risks.

Entrepreneurship is the origin of competitiveness and developmental policies. Either to be new or old, small, or large, all business organizations should have a dynamic and inventive behavior with the aim of growing and competing properly in the marketplace (Kuratko et al., 2004). In addition, the correlation between entrepreneurship and the profitable growth of firms has been greatly studied (Karacaoglu et al., 2012; Rauch et al., 2009). Entrepreneurship scholars have assumed that entrepreneurship results in higher business performance. But when extant literature is critically reviewed, it shows that the outcomes relative to the relationship between corporate entrepreneurship and business performance are uncompleted (Karacaoglu et al., 2012; Rauch et al., 2009). On the one side, some research affirmed a positive relationship between entrepreneurship and business performance (Zhang & Liu, 2012).

On the grounds of Resource-Based View theory, it is reported that both environmental and financial resources that are characterized by their scarcity, value, and difficulty of duplication and

substitution represent a source of competitive advantage, entrepreneurship able to ameliorate business performance (Barney, 1991). It is recognized that this is an important organizational resource able to provide business organizations with competitive advantages over competitors in the marketplace. Hence, corporate, entrepreneurial activities lead considerable assistance for firm performance (Lumpkin & Dess, 2001).

Similarly, regarding the influence of corporate entrepreneurship confirms profitability development, there are different arguments. There is a group of researchers has debated that the relationship between corporate entrepreneurship (i.e., entrepreneurial orientation) and business performance is based on several strategic orientations of business, including market orientation, employee orientation, and learning orientation (Zhao et al., 2011). It is remarkable that after the check of many variables, the coefficient of the regression for Environmental dynamism is, according to the data, significant at the 1% level.

Concerning the relation that exists between Environmental dynamism and business performance, empirical outcomes, which are available, reveal that the environment affects directly and indirectly on firm's profitable growth (Awang et al., 2009; Covin & Slevin, 1991; Wiklund & Shepherd, 2005). The available literature demonstrates that business organizations profit more from the engagement in entrepreneurial activities when the business environment is extremely dynamic and competitive (Covin & Slevin, 1989, 1991; Ireland et al., 2006).

At this level, the third hypothesis is confirmed, showing that if the environment is highly dynamic and competitive entrepreneurial activities will have a more positive impact on the growth of a firm's profitability. In addition, if the environment is highly dynamic and competitive entrepreneurial activities will have more positive impact on business performance (Gaur et al., 2011; Sebigunda, 2013; Ting et al., 2012). Therefore, external environment is regarded as a precedent to corporate entrepreneurship and business performance (Racelis, 2010).

Akpoviro & Owotutu's (2018) study dealt with the influence of the external business environment on the organizational performance of frozen fish companies in Nigeria. Business environment, organizational performance, and Nigeria's business environment are also revealed. The examination concluded that organizational performance has been affected by the external business environment, political, economic, technological and socio-cultural, etc. As a result, the organization has to acquire a clear understanding of organizational performance implications of their business activities to identify opportunities and business and organizational hazards. What decides enterprises' performance are resource allocation and the dynamic environment. So that Empirical results of Zhang and Liu (2012) demonstrated the allocation of financial resources with a dynamic environment has a positive impact on the profitability growth of firms.

With reference to the influence of the environmental variables on role perceptions, Stan et al. (2012) discovered that environmental dynamism raises role conflict and ambiguity. On the other hand, Environmental heterogeneity increases role conflict but does not affect role ambiguity. A possible reason for this may be that environmental heterogeneity, unlike dynamism, is more predictable because it can be evaluated and anticipated (Leblebici & Salancik, 1981). Heterogeneity may lead to some role conflict because of the divergent expectations of the role partners but may not enhance role ambiguity since salespeople can learn to evaluate the diversity and develop coping mechanisms.

With respect to performance, it was found that both environmental dynamism and heterogeneity reduce performance, directly and indirectly, providing for discord with our hypothesis.

As it was stated in the used estimations, financing access significance is at the 5% threshold, such as at $P\text{-value} = 0.033 < 0.05$. What can be concluded in reference to this assessment is that small business performance is positively affected by financial capital access. Dollinger (1999) emphasized the important role that accesses to financial resources plays and its benefits for small firms.

Fowowe (2017) is another researcher who studied an empirical investigation of the impact of finance access on the profitable growth of African countries' firms. To achieve this purpose, the author reached a set of evidence data taken from the World Bank's Enterprise Surveys and used subjective and objective measures of access to finance. After using subjective measures, the results reveal that not credited constrained firms lead growth faster than the ones with constraints of credit. At this level, it is obvious that financing a prominent fact for a firm to achieve growth. It is similarly clear that several measures and initiatives are created to provide African firms with more finance.

Financial access is considered the cornerstone of small and micro-enterprises. It is the fundamental element of financial performance in developed countries. Makokha et al., (2016). Concerning the financial performance of SMEs, financial access affects them positively and significantly.

