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The Relationship Between Entrepreneurial Orientation and the Firm's Growth Potential as Size of Firm

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Abstract: When a company is born, grows and then goes bust, it completes its life cycle. The organization must cater its resources such as its strategy, culture, CEO etc. to the various business constraints to successfully navigate itself throughout its life cycle. While some companies last several years without growing or declining, other companies go bust soon after birth and a few companies grow steadily. For the few companies that do succeed to grow steadily, the eternal driver for growth and sustainability is, not because of strategy change but because of constant innovation. And the people who drive this innovation are mostly entrepreneurs. A firm's entrepreneurial orientation (hereafter EO) is defined acting innovatively and proactively, and taking risks like entrepreneurs, when confronted with market opportunities. Empirical studies have shown that more entrepreneurial oriented firms performed better. This study investigates the relationship between EO and the growth potential of Korean venture firms grouped by size. EO is a factor which affects corporate growth potential in certain size firms of Korea.

Keywords: Entrepreneurial Orientation, Growth of firm, Corporate Life cycle