After reviewing the empirical evidence, we evaluated the role of access to finance for small and medium-sized enterprise performance. The study used 133 SME samples from the total population of 2,128. It is deduced that the simple application procedures are the factors affecting access to external finance. Most importantly, the outcomes are confirmed with the role of access finance, including profitability improvement, amelioration of firm efficiency, prevention of liquidity problems, and improvement of firm solvency and assets quality increase. The hypothesis (H2) is also confirmed with results showing that the business performance rises with entrepreneurship faster than those do that have greater access to financial capital since the linear regressions in this study are significant at $p < 0.05$ ($p = 0.033$).

CONCLUSION

A fundamental role is played by firms in France thanks to their involvement in employment and income. It is an important operator for the industrialization and modernization strategy of the whole economy. As they help firms to maintain a competitive edge in increasingly competitive global and regional markets, entrepreneurship specifically supports firms' sustainability in the new epoch. However, literature stayed restricted by reference to the impact of corporate entrepreneurship on business performance that is reliant on environmental and financial factors. It is then deduced that organizations will profit more from entrepreneurial activities if the environment is dynamic and competitive.

This research relies on a French data set over a four-year duration; from 2014 to 2018, to enclose various firms. The results of these studies indicate that cooperate entrepreneurship influences firm performance significantly and positively. More precisely, this result indicated that entrepreneurship helps firms maintain market share or even win more customers regarding concurrence. For companies, whatever their size when competition exists, they lead a competitive situation vis-à-vis their competitors. This fact motivates them to search permanently not only for better economic efficiency but also for new products. Firms become capable of maintaining the firm's profitable growth, increasing their market share, and raising their margin rate.

As it is stated above, statistically speaking, the significant drivers of a firm's performance are entrepreneurship, environmental dynamism, and financial capital. Moreover, dimensions of the environment and time play an important role in the value creation paradigm (Bruyat & Julien, 2001). This latter can be expanded from the private market sector to the public market sector, such as non-profit associations and cooperatives (Masmoudi et al., 2007). A social connotation could be taken on in the solidarity economy without ignoring the financial obligations asserted by the partners (Boncler & Hlady-Rispal, 2003).

In summarizing, entrepreneurship in free enterprises is an important issue requiring reflection. At the economic level, it can substitute the economic crisis (Rasolonomalaza, 2011), and it is open to the world, achieving a level of growth. Socially speaking, since it is a job provider, entrepreneurship in its territorial proximity (Theodoraki et al., 2018) is a development determinant. What gave entrepreneurship its first theoretical foundations are creative and innovative ideas derived from the people, the organization's employees, Austrian economist Joseph Schumpeter (1935) with the function of innovation and the idea of "creative destruction." Referring to this author, the engine of the "creative destruction" process is entrepreneurs who identify the opportunities that existing players do not see and develop the technologies and concepts that will generate new economic activities.

To conclude, the link using a more updated dataset is helpful due to this prevailing tendency to integrate deeper economy. Equally important, the link between entrepreneurship and firm performance in France may have been influenced by technological advancement.

A key recommendation of this study is that these aspects should be openly and carefully reviewed and discussed in terms of relevance and priority; an equally important aspect of measuring entrepreneurship is the choice of empirical indicators. This study showed that entrepreneurship and environmental and financial capital taking dimensions undergo a considerably favorable impact on the

progress of profitability of firms. This assists in the research area of entrepreneurship in underdeveloped countries and boosts the effects of entrepreneurial aspects on the accomplishment and the development of firms.

Another key recommendation of this study is that having a sound concept of entrepreneurship and knowing where it flourishes will profoundly affect the discussion of public policy. Once we can measure entrepreneurship, we can investigate the reasons why some regions have more than others. We can then begin to understand and promote policies that will create an environment conducive to entrepreneurship.

This study also briefly discussed another potential that having a sound concept of entrepreneurship and knowing where it flourishes will profoundly affect the discussion of public policy. Once we can measure entrepreneurship, we can investigate the reasons why some regions have more than others. We can then begin to understand and promote policies that will create an environment conducive to entrepreneurship.

Another key recommendation of this study than the major advantage of business creation as an indicator of entrepreneurship is that it represents the primary way people bring ideas to the market. Put differently, creating a new business represents a mechanism by which entrepreneurs can gather resources (ideas, employees, and financing) and combine them to commercialize their idea. Combining business creation with the number of firms that go out of business to determine “net” business creation provides a measure of the dynamic element of the entrepreneurship process (Schumpeter, 1942).

The primary disadvantage of using business creation as a measure of entrepreneurship is that the most appropriate firm size to measure is unknown. Data availability in this study has limited the measure of business creation to firms with 1-9 employees. While most business creation occurs within this group, the debate over the optimal measure is still open. In addition, Baumol et al. (2007) suggest that including the smallest firms (i.e., receipts of \$1,000 or less) may overstate entrepreneurial activity as it may include side or casual businesses. Thus, including very small operations—where the so-called entrepreneur still generates most of his or her income from paid employment—in a measure of business creation may not lead to an accurate reflection of the level of entrepreneurship occurring in a jurisdiction.

